A NORTHWEST REGIONAL SERVICES CORPORATION

HEARINGS

BEFORE

SUBCOMMITTEE NO. 5
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

SECOND SESSION

ON

S. 1602, and Related Bills

TO CREATE A NORTHWEST REGIONAL SERVICES CORPORATION TO PROVIDE A CENTRAL LOCATION FOR VARIOUS TRAINING CENTERS AND PROGRAMS, AND FOR OTHER PURPOSES

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TO CREATE A NORTHWEST REGIONAL SERVICES CORPORATION TO PROVIDE A CENTRAL LOCATION FOR VARIOUS TRAINING CENTERS AND PROGRAMS, AND FOR OTHER PURPOSES

WEDNESDAY, JUNE 5, 1968

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 5 OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met at 10:30 a.m., pursuant to notice, in room 2141, Rayburn House Office Building, Hon. Byron G. Rogers presiding.

Present: Representatives Rogers, Kastenmeier, Biester, MacGregor, and Railsback.

Staff members present: Benjamin Zelenko, counsel; and Donald Santarelli, associate counsel.

Mr. ROGERS. The committee will come to order.

This morning Subcommittee No. 5 begins a series of hearings, expected to continue for 4 days, on S. 1602, and related measures, to create a Northwest Regional Services Corp. to provide a central location for various training centers and programs.

The measure would create a wholly-owned Government corporation to which the Secretary of Defense would convey the property of Glasgow Air Force Base at Glasgow, Mont., upon determining that the base is no longer needed for military purposes. The powers of the corporation would be exercised by a three-member board of directors to be appointed by the President. The corporation would have existence until December 31, 1972, and the bill contains an authorization for appropriations of up to $1 million for each of the fiscal years 1968, 1969, and 1970. In addition, the corporation is authorized to sell up to $25 million in unguaranteed obligations.

The corporation would be authorized to establish a variety of training, research, rehabilitation, and testing programs at the Glasgow Air Force Base facilities through agreements with other Federal agencies. It would also be authorized to establish an industrial complex for private industry at the base and to assess charges for the use of its facilities and services.

Hearings have been held on this measure before the Senate Committee on Government Operations in June and July of last year. As I understand it, the measure grows out of the announcement of former Secretary of Defense Robert S. McNamara, made in November 1964, of the Government's intentions to close Glasgow Air Force Base on June 30, 1968.

Efforts to make an economic and social adjustment in advance of the closing of the base apparently has been unproductive. I am advised that a presidential task force has concerned itself with the problems of the base's closure and I expect that we shall hear testimony concerning its activities. There are several questions to which the committee undoubtedly will wish to address itself in the course of these hearings. For example:

1. What is the precise legal status of the corporation and the liability of the United States with respect to its activities?

2. What will be the capacity of the corporation to market its obligations?

3. What are the prospects that Federal agencies can and will avail themselves of the facilities of Glasgow Air Force Base?

The committee plans to receive testimony from representatives of various executive departments having an interest in the legislation, as well as individuals and organizations. This morning we shall hear from congressional sponsors of the legislation. At this point we shall insert in the record copies of the legislation which are the subject of these hearings.

(Bills follow:)

[S. 1602, 90th Cong., first sess.]

AN ACT To create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Northwest Regional Services Act".

SEC. 2. It is the purpose of this Act to provide a central location for various training centers and programs which will enhance the social, cultural, and economic well-being of all the people of the United States, in particular the Northwest region of the United States, thereby contributing to the national interest and improving and strengthening the commonweal.

SEC.3. There is hereby created a body corporate to be known as the Northwest Regional Services Corporation (hereafter referred to in this Act as the Corporation"). The Corporation shall have existence through December 31, 1972, unless sooner dissolved by Act of Congress.

SEC. 4. (a) Upon determination of the Secretary of Defense that Glasgow Air Force Base, Glasgow, Montana, is no longer needed for military purposes, he is authorized and directed to transfer to the Corporation all right, title, and interest of the United States in and to the property (real, personal, and mixed) of such Air Force base, except combat-mission-oriented equipment and supplies.

(b) Prior to the transfer of the property provided for in subsection (a) of this section, the Corporation shall establish plans to carry out the provisions of this Act. Upon completion of such transfer, the Corporation shall proceed to implement such plans as soon as practicable.

SEC. 5. (a) The Corporation is hereby authorized and encouraged to establish, within any area trasferred to the jurisdiction of the Corporation pursuant to section 4 and using the facilities presently established within such area to the extent possible, the following training centers and programs insofar, except for clause (19), as such training centers and programs are authorized under Federal law:

(1) a manpower development and training center for programs similar to those authorized by the Manpower Development and Training Act of 1962, particularly emphasizing training which is not financially feasible at a local level including, but not limited to, training for pilots, mechanics, practical nurses, medical technicians, and related fields;

(2) an industry training and job training center for employable individuals, including Indians;

(3) a center for training workers in relevant automatic data processing techniques, including, but not limited to, repair, installation, and programing;

(4) a residential vocational-technical institution at the secondary and postsecondary school level which would provide education and training for

individuals, including education and training for individuals from the Canadian Provinces upon assessment of appropriate charges;

(5) a center for training adults to become teaching aids;

(6) a center for training medical teams in giving rural and emergency helicopter and aircraft-type medical services;

(7) an experimental center for educational research on the handicapped, underprivileged, and economically deprived;

(8) an educational television instruction center with special emphasis on developing instructional programs and techniques for the economically deprived and handicapped;

(9) a family training center for Indians who are ready and willing to leave the reservation and who appear to be able to adjust to environmental change;

(10) a law enforcement and crime prevention institute, including research and training facilities;

(11) a family rehabilitation and retraining center for alcoholics and narcotic addicts;

(12) an institute to train local, State, and Federal officers and employees in various programs designed to improve intergovernmental relations and programs administration;

(13) a Department of Transportation safety research testing, development, and standards center;

(14) an air and water research and testing facility;

(15) a supersonic transport and instrumented sonic boom testing range;

(16) a jet aircraft noise abatement test, research and standards development center, jointly sponsored by the Department of Transportation, National Aeronautics and Space Administration, the National Science Foundation, Department of Defense, and the aerospace industry;

(17) an airport testing facility using cold and hot weather construction techniques and standards and other programs using available environmental factors to attain national standards;

(18) a supersonic transport training center;

(19) an industrial complex in which private industry shall be encouraged to locate not only to provide employment for persons in the region but also to supply needed goods and services;

(20) an educational research and demonstration facility, eligible for grants under section 4 of the Cooperative Research Act, which would specialize in vocational and technical education and other resident education;

(21) a national center for human resources development, including a comprehensive occupational education facility; and

(22) any other programs which are within the purposes of any Federal law and are carried out in cooperation with the department or agency of the United States administering such law.

(b) The Corporation is authorized and directed to enter into agreements with departments and agencies of the United States to provide the training centers and programs authorized by section 5(a) of this Act to the extent particular Acts authorize such departments and agencies to conduct such training centers and programs.

(c) The Corporation may enter into agreements with private individuals, associations, corporations, foundations and other organizations, and Federal, local, and State governments to execute the program provided for in section 5(a)(19) of this Act. The Corporation is authorized to assess appropriate charges and other costs for the use of property or other facilities and services provided in carrying out such program.

(d) If necessary to achieve the purposes of such program under section 5(a)(19) of this Act, the Corporation is authorized to sell, at the fair market value existing at the time of the sale, property (real, personal, and mixed) located within an industrial complex established under such section.

SEC. 6. (a) The Corporation shall have a board of directors (hereafter referred to as the "board") consisting of three members who are citizens of the United States. The members shall be appointed by the President, by and with the advice and consent of the Senate, and without regard to political affiliation. In appointing the members of the board, the President shall designate the chairman.

(d) The board of directors shall exercise all powers necessary to carry out the functions of the Corporation.

(c) The term of office of each member shall be five years except that—

(1) the terms of the members first taking office shall expire as designated by the President at the time of appointment, one for a term of one year, one for a term of three years, and one for a term of five years; and

(2) any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

(d) Vacancies in the board, so long as there are two members in office, shall not impair the powers of the board to execute the functions of the Corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each member of the board who is appointed from private life shall receive $100 per diem for each day (including travel time) during which he is engaged in the actual performance of his duties as a member of the board. A member of the board who is in the legislative, executive, or judicial branch of the United States Government shall serve without additional compensation. All members of the board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 7. The Corporation shall have a general manager who shall be the chief executive officer of the Corporation and who shall discharge such duties as the board shall direct. The general manager shall be appointed by the board without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and he shall receive compensation at a rate to be fixed by the board of directors, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but such compensation shall not be in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

SEC. 8. The general manager shall, in accordance with such policies as the board shall from time to time prescribe, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such compensation shall be without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the maximum rate prescribed for GS–17 in the General Schedule of section 5332 of title 5, United States Code.

SEC. 9. The Corporation is authorized to issue such notes, debentures, or other obligations as it determines to be necessary to finance training centers and programs under section 5 of this Act. Obligations issued hereunder shall not exceed $25,000,000 outstanding at any one time; shall be issued at such times, have such maturities, and bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury; and shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. Such obligations shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States, and such obligations shall clearly so indicate. The Corporation is authorized to purchase in the open market any of its obligations outstanding under this section at any time and any price.

SEC. 10. The Corporation shall have the following powers:

(1) to adopt, alter, and use a corporate seal;

(2) to adopt, amend, and repeal bylaws, rules, and regulations governing the manner of its operations, organization, and personnel, and the performance of the powers and duties granted to or imposed upon it by law;

(3) to sue and be sued in its corporate name, except that nothing herein shall be construed to exempt the Corporation from the application of sections 517, 547, and 2679 of title 28, United States Code;

(4) to have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, or decedent's estates;

(5) to acquire by purchase, lease, condemnation, or in any other lawful manner, any personal property, tangible or intangible, or any interest therein; to hold, maintain, use, and operate the same; to provide services in connection therewith, and to charge therefor; and to sell, lease, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary or appropriate by the board for the conduct of the business of the Corporation and to carry out the corporate purposes;

(6) to construct, operate, lease, and maintain buildings, facilities, and other improvements, on the property transferred to it pursuant to section 4, as may be required to carry out the purposes of this Act, and to charge for the use of the foregoing;

(7) to accept gifts or donations of services or personal property, tangible or intangible, in aid of any of the purposes of the Corporation;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(9) to enter into contracts or other arrangements, or modifications thereof, with State and local governments, any agency or department of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(10) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to the provisions of this Act and other provisions of law specifically applicable to Government corporations;

(11) to make advance, progress, and other payments which the board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(12) to execute, in accordance with its bylaws, rules, and regulations, all instruments necessary or appropriate in the exercise of any of its powers;

(13) to settle and adjust claims held by the Corporation against other persons or parties and claims by other persons or parties against the Corporation; and

(14) to take such action as may be necessary to carry out the powers conferred upon the Corporation.

SEC. 11. All contracts negotiated without advertising pursuant to authority contained in this Act shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall until the expiration of three years after final payment have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts.

SEC. 12. For purposes of venue in civil actions, the Corporation shall be deemed a resident of the judicial district of Montana.

SEC. 13. The Corporation, its property, franchises, and income are hereby expressly exempted from taxation in any manner or form by the United States or any State, county, or municipality, or any subdivision thereof.

SEC. 14. (a) The board shall have the power to make and amend such reasonable rules and regulations as it deems necessary, in the interest of safety or to carry out the purposes of this Act, governing the protection of property and the conduct of persons on any area within the jurisdiction of the Corporation.

(b) Whoever knowingly and willfully violates any rule or regulation prescribed under subsection (a) of this section shall be fined not more than $500 or imprisoned not more than six months, or both.

SEC. 15. (a) Any employee of the Corporation appointed to protect life and property on any area within the jurisdiction of the Corporation is authorized and empowered—

(1) to arrest under a warrant within the limits of the jurisdiction of the Corporation any person accused of having committed any offense against the laws of the United States, or against any rule or regulation prescribed pursuant to this Act, within such jurisdiction;

(2) to arrest without a warrant any person committing any such offense within the jurisdiction of the Corporation in his presence; and

(3) to arrest without a warrant, within the jurisdiction of the Corporation, any person he has reasonable grounds to believe has committed a felony within the jurisdiction of the Corporation.

(b) Any employee having the power of arrest as provided in subsection (a) of this section may carry firearms and such other weapons as the board may direct or by regulation prescribe.

SEC. 16. Section 101 of the Government Corporation Control Act (59 Stat. 597), as amended (31 U.S.C. 846), is amended by inserting "Northwest Regional Services Corporation;" after "Panama Canal Company;".

(a) The Corporation shall to the greatest extent possible cooperate and coordinate with appropriate State and local governments and agencies in developing and carrying out its activities under this Act.

(b) The Corporation shall from time to time, not less than once a year, report to the President and to the Congress on activities undertaken, and proposed to be undertaken, and copies of such reports shall be furnished to the Governor of any State in which the activities of the Corporation are carried out.

SEC. 17. Any sums appropriated pursuant to section 18 of this Act, and any revenues raised and receipts from the training centers and programs authorized by this Act, shall be deposited in a revolving fund which is hereby established in the Treasury of the United States. Moneys in the fund shall be available to the board in the exercise of its powers under this Act. Moneys in the fund not needed for current operations shall be invested in bonds or other obligations of, or guaranteed by, the United States.

SEC. 18. (a) To carry out the purposes of this Act, there are authorized to be appropriated at any time after its enactment not to exceed $1,000,000 for the fiscal year ending June 30, 1968; $1,000,000 for the fiscal year ending June 30, 1969; and $1,000,000 for the fiscal year ending June 30, 1970.

(b) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

Passed the Senate October 27, 1967.

Attest:

FRANCIS R. VALEO,
Secretary.

[H.R. 10238, 90th Cong., first sess.]

A BILL To create a National Services Corporation to provide a central location for various training centers and programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Services Act".

SEC. 2. It is the purpose of this Act to provide a central location for various training centers and programs which will enhance the social, cultural, and economic well-being of all the people of the United States thereby contributing to the national interest and improving and strengthening the commonweal.

SEC. 3. There is hereby created a body corporate to be known as the National Services Corporation (hereafter referred to in this Act as the "Corporation"). The Corporation shall have perpetual succession unless dissolved by Act of Congress.

SEC. 4. (a) Upon determination of the Secretary of Defense that Glasgow Air Force Base, Glasgow, Montana, is no longer needed for military purposes, he is authorized and directed to transfer to the Corporation all rights, title, and interest of the United States in and to the property (real, personal, and mixed) of such Air Force base.

(b) Prior to the transfer of the property provided for in subsection (a) of this section, the Corporation shall establish plans to carry out the provisions of this Act. Upon completion of such transfer, the Corporation shall proceed to implement such plans as soon as practicable.

SEC. 5. (a) The Corporation is hereby authorized and directed to establish, within the area transferred to the jurisdiction of the Corporation pursuant to section 4 and using the facilities presently established within such area to the extent possible, the following training centers and programs:

(1) a manpower development and training center for programs similar to those authorized by the Manpower Development and Training Act of 1962, particularly emphasizing training which is not financially feasible at a local level including, but not limited to, training for pilots, mechanics, practical nurses, medical technicians, and related fields;

(2) an industry training and job training center for employable individuals, including Indians;

(3) a center for training workers in relevant automatic data processing techniques, including, but not limited to, repair, installation, and programing;

(4) a senior citizen rehabilitation and training center designed to help train and orient older citizens for less active work and retirement activities;

(5) a residential vocational-technical institution at the secondary and postsecondary school level which would provide education and training for individuals;

(6) a center for training adults to become teaching aids;

(7) a center for training medical teams in giving rural and emergency helicopter and aircraft-type medical services;

(8) an experimental center for educational research on the handicapped, underprivileged, and economically deprived;

(9) an educational television instruction center with special emphasis on developing instructional programs and techniques for the economically deprived and handicapped;

(10) a family training center for Indians;

(11) a law enforcement and crime prevention institute including research and training facilities;

(12) a family rehabilitation and retraining center for alcoholics and narcotic addicts;

(13) an institute to train local, State, and Federal officers and employees in various programs designed to improve intergovernmental relations and programs administration;

(14) a Department of Transportation safety research testing, development, and standards center;

(15) an air and water research and testing facility;

(16) a supersonic transport and instrumented testing range;

(17) a jet aircraft noise abatement test, research and standards development center, jointly sponsored by the Department of Transportation, National Aeronautics and Space Administration, the National Science Foundation, Department of Defense, and the aerospace industry;

(18) an airport testing facility using cold and hot weather construction techniques and standards and other programs using available environmental factors to attain national standards;

(19) a supersonic transport training center;

(20) an industrial complex in which private industry shall be encouraged to locate not only to provide employment for persons in the region but also to supply needed goods and services;

(21) an educational research and demonstration facility, eligible for grants under section 4 of the Cooperative Research Act, which would specialize in vocational and technical education and other resident education;

(22) a national center for human resources development, including a comprehensive occupational education facility; and

(23) any other programs which are within the purposes of any Federal law and are carried out in cooperation with the department or agency of the United States administering such law.

(b) The Corporation is authorized and directed to enter into agreements with departments and agencies of the United States to provide the training centers and programs authorized by section 5(a) of this Act to the extent particular Acts authorize such departments and agencies to conduct such training centers and programs. Any such agreement shall be in accordance with the particular Act authorizing the training center or program, except that the training centers and programs under section 5(a) of this Act are to be considered as additional authorizations without any requirement for providing matching funds.

(c) The Corporation may enter into agreements with private individuals, associations, corporations, foundations and other organizations, and Federal, local, and State governments to execute the program provided for in section 5(a)(23) of this Act. The Corporation is authorized to assess appropriate charges and other costs for the use of property or other facilities and services provided in carrying out such program.

SEC. 6. (a) The Corporation shall have a Board of Directors (hereafter referred to as the "Board") consisting of three members who are citizens of the United States. The members shall be appointed by the President, by and with the advice and consent of the Senate, on the basis of distinguished public service and without regard to political affiliation. In appointing the members of the Board, the President shall designate the Chairman.

(b) The Board of Directors shall exercise all powers necessary to carry out the functions of the Corporation.

(c) The term of office of each member shall be five years except that—

(1) the terms of the members first taking office shall expire as designated by the President at the time of appointment, one for a term of one year, one for a term of three years, and one for a term of five years; and

(2) any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

(d) Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute the functions of the Corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the Board.

(e) Each member of the Board shall receive compensation at the rate prescribed for level V of the Executive Schedule under section 5311 of title 5, United States Code.

SEC. 7. The Corporation shall have a General Manager who shall be the chief executive officer of the Corporation and who shall discharge such duties as the Board shall direct. The General Manager shall be appointed by the Board without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and he shall receive compensation at a rate to be fixed by the Board of Directors, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but such compensation shall not be in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

SEC. 8. The General Manager shall, in accordance with such policies as the Board shall from time to time prescribe, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such compensation shall be without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the maximum rate prescribed for GS–17 in the General Schedule of section 5332 of title 5, United States Code.

SEC. 9. The Corporation shall have the following powers:

(1) to adopt, alter, and use a corporate seal;

(2) to adopt, amend, and repeal bylaws, rules, and regulations governing the manner of its operations, organization, and personnel, and the performance of the powers and duties granted to or imposed upon it by law;

(3) to sue and be sued in its corporate name, except that nothing herein shall be construed to exempt the Corporation from the application of sections 517, 547, and 2679 of title 28, United States Code;

(4) to have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, or decedent's estates;

(5) to acquire in lawful manner, any personal property, tangible or intangible, or any interest therein; to hold, maintain, use, and operate the same; to provide services in connection therewith, and to charge therefor; and to sell, lease, or otherwise dispose of the same at such time, in such manner and to the extent deemed necessary or appropriate by the Board for the conduct of the business of the Corporation and to carry out the corporate purposes, except that any disposition of personal property shall be made in accordance with the Federal Property and Administrative Services Act of 1949, as amended;

(6) to construct, operate, lease, and maintain buildings, facilities, and other improvements, on the property transferred to it pursuant to section 4, as may be required to carry out the purposes of this Act, and to charge for the use of the foregoing;

(7) to accept gifts or donations of services or personal property, tangible or intangible, in aid of any of the purposes of the Corporation;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(9) to enter into contracts or other arrangements, or modifications thereof, with State and local governments, any agency or department of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(10) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to the provisions of this Act and other provisions of law specifically applicable to Government corporations;

(11) to make advance, progress, and other payments which the board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(12) to execute, in accordance with its bylaws, rules, and regulations, all instruments necessary or appropriate in the exercise of any of its powers;

(13) to settle and adjust claims held by the Corporation against other persons or parties and claims by other persons or parties against the Corporation; and

(14) to take such action as may be necessary to carry out the powers conferred upon the Corporation.

SEC. 10. For purposes of venue in civil actions, the Corporation shall be deemed a resident of the judicial district of Montana.

SEC. 11. The Corporation, its property, franchises, and income are hereby expressly exempted from taxation in any manner or form by any State, county, or municipality, or any subdivision thereof.

SEC. 12. (a) The Board shall have the power to make and amend such reasonable rules and regulations as it deems necessary, in the interest of safety or to carry out the purposes of this Act, governing the protection of property and the conduct of persons or any area within the jurisdiction of the Corporation.

(b) Whoever knowingly and willfully violates any rule or regulation prescribed under subsection (a) of this section shall be fined not more than $500 or imprisoned not more than six months, or both.

SEC. 13. (a) Any employee of the Corporation appointed to protect life and property on any area within the jurisdiction of the Corporation is authorized and empowered—

(1) to arrest under a warrant within the limits of the jurisdiction of the Corporation any person accused of having committed any offense against the laws of the United States, or against any rule or regulation prescribed pursuant to this Act, within such jurisdiction;

(2) to arrest without a warrant any person committing any such offense within the jurisdiction of the Corporation in his presence; and

(3) to arrest without a warrant, within the jurisdiction of the Corporation, any person he has reasonable grounds to believe has committed a felony within the jurisdiction of the Corporation.

(b) Any employee having the power of arrest as provided in subsection (a) of this section may carry firearms and such other weapons as the Board may direct or by regulation prescribe.

SEC. 14. There is hereby authorized to be appropriated to the Corporation such sums as may be necessary to carry out the provisions of this Act.

[H.R. 10239, 90th Cong., first sess.]

A BILL To create a National Services Corporation to provide a central location for various training centers and programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Services Act".

SEC. 2. It is the purpose of this Act to provide a central location for various training centers and programs which will enhance the social, cultural, and economic well-being of all the people of the United States, thereby contributing to the national interest and improving and strengthening the commonweal.

SEC. 3. There is hereby created a body corporate to be known as the National Services Corporation (hereafter referred to in this Act as the "Corporation"). The Corporation shall have perpetual succession unless dissolved by Act of Congress.

SEC. 4. (a) Upon determination of the Secretary of Defense that Glasgow Air Force Base, Glasgow, Montana, is no longer needed for military purposes, he is authorized and directed to transfer to the Corporation all right, title, and interest of the United States in and to the property (real, personal, and mixed) of such Air Force base.

(b) Prior to the transfer of the property provided for in subsection (a) of this section, the Corporation shall establish plans to carry out the provisions of this Act. Upon completion of such transfer, the Corporation shall proceed to implement such plans as soon as practicable.

SEC. 5. (a) The Corporation is hereby authorized and directed to establish, within the area transferred to the jurisdiction of the Corporation pursuant to

section 4 and using the facilities presently established within such area to the extent possible, the following training centers and programs:

(1) a manpower development and training center for programs similar to those authorized by the Manpower Development and Training Act of 1962, particularly emphasizing training which is not financially feasible at a local level including, but not limited to, training for pilots, mechanics, practical nurses, medical technicians, and related fields;

(2) an industry training and job training center for employable individuals, including Indians;

(3) a center for training workers in relevant automatic data processing techniques, including, but not limited to, repair, installation, and programing;

(4) a senior citizen rehabilitation and training center designed to help train and orient older citizens for less active work and retirement activities;

(5) a residential vocational-technical institution at the secondary and postsecondary school level which would provide education and training for individuals;

(6) a center for training adults to become teaching aids;

(7) a center for training medical teams in giving rural and emergency helicopter- and aircraft-type medical services;

(8) an experimental center for educational research on the handicapped, underprivileged, and economically deprived;

(9) an educational television instruction center with special emphasis on developing instructional programs and techniques for the economically deprived and handicapped;

(10) a family training center for Indians;

(11) a law enforcement and crime prevention institute, including research and training facilities;

(12) a family rehabilitation and retraining center for alcoholics and narcotic addicts;

(13) an institute to train local, State, and Federal officers and employees in various programs designed to improve intergovernmental relations and programs administration;

(14) a Department of Transportation safety research testing, development, and standards center;

(15) an air and water research and testing facility;

(16) a supersonic transport and instrumented testing range;

(17) a jet aircraft noise abatement test, research and standards development center, jointly sponsored by the Department of Transportation, National Aeronautics and Space Administration, the National Science Foundation, Department of Defense, and the aerospace industry;

(18) an airport testing facility using cold and hot weather construction techniques and standards and other programs using available environmental factors to attain national standards;

(19) a supersonic transport training center;

(20) an industrial complex in which private industry shall be encouraged to locate not only to provide employment for persons in the region but also to supply needed goods and services;

(21) an educational research and demonstration facility, eligible for grants under section 4 of the Cooperative Research Act, which would specialize in vocational and technical education and other resident education;

(22) a national center for human resources development; including a comprehensive occupational education facility; and

(23) any other programs which are within the purposes of any Federal law and are carried out in cooperation with the department or agency of the United States administering such law.

(b) The Corporation is authorized and directed to enter into agreements with departments and agencies of the United States to provide the training centers and programs authorized by section 5(a) of this Act to the extent particular Acts authorize such departments and agencies to conduct such training centers and programs. Any such agreement shall be in accordance with the particular Act authorizing the training center or program, except that the training centers and programs under section 5(a) of this Act are to be considered as additional authorizations without any requirement for providing matching funds.

(c) The Corporation may enter into agreements with private individuals, associations, corporations, foundations, and other organizations, and Federal, local, and State governments to execute the program provided for in section 5(a)(23) of this Act. The Corporation is authorized to assess appropriate charges

and other costs for the use of property or other facilities and services provided in carrying out such program.

SEC. 6. (a) The Corporation shall have a Board of Directors (hereafter referred to as the "Board") consisting of three members who are citizens of the United States. The members shall be appointed by the President, by and with the advice and consent of the Senate, on the basis of distinguished public service and without regard to political affiliation. In appointing the members of the Board, the President shall designate the Chairman.

(b) The Board of Directors shall exercise all powers necessary to carry out the functions of the Corporation.

(c) The term of office of each member shall be five years except that—

(1) the terms of the members first taking office shall expire as designated by the President at the time of appointment, one for a term of one year, one for a term of three years, and one for a term of five years; and

(2) any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

(d) Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute the functions of the Corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the Board.

(e) Each member of the Board shall receive compensation at the rate prescribed for level V of the Executive Schedule under section 5311 of title 5, United States Code.

SEC. 7. The Corporation shall have a General Manager who shall be the chief executive officer of the Corporation and who shall discharge such duties as the Board shall direct. The General Manager shall be appointed by the Board without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and he shall receive compensation at a rate to be fixed by the Board of Directors, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but such compensation shall not be in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

SEC. 8. The General Manager shall, in accordance with such policies as the Board shall from time to time prescribe, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such compensation shall be without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the maximum rate prescribed for GS–17 in the General Schedule of section 5332 of title 5, United States Code.

SEC. 9. The Corporation shall have the following powers:

(1) to adopt, alter, and use a corporate seal;

(2) to adopt, amend, and repeal bylaws, rules, and regulations governing the manner of its operations, organization, and personnel, and the performance of the powers and duties granted to or imposed upon it by law;

(3) to sue and be sued in its corporate name, except that nothing herein shall be construed to exempt the Corporation from the application of sections 517, 547, and 2679 of title 28, United States Code;

(4) to have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, or decedent's estates;

(5) to acquire by purchase, lease, or in any other lawful manner, any personal property, tangible or intangible, or any interest therein; to hold, maintain, use, and operate the same; to provide services in connection therewith, and to charge therefor; and to sell, lease, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary or appropriate by the Board for the conduct of the business of the Corporation and to carry out the corporate purposes, except that any disposition of personal property shall be made in accordance with the Federal Property and Administrative Services Act of 1949, as amended;

(6) to construct, operate, lease, and maintain buildings, facilities, and other improvements, on the property transferred to it pursuant to section 4, as may be required to carry out the purposes of this Act, and to charge for the use of the foregoing;

(7) to accept gifts or donations of services or personal property, tangible or intangible, in aid of any of the purposes of the Corporation;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(9) to enter into contracts or other arrangements, or modifications thereof, with State and local governments, any agency or department of the United States, or with any person, firm, association, or corporation, and such contracts or other arrangements, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(10) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to the provisions of this Act and other provisions of law specifically applicable to Government corporations;

(11) to make advance, progress, and other payments which the board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529);

(12) to execute, in accordance with its bylaws, rules, and regulations, all instruments necessary or appropriate in the exercise of any of its powers;

(13) to settle and adjust claims held by the Corporation against other persons or parties and claims by other persons or parties against the Corporation; and

(14) to take such action as may be necessary to carry out the powers conferred upon the Corporation.

SEC. 10. For purposes of venue in civil actions, the Corporation shall be deemed a resident of the judicial district of Montana.

SEC. 11. The Corporation, is property, franchises, and income are hereby expressly exempted from taxation in any manner or form by any State, county, or municipality, or any subdivision thereof.

SEC. 12. (a) The Board shall have the power to make and amend such reasonable rules and regulations as it deems necessary, in the interest of safety or to carry out the purposes of this Act, governing the protection of property and the conduct of persons or any area within the jurisdiction of the Corporation.

(b) Whoever knowingly and willfully violates any rule or regulation prescribed under subsection (a) of this section shall be fined not more than $500 or imprisoned not more than six months, or both.

SEC. 13. (a) Any employee of the Corporation appointed to protect life and property on any area within the jurisdiction of the Corporation is authorized and empowered—

(1) to arrest under a warrant within the limits of the jurisdiction of the Corporation any person accused of having committed any offense against the laws of the United States, or against any rule or regulation prescribed pursuant to this Act, within such jurisdiction;

(2) to arrest without a warrant any person committing any such offense within the jurisdiction of the Corporation in his presence; and

(3) to arrest without a warrant, within the jurisdiction of the Corporation, any person he has reasonable grounds to believe has committed a felony within the jurisdiction of the Corporation.

(b) Any employee having the power of arrest as provided in subsection (a) of this section may carry firearms and such other weapons as the board may direct or by regulation prescribed.

SEC. 14. There is hereby authorized to be appropriated to the Corporation such sums as may be necessary to carry out the provisions of this Act.

Mr. ROGERS. I would like to call on from the U.S. Senate one of our former colleagues, who I understand will speak on behalf of himself, and the Honorable Mike Mansfield, majority leader of the U.S. Senate.

It is with a great deal of pleasure I call on the Honorable Lee Metcalf, junior Senator from the State of Montana, with whom we have had the privilege of serving in the House of Representatives for many years.

I will recognize you, Senator Metcalf, to proceed in your own manner, as I understand you have a statement of Senator Mansfield, which we will receive.

STATEMENT OF HON. LEE METCALF, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator METCALF. Yes, Mr. chairman. Of course I am delighted to return to the House. As the chairman knows, I served in the House longer than I have served in the Senate. I feel as if coming over here and meeting with my old friends is coming home. I have with me at the table here two of my assistants, Mr. Mervin Strickler, who has worked on the bill ever since it was introduced; and Miss Cathe Wolhowe. I ask that their names appear in the record.

Mr. ROGERS. The record will reflect that.

If we want to ask them any questions, we will.

Senator METCALF. I am flanked by my very distinguished colleagues and your own colleague, Congressman Battin, who yesterday won renomination in a great victory.

Mr. BATTIN. I was unopposed.

Senator METCALF. Mr. Chairman, if I may, I would like to read a letter from the majority leader, my colleague, Senator Mansfield, to the chairman of the committee. The letter is dated June 5, 1968.

(Letter and statement of Senator Mansfield follow:)

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., June 5, 1968.

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Because of circumstances beyond my control, but which I am sure you will understand, I find myself unable to appear in person before your Committee in behalf of S. 1602. I am enclosing the statement which I intended to make personally, and I hope most sincerely that you will give every possible consideration to approval of this measure which means so much to Montana.

The abandonment of Glasgow Air Force Base by the Air Force is something over which the Montana Delegation has had no control, and as a matter of fact, the base was located at Glasgow without any initiative by the Montana Delegation. The State of Montana is placed in a most difficult situation, and one of the ways, if not the *only* way, by means of which there might be a utilization of this most modern Air Force base in the United States would be through the approval of S. 1602.

This measure passed the Senate unanimously. I hope that it will be approved by your Committee, will be taken up in the House, and passed by that Body. The approval of this means more to Montana than I can put in words, and I would be deeply and personally appreciative of anything that the Judiciary Committee could do to expedite this measure.

Again, I want to express my regrets for being unable to be with you, but to assure you my distinguished colleague, Senator Lee Metcalf, speaks for me as well as for himself and for the people of my State.

With best personal wishes, and thanking you for your consideration, I am

Most sincerely,

MIKE MANSFIELD.

STATEMENT OF HON. MIKE MANSFIELD, A U.S. SENATOR FROM THE STATE OF MONTANA

I am happy to have the privilege to appear before your Subcommittee this morning in behalf of S. 1602, providing for the creation of the Northwest Regional Services Corporation. I want to assure you of my deep appreciation of your scheduling this hearing at a time when you are confronted with many other responsibilities and obligations.

The purposes of S. 1602 are broad in scope, but of special interest to the state of Montana. What the Montana Congressional delegation is attempting to do

here is provide a vehicle for directing the utilization of Glasgow Air Force Base—a Strategic Air Command facility scheduled to close on July 1, this year. Glasgow AFB is the newest of the SAC bases. It was built on a simple plan. The Department of Defense, in its wisdom, has determined that this is one of their facilities which should be closed down for a number of reasons. The time for arguing against this decision or attempting to bring about a reversal is long past. The Base is going to close as a military installation, and we must recognize the consequences.

The people of Montana do not want to see this modern installation, valued at more than one-hundred million dollars, taken over by nature, blowing winds and sagebrush. We did not ask that this base be located at Glasgow in north-central Montana. It was done and brought with it all the problems associated with a Federal impact of this magnitude. What we now ask is that the Federal government continue its responsibility by finding the best solution or solutions for the use of these vast facilities, thus negating the impact created by the Base closure. This can be done most effectively through the Northwest Regional Services Corporation. This corporation can be the agent to see that the Base is maintained in top-notch condition—the buildings, utilities, housing, and non-military equipment. The corporation can also negotiate the best plan for making use of the facilities.

Since the time the Base closing was announced, the people of my state have not been idle. The city of Glasgow, Valley County, the state of Montana, the Federal agencies, and the Montana Congressional delegation have been exploring many possibilities and combinations thereof. In recent months the special Presidential Task Force has processed a number of proposals—educational, vocational training, research, transportation and industry oriented. Something can be, and will be, done to make use of Glasgow Air Force Base. But, we need time to explore in detail the various plans. We must make certain this facility will be used for beneficial purposes, on a long range basis. The Northwest Regional Services Corporation is the agent needed to guide this effort. We are not proposing a continuing Federal financial commitment. We do ask that the Federal government recognize its obligation in this matter, and that can best be done through the enactment of S. 1602.

My able colleague, Senator Lee Metcalf, who has done so much in behalf of this legislation, is present this morning to present testimony in support of S. 1602. I concur fully with his remarks and ask that my name be associated with the statement. Also, I have received copies of many letters, addressed to your Committee, from Montana which endorse this legislation. I would appreciate it if you would have these documents made part of the record of this hearing. I am submitting the letters for the convenience of the Committee.

Thank you again for your courtesy in this matter, and I sincerely hope that the Committee will be able to report S. 1602 to the House Floor in the near future.

OFFICE OF THE MAYOR,
CITY OF GLENDIVE,
Glendive, Mont., June 1, 1968.

Hon. EMANUEL CELLER,
Chairman of the House Judiciary Committee,
Washington, D.C.

DEAR REPRESENTATIVE CELLER: I wish to take this opportunity to strongly urge your support of Senate Bill 1602. This Legislation would allow governmental units at all levels to work closely with the private sector to utilize the facilities of the Glasgow Air Force Base.

It is my opinion that this concept, especially in the case of some of the more remote installations, can and will lead to judicious and beneficial use of the facilities which will further protect the sometimes enormous investments involved.

Your support will be greatly appreciated.

Sincerely,

PHILLIP M. AUBLE.

CITY OF GLASGOW,
Glasgow, Mont., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman of the House Judiciary Committee,
Washington, D.C.

DEAR REPRESENTATIVE CELLER: On behalf of the City of Glasgow, I would urge and request your support of Senate Bill 1602. This Legislation will enable federal, state, county and city governments and also private sectors together with the business community to work closely together in utilization of the Glasgow Air Force Base.

Utilization of this and other important national assets will open the door for job opportunities for our Indian citizens and other less privileged persons.

Your support will be greatly appreciated by everyone in our community.

With kindest personal regards.

Sincerely,

KENNETH J. BRUCE,
Mayor, City of Glasgow.

FIRST SECURITY BANK OF GLASGOW,
Glasgow, Mont., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman of the Judiciary Committee,
2136 Rayburn House Office Building,
Washington, D.C.

HONORABLE SIR: The buildings and all other facilities on Glasgow Air Force Base are new and in excellent condition and which represents an investment of something like $100 million. SB 1602 will provide for civilian use of these facilities when the Base is discontinued for military use. Montana has a large Indian population which is in need of training for modern skills to become effective, productive citizens. The Base facilities likewise could be used for many other useful civilian uses.

We urge approval of SB 1602 to help salvage taxpayers' equity in this large investment.

Very truly yours,

C. H. BROCKSMITH, *President.*

VALLEY COUNTY,
Glasgow, Mont., May 31, 1968.

Representative EMANUEL CELLER,
Chairman, House Judiciary Committee,
2136 Rayburn House Office Building,
Washington, D.C.

HON. REPRESENTATIVE CELLER: We, the Board of County Commissioners hereby request your support of Senate Bill 1602, to help our community recover from the effects of the closure of Glasgow Air Force Base.

Senate Bill 1602 would allow local county government to work with the private sector and the federal government in finding a utilization for this public resource. We feel that the "phase-out" of the base could be turned into a natural asset combined with federal programs to make possible opportunities and reduce unemployment.

Very truly yours,

MAURICE ARNOLD,
Chairman, Board of County Commissioners.

HOUSE OF REPRESENTATIVES,
OF THE STATE OF MONTANA, HELENA,
Glasgow, May 31, 1968.

Hon. EMANUEL CELLER
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR REPRESENTATIVE CELLER: Your kind consideration of S1602 would be deeply appreciated, a number of us have spent our own time and money to utilize the huge complex known as Glasgow Airforce Base, that is now being

deactivated, it is a permanent base and cannot be moved so we are of the belief that it would almost be criminal to let it deteriorate when we have thousands of low income people that need training soon or our troubles will multiply and with the implementation of S1602 industry as well could follow where these people could be employed.

I have served on the appropriations committee for two sessions at State level, this is nothing as compared with you people in the Congress but it does make us realize the tremendous load you are carrying and especially these days when hardly anyone seems the least bit appreciative.

Thank you for your public service and your efforts on S1602.

Sincerely,

GORDON E. BOLLINGER.

MONTANA STATE SENATE,
Helena, Mont., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR SIR: I am writing in support of Senate Bill 1602.

The passage of 1602 would provide the prompt and orderly utilization of the multi-million dollar Glasgow Air Force Base. It is becoming increasingly apparent that without the assistance of a Regional Services Unit, as proposed in 1602, the investment which the people of this nation have in that installation will be lost.

In the 1967 session of the Montana Legislature I was the principal sponsor of a measure which sought to establish a regional planning commission under the provisions of the Public Works and Economic Development Act of 1965. I take the liberty of attaching a copy of this measure which was signed by the Governor on February 8, 1967.

In my opinion Senate Bill 1602 would do more effectively what we had hoped to accomplish through our bill in the Montana Legislature.

Thank you for your consideration.

Sincerely,

R. J. RASMUSSEN,
State Senator, Montana.

THE FIRST NATIONAL BANK OF GLASGOW,
Glasgow, Mont., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR REPRESENTATIVE CELLER: Please consider favorably Senate Bill 1602.

I'm told, and feel, it is the necessary agency to be landlord for a facility such as Glasgow Air Force Base, which is scheduled for closure in 30 days. The passage was urged by resolution of the entire Montana Bankers Association at the annual meeting last summer. They, as many others, feel this bill is essential for this base as well as other military installations in a similar circumstance.

Sincerely,

LYNN D. GROBEL, *President.*

GREAT FALLS, MONT., *June 1, 1968.*

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR MR. CELLER: As a native long-time citizen of Montana, I respectfully urge approval by your Judiciary Committee of SB 1602 relating to the ownership of the Glasgow Air Force base.

It was distressing to all Montanans when the military decided to abandon this fine and adaptable 150 million dollar SAC facility.

We reluctantly accepted the military decision and have tried to understand why the base is no longer considered essential for national defense or governmental function.

But we abhor the thought of such a fine facility now going completely to waste.

Passage of SB 1602 will open the door for Glasgow to effect arrangements to insure efficient use of the base under an authority empowered to make advantageous contractual relationships.

This desideratum is not only vital to the economy of Glasgow, but of lasting benefit to all Montana.

Respectfully,

ALEXANDER WARDEN.

MAY 31, 1968.

Representative EMANUEL CELLER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CELLER: On behalf of the Glasgow Chamber of Commerce, I urge your support for the prompt passage of H.R. 13568 (S. 1602). Our Chamber is extremely concerned over the closure of our nations great asset, Glasgow Air Force Base.

We hope that our efforts and yours will be rewarded with the best utilization of this facility. Jobs are needed badly and proper utilization of the base facility could provide these jobs.

With best wishes, I am

Sincerely,

GLASGOW CHAMBER OF COMMERCE,
W. D. FREYLER, *President.*

J. C. PENNEY CO.,
Glasgow, Mont., May 31, 1968.

Representative EMANUEL CELLER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CELLER: I urge your support in securing passage of H.R. 13568 (S. 1602). We are deeply concerned over the closure of Glasgow Air Force Base and hope that the passage of this bill will be an important step towards utilization of the base.

I shall appreciate your efforts in our behalf.

With best wishes, I am

Sincerely,

F. M. BOEHME, *Manager.*

GLASGOW OFFICE SUPPLY, INC.,
Glasgow, Mont., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR MR. CELLER: This letter is to urge your earnest consideration of Senate Bill 1602 setting up a Northwest Regional Service Corporation to handle the rehabilitation problems of Glasgow Air Force Base, which, as you know, is to close on June 30th.

The passage of this bill is of utmost importance to the economy of our local community and in fact the economy of the entire state of Montana.

The Glasgow base is perhaps the most modern in the way of buildings and equipment in the nation and represents in the neighborhood of one hundred and fifty million dollars federal investment.

The base is too big for any local or state organization or department to handle which occasions the necessity for a regional service corporation.

The citizens of Glasgow and the state of Montana are willing and anxious to help on the problem in every way possible but this is a case where we definitely need help such as would be forthcoming by the passage of Senate bill 1602.

Sincerely yours,

T. J. HOCKING.

VALLEY COUNTY ECONOMIC DEVELOPMENT COUNCIL,
May 31, 1968.

Representative EMANUEL CELLER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CELLER: The Valley County Economic Development Council urges your support in securing the passage of H.R. 13568 (S. 1602). We are deeply concerned over the closure of this facility and hope that the passage of this bill will be an important step towards utilization of the Glasgow Air Force Base.

We know that you will lend your best efforts in the interest of our country.

With best wishes, I am

Sincerely,

O. E. MARKLE, *Chairman.*

STATE OF MONTANA,
OFFICE OF THE GOVERNOR,
Helena, May 31, 1968.

Representative EMANUEL CELLER,
Chairman, House Committee on Judiciary,
Washington, D.C.

DEAR CHAIRMAN CELLER: Your Committee is now considering Senate Bill 1602 to establish the Northwest Regional Services Corporation.

The bill has been designed to provide use of the most modern strategic air command base in the United States, Glasgow Air Force Base, for purposes other than military. Air Force use of the base will officially end on June 30, 1968. Withdrawal of the Air Force will, of course, have serious economic effects on the area, and it is our desire to see this new $150 million installation used in a manner which will tend to replace that economic loss.

Utilization of the base can best be secured by passage of S. 1602 and I urge the Judiciary Committee to approve the bill.

Hearings were held in the Senate July 20–21, 1967, and I am sure your committee has access to the transcript of that hearing. Since my position on closure of the air force base and passage of S. 1602 was more fully developed during my appearance in Washington at those hearings, I would ask that you consider my testimony before the Senate Government Operations Committee.

This is a matter of considerable import and urgency to the State of Montana. Any effort that you might lend to secure passage of the bill in the House at this session of Congress would be deeply appreciated by Montanans.

Kind regards,

TIM BABCOCK, *Governor.*

MONTANA STATE SENATE, *Glasgow, Mont.*

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am pleased to hear that the Judiciary Committee of the House of Representatives will soon be considering Senate Bill 1602.

I hope the House Committee takes favorable action on Senate Bill 1602.

I feel that this Bill will provide the vehicle which I believe is necessary for the complete utilization of the $150 million Glasgow Air Force Base which is being closed for military use on June 30, 1968.

Thanking you I remain.

Sincerely,

ROBERT S. COTTON,
Senator District No. 5.

HINDALE CHAMBER OF COMMERCE & AGRICULTURE,
Hinsdale, Mont., June 1, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
Washington, D.C.

DEAR MR. CELLER: We urge your support of Senate Bill 1602 dealing with the training center for the Glasgow Air Force Base.

Sincerely,

ALEX MOGAN, *Secretary.*

BUTTE, MONT., *June 3, 1968.*

Senator MIKE MANSFIELD,
Senate Office Building, Washington, D.C.:

The 126 cities and towns of the Montana Municipal League stand unanimously behind the city of Glasgow in its support of its SB 1602. We urge your wholehearted efforts in assuring its passage. The benefits to be derived from this bill are inconceivable until we look at our Indian problems of employment and in particular those of the Gros Ventre and Assiniboine. Such a project could further enhance the local CEP program by providing work stations. The entire state would thus become the beneficiary.

THOMAS F. POWERS,
President, Montana Municipal League.

Senator METCALF. I also appreciate this opportunity to help state the case for S. 1602. Our State, our region, and the Nation are indebted to the chairman of this committee for scheduling this hearing.

As I said, and as Senator Mansfield has said in his letter, Senator Mansfield had read my statement and asks that it also be considered his.

As the chairman said in his opening remarks, in November 1964, the then Secretary of Defense, Robert McNamara, reported Glasgow Air Force was no longer needed for military purposes and would be closed June 30, 1968. This is less than a month from now, and we have yet to find solutions to the many inevitable problems which will accompany the closure.

This multimillion-dollar base offers immense runways, excellent medical equipment, modern housing for several thousand families, and some of the finest air navigation equipment in the Nation. I wish to submit detailed descriptions and pictures of these facilities to the members of this subcommittee.

(The materials referred to are retained in the committee files.)

Senator METCALF. Some of that material is on the desk in front of you that I asked to be put in the file, Mr. Chairman. I have about a 24-minute slide presentation which shows in detail the sort of facilities, the runways, the hangars, and the kind of thing we have at Glasgow that would be easier to show than to describe and to demonstrate that this base is unique in the sense that it is not one of the normal installations that is abandoned, such as with temporary housing, and so forth.

This is virtually a modern city. If the chairman would bear with me, I will show it or I abide by the decision of the committee.

Mr. ROGERS. I would suggest inasmuch as it is covered pretty well in this brief, that we not take time at this time to see the slides. At a later time we will do that.

Senator METCALF. Mr. Kimmitt, from the Senate staff, or anyone is available at any time to show this slide presentation to members of your staff or anyone whom it concerns.

Mr. MACGREGOR. Mr. Chairman, if the distinguished Senator will yield, I would concur with the decision made by the gentleman from Colorado, Mr. Rogers, that we not take the time now. I would like to indicate, Mr. Chairman, that I feel that it is very important to this subcommittee and to its understanding of the problem and of the importance to Montana of S. 1602 that this subcommittee do, in fact, see the slide presentation.

I would urge, Mr. Chairman, that we do so at some subsequent time following the completion of the testimony of the gentleman and lady from Montana who are here before us.

Mr. ROGERS. Yes. Thank you.

Senator METCALF. Mr. Chairman and the gentleman from Minnesota, I assure you that members of my staff are available at any time to make any presentation that we can.

Mr. Chairman, S. 1602 offers an opportunity to use these facilities so the base can remain an asset to Valley County, the State of Montana, the region, and the Nation by making wise use of our most precious resource—human resources.

To meet rapid, complex, technological advances, population trends, and dynamic changes in business, industry, and education, compounded by concurrent social and economic problems, we must find new approaches and use them to speed the maximum development of our Nation's human resources.

This is what Senator Mansfield and I believe S. 1602 will do.

This legislation will permit the wise use of a military base for civilian purposes. It will avoid the customary waste of valuable resources, and their fire sales for pennies on the dollar. It will make possible a combination of cooperative efforts of management and operations, using the best possible mixture of resources at all levels of government and the private sector of our economy.

S. 1602 would establish the Nation's first National Center for Human Resources Development, a comprehensive occupational education facility. This Center could easily become an experimental Center for programs, industries, and services.

Already several plans have been submitted for utilization of the base. I have here some of the brochures and plans that have been submitted by the various private sectors, AVCO, and so forth, to show you the amount of work that private enterprise has done and the interest that they show in preserving this base.

Two proposals envisage significant training opportunities for the American Indian indigenous to the area. That is the Fort Peck area, near the Fort Peck Dam and the Sioux and other tribes are up there. Radio Corp. of America wants to use the base for an Indian family training program. The Economics Systems Corp. (AVCO) wants to develop an educational-industrial training program for the unemployed and underemployed.

Litton Systems, Inc., wants to establish a vocational-education community college and to develop the recreational potential of the base. Packard-Bell Corp. wants to operate a national vocational-technical training center with primary training in areas relating to aircraft and the airline industries. The Technical Education Research Center, of Cambridge, Mass., wants to develop a national occupational education center to test and evaluate educational programs and to train technical teachers. Other organizations wish to establish a private vocational training college and a medical research institute.

S. 1602 would facilitate establishment of these programs. I have for the record letters from these industries and organizations which describe their proposals for the base. I also have the complete proposals for any member of the subcommittee who wishes to examine them.

What we seek is an experimental approach to the use of one component of the Nation's arsenal of destruction. We seek to convert the tools and systems of destruction into goals and methods of instruction. We want the public investment in this installation to continue to serve the public, rather than walking away from it while human needs go unmet.

S. 1602 would make it possible to convert defense systems—now obsolete—to a much more pervasive war—the war against ignorance and unemployment. This legislation would help the Nation to combine the best elements of the private sector with the public resources now available. This legislation would enable us to help thousands of our people help themselves.

Thank you. That concludes my statement, Mr. Chairman.

Mr. ROGERS. Thank you, Senator Metcalf.

I wonder if you have been supplied and given a copy of the responses given to the chairman of this committee from the Office of the Secretary of Transportation, dated February 21, 1963, signed by John L. Sweeney, Assistant Secretary for Public Affairs.

Senator METCALF. It is in my file.

Mr. ROGERS. It has been received?

Senator METCALF. Yes.

Mr. ROGERS. On down to the next-to-the-last paragraph on page 1, he makes this statement:

> However, we question the feasibility of establishing at the Glasgow Base the federally operated aviation and other transportation programs envisioned by the bill.

Does this bill envision operation of aviation and other transportation programs at the base? Is that part of the anticipated private enterprise activity or part of the Federal Government activity?

Senator METCALF. Mr. Chairman, we do give permission in the bill for the establishment of such Federal programs if they are deemed feasible or desirable. However, the proposals that I have mentioned and that are here before us are private proposals for private development of aviation and communication programs.

The only assistance we foresee is that the Federal Government will make available these superb runways, these hangars, navigation facilities, and maintenance equipment for such organizations as AVCO, or Packard-Bell, or some of those to use local labor and local resources for the development of their own communications system.

Mr. ROGERS. It may be helpful to insert a copy of the letter of the of the Department of Transportation at this point in the record.

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 21, 1968.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department with respect to S. 1602, an Act to create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes.

The Act creates a Northwest Regional Services Corporation and provides for the transfer to that Corporation of the facilities at Glasgow Air Force Base, Montana, for use as a center for various training and research and development programs. A number of the programs which the Corporation would be authorized and encouraged to establish are designed to serve needs in the field of transportation. Some would involve programs presently being conducted by the Department of Transportation at other locations. The Department favors the objectives of the Act to enhance the social and economic well-being of the people of the Northwest and other regions of the United States and to insure that the public derives the fullest possible benefit from the Government investment in facilities at Glasgow.

The deactivation of such facilities is of particular concern to the Federal Aviation Administration because of the potential they hold for fulfilling civil aviation needs, and in the past the FAA has expended considerable effort in seeking ways to maximize the use of these resources for aviation purposes. However, we question the feasibility of establishing at the Glasgow Base the Federally operated aviation and other transportation programs envisioned by the bill. If a civil aviation need at Glasgow should develop which would justify utilization of the Air Base, the FAA would consider the provision of appropriate air navigation facilities and service to support it as it has done in the case of other deactivated bases.

We have the following comment with respect to the various proposed uses for the Base which would have an effect on the transportation field. Section 5(a)(1) provides for the establishment of a manpower development and training center to accommodate training programs for pilots and mechanics. At the present time a study is being made within the Executive Branch to assess the need for aircraft pilots and mechanics. Pending the completion of that review, we believe it would be premature for us to make a recommendation as to the establishment by the Federal Government of a pilot or mechanic training center. Of course, if the surveys now being made lead to a finding that the Government should provide centers for such a program, we believe that a careful study should be made of all available sites to determine those locations which would offer the best environment for such training. Among the factors that must be considered are climate, accessibility of the site to prospective trainees, and the compatibility of flight training activities with other programs being conducted in the area of the proposed site.

Section 5(a)(14) provides for the establishment of a Department of Transportation safety research testing, development, and standards center. Sections 5(a)(16) and (17) provide for the establishment of a supersonic transport and instrumented sonic boom testing range, and a jet aircraft noise abatement test, research, and standards development center. Section 5(a)(18) provides for the establishment of an airport testing facility. Government investments in expensive sensing equipment, data acquisition, and recording and processing equipment at locations such as Edwards Air Force Base, California, Wallops Island, Virginia, the National Aviation Facilities Experimental Center operated by FAA at Atlantic City, New Jersey, and the FAA Aeronautical Center at Oklahoma City, Oklahoma, to perform sonic boom research, noise abatement research, aircraft crash survivability research, and aviation and avionics research and development are today providing facilities and plants which are adequate to accommodate many of the aviation and transportation programs set forth in the bill.

Adoption of the proposal for establishing facilities at the Glasgow Air Base for testing the supersonic transport would result in a duplication of existing Government range facilities, instrumentation, and equipment. Edwards Air Base, along with the Wendover, Utah, test range will be the major Government facility used in the supersonic flight test program. Also accurate instrumentation currently in place on the Edwards-Wendover high altitude testing range would have to be duplicated if Glasgow Air Base is designated as the location for the installation of an instrumented sonic boom testing range. In the area of jet aircraft noise abatement testing, NASA facilities at the Langley Research Center provide an extensive testing environment. We do not believe that there should be duplication of the above mentioned facilities at a new location such as Glasgow Air Base, and we question whether the location at Glasgow would provide a better testing environment than those already available.

Pursuant to Title III of the National Traffic and Motor Vehicle Safety Act, we are conducting a study of the needs for facilities for carrying out research, development, and testing in the field of motor vehicle safety. That Act requires that we report to Congress our recommendations as to a site or sites for any such facility or facilities. Pending completion of that study, we believe it would not be appropriate to make a determination as to whether Glasgow Air Force Base would be a suitable site for such a facility. We believe we should reserve the expression of recommendations or reservations on the selection of sites for such traffic safety activities until all pertinent factors and considerations in making such a selection are known and can be properly evaluated.

Section 5(a)(19) provides for the establishment of a supersonic transport training center. At this stage, we believe that it would be premature to consider the establishment of such a facility at any single location. First, there will be a considerable interval before any supersonic crew training is begun. In addition, there has recently been established a joint FAA/Air Transport Association/Air

Line Pilots Association/Allied Pilots Association group which will study procedures for the training of pilots in certain emergency maneuvers. When the results of the study conducted by this group are available and when the manufacturer of the SST begins flight tests of prototype aircraft, we will be able to address ourselves to this question with greater specificity.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

JOHN L. SWEENEY,
Assistant Secretary for Public Affairs.

Mr. ROGERS. Do you think that private enterprise would want to go ahead and develop it there and if so, couldn't they do it if the Secretary of Defense closed the base? What would be the distinction?

Senator METCALF. The base is going to be closed as far as the military operation is concerned on the 30th of this month. We are rather like the man who wrote the Governor and said, "Dear Governor, They are fixing to hang me on Friday and here it is Monday already."

But we have secured from Chairman Russell of the Armed Services Committee and from Chairman Rivers, the chairman of the House Committee, letters to the Secretary of Defense. The Secretary has assured them that as long as this legislation is pending none of the materials will be declared surplus.

The navigation equipment, the maintenance equipment, and all of those except the strategic materiel that is needed for the change of the air and military installation will be left at the base. If it is left at the base, AVCO or Litton Industries or these other people have plans to make use of it in the establishment of either factories or fabricating areas or training areas and especially training areas to train crews.

In a visit to the base the other day we were talking about where the crews for the new Boeing superjets can be trained. One of the men who testified before the Senate committee said the thing which is in scarcest supply in the United States today is air space over our major cities.

Yet we have one of the finest runways in America. We have areas where we can train crews and handle maintenance.

Mr. ROGERS. You mean the airfield is big enough to take care of the superjets already?

Senator METCALF. Already. This is one of the six longest runways in America. It would take care of everything that is now on the drawing board.

Mr. ROGERS. If this bill is not passed, then the usual processes would take effect and the committees of the House and Senate would be notified. After they are notified, then the property goes to the GSA for disposal and we lose those runways forever. Is that what you are trying to tell us?

Senator METCALF. We will lose those runways and hangars. They will move off some of the fine dental and maintenance equipment that I would be able to show you in the slides and sell it for 1 cent on the dollar, as we have previously experienced when they have these surplus sales.

One of the finest installations in America would be cannibalized and air strips would ultimately grow up to prairie again.

Mr. ROGERS. Isn't there a recommendation here in the bill that proposes establishment of a Federal pilot or mechanic training center there?

Senator METCALF. There would be authority to do so.

Mr. ROGERS. You say "authority to do so." Would it be an agency you have in mind or private independent industry, especially in regard to this letter that I make reference to of the Department of Transportation of February 21. It says, "We believe it would be premature to make a recommendation as to the establishment by the Federal Government of a pilot or mechanic training center."

Senator METCALF. The Department of Transportation continually comes in here and talks about the establishment by the Federal Government of something. If the Federal Government wanted to come in and use this facility for a pilot training center, they could. But already Packard-Bell Electronics Corp. has a proposal here to establish and operate for profit a national vocational technical training center which would provide training and skills related to aircraft industries, including pilot and maintenance training centers.

They have a program that would start with their operating costs of about $6.5 million the first year, running to about $16.5 million the 5th year. They would have staff and students for private industry for training airline pilots and for training maintenance crews for airlines.

Mr. ROGERS. Does the Department of Transportation now have statutory authority to establish a pilot or mechanic training center?

Senator METCALF. No; I suppose they have authority to have a military training center, but I am talking about training by private industry in the private sector such as AVCO or Packard-Bell, pilots for commercial aircraft.

We are not talking about training the Federal people. We are talking about training private people. We have here already as a result of the activities of this task force proposal, a concept for just exactly that kind of training.

Mr. Strickler reminds me that both the Department of Health, Education, and Welfare and the Department of Labor have a good deal more to say about manpower training than the Department of Transportation. We have reports or you have reports in your committee.

Mr. ROGERS. As I understand it, Health, Education, and Welfare and the Department of Labor in connection with their programs make allocation for training of individuals based upon the necessity in a particular area. Does Glasgow, Mont., have a population that they could train?

Senator METCALF. It does. Of course, as a result of our inclusion of the Indian tribes in the various poverty laws and health and welfare and in manpower retraining laws, we have a potential for development in a tremendous area of unemployment.

AVCO, Packard-Bell, and Litton Industries have been in there. They interviewed the people in the tribes. They are convinced that there are particular tribal skills such as making transistors and so forth that could be quickly available and that the Indians and the other unemployed in the area have the competence and the skill with adequate training to do any of these things that the aircraft industry wants done.

Mr. ROGERS. As I understand it, this bill provides appropriations authorization of $1 million annually for 3 fiscal years. Is there a method of repaying that to the Federal Government?

Senator METCALF. No. We were thinking of an investment which today would be $150 million of Federal money. If it is lost, we know what the General Services Administration recovers from that investment. This is a way by spending another $1 million for administration and not only to bring industry into the area, but to utilize to the maximum a splendid Federal resource.

Mr. ROGERS. As I understand it, this legislation also proposes that the corporation be authorized to issue $25 million in obligations.

Senator METCALF. That is correct; an issue which would not be a liability of the Federal Government.

Mr. ROGERS. That is without any liability to the Federal Government.

Do you know how likely would be the sale of those bonds? There is no guarantee by the Federal Government? Is the corporation itself the only body that we can depend upon for the payment of the bonds?

Senator METCALF. If the corporation were the only thing, probably it would be difficult to sell the bonds. But the bonds would be issued for a program, say, of the Aviation Company of America or Packard-Bell. In that event, there would be the assets of a great American business industry also incorporated to carry out this project.

So if we have, for instance, RCA Services Co. proposal for a center to operate training for American Indians to do various jobs under the RCA Co. and enrollment of 250 adults, if we had issued some bonds for that purpose, RCA and this corporation would combine in the issuance of bonds for that development.

Mr. KASTENMEIER. Mr. Chairman, I want to compliment my friend, Senator Metcalf, on his presentation.

I might also say that we in Wisconsin have a similar problem in the closing of Truax Air Force Base on the 30th of this month. While the situations are not wholly analogous, nonetheless I can sympathize with the State of Montana in this connection.

I note in the Bureau of the Budget letter that they describe it as a broad and novel experiment. May I ask where the origination for this proposal came about? Was it in the Congress or in the executive branch?

Senator METCALF. There isn't any precedent for this legislation. Many of the Army bases, and many of the airfields that have been closed were either temporary fields or outmoded or obsolete runways. Many of them are in very populous areas where the State or the adjoining city take it over and use it as a municipal or a State resource.

Glasgow Air Force Base, as you know, is the largest city in the great northern part between Havre, Mont., and Minneapolis, Minn. When the Legislature of the State of Montana and State officials looked at a city that is three times as large as any town that they come from, they were just overwhelmed by the business of taking over these resources.

When the Bureau of the Budget testified before the Senate, they came in with a report. Mr. Hughes said this is a uniquely local situation. It is our position that when you have a $150 million Federal investment in a superb area with medical, recreation, and maintenance facilities, you do not have a uniquely local situation. This is an attempt

and an experiment to try to utilize this investment for the benefit not only of the local people, but everybody in the United States.

Mr. KASTENMEIER. I think I understand that.

Senator METCALF. If it works for us, maybe it will help you with your bases in Wisconsin.

Mr. KASTENMEIER. We too have dealt with the Department of Defense, and the Office of Economic Adjustment. I am wondering if they were any use to you in attempting, over the last couple of years, to resolve this question; whether the idea comes from them.

Senator METCALF. Yes, partly it comes from them. They were very valuable. They were very helpful. They had this task force and worked hard. They have cooperated with us in developing this idea in this rather sparsely populated area to try to work out a means of saving this resource.

As I pointed out to the chairman, even though the base is being closed, they are maintaining the facilities there so we can try to cooperate with them and work this out.

Mr. KASTENMEIER. Of course, in January the Bureau of the Budget reported that a special canvass of Federal agencies found no interest in using the facility. I have not had a chance to refer to other agency reports in the meantime, but I gather that the proposal really suggests that the agencies could find a use for it if we put it into law and use this particular device.

Senator METCALF. The reason we have used this technique is that the agencies themselves are too overwhelmed by taking over a city. So HEW, Manpower Training just can't use this facility. However, they have indicated that they could cooperate with private industry in assisting in various programs, such as vocational education and so forth in the development of it. But if it were declared surplus and turned over the General Services Administration, there isn't any Federal agency, there isn't any State agency or any municipal agency that can accept it.

Mr. KASTENMEIER. I assume that whether or not this bill is enacted, before or after June 30, a substantial part of the population of the base will leave and only a portion will remain.

Senator METCALF. Moving vans and trailers are loading the highways near Glasgow right now as the men are being transferred and are leaving. Of course, most of these people are going to Anderson Air Force Base. They are part of a bombing crew that is operating in Vietnam.

Yes, the military crew is leaving. However, as I already indicated, the Department of Defense has assured Chairman Russell and Chairman Rivers that a maintenance crew will be there and that such things as the lights on the field and so forth will be maintained until we have an opportunity to develop the use.

Mr. KASTENMEIER. I take it really this is a transition for this area, that normal transition from military to nonmilitary conversion is just not going to solve the problem here and you are going to use this device as a novel approach to aid in an area of transition.

Senator METCALF. Yes, sir. That is exactly right.

Mr. KASTENMEIER. I note there are directors of this corporation and members of the board. Do you have any feeling who these people might be or what sort of persons might particularly be appointed by the President? Not precisely who they are, but what sort of persons ought to be the director of a corporation of this sort?

Senator METCALF. We haven't put any qualifications on it. We would hope that the President would select some local people and would also select some representatives of industry who were interested and concerned with the development of the base, especially of the electronics industry, educators, and of the aviation industry.

Mr. KASTENMEIER. I have one last question. This is sort of a technical one.

The Bureau of the Budget earlier at page 2 of its letter says that section 5 of the bill does not appear to authorize agreements with States and localities to conduct the programs cited therein which are normally carried out through Federal grants-in-aid. We assume the intent is to permit the usual grantees to conduct such programs in Glasgow.

If the assumption is correct, it should be made clear by substituting "section 5(a)" for "section 5(a)(19)" in section 5(c) of the bill. I don't know whether you agree with that or not.

Senator METCALF. I wouldn't have the temerity to advise the Judiciary Committee on the interpretation of the section. We thought we were giving permissive authority. However, it would be a rather simple amendment that is already suggested to give such authority. Of course, there wouldn't be any objection to that.

Mr. KASTENMEIER. I thank you, gentlemen.

Senator METCALF. Thank you very much, Mr. Kastenmeier.

Mr. ROGERS. It may be helpful to insert a copy of the letter of the Bureau of the Budget referred to at this point in the record.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 18, 1968.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of November 6 for the views of the Bureau of the Budget on S. 1602, a bill "To create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes."

The bill would create a wholly-owned Government corporation whose powers would be exercised by a three-member board of directors appointed by the President. A general manager would be the Corporation's chief executive officer.

The bill further provides that, when Glasgow Air Force Base in Glasgow, Montana, is no longer needed for military purposes, all of the property at the facility except combat-mission-oriented equipment and supplies will be transferred to the Corporation. The Corporation would then be authorized to establish a variety of training, research, rehabilitation and testing programs at the base through agreements with other Federal agencies. It would also be authorized to establish an industrial complex for private industry at the base and to assess charges for the use of its facilities and services.

The Corporation would have existence through December 31, 1972, unless dissolved sooner and would have the usual powers granted to a Federal business-type activity. To carry out its program, the Corporation would be authorized to sell up to $25 million in unguaranteed obligations. In addition, annual appropriations of up to $1 million are authorized for fiscal years 1968, 1969 and 1970.

As passed by the Senate, S. 1602 authorizes a broad and novel experiment to determine what programs can be successfully established at the Glasgow base.

By making the establishment of various programs permissive the bill allows flexibility for study, demonstrations, testing and evaluations.

We fully appreciate the problems, resulting from the impending closure of the Glasgow base. All possible avenues should be explored to put this facility to worthwhile use, and Federal efforts to that end are continuing under the leadership of the Department of Defense's Office of Economic Adjustment.

We believe, however, that even with the flexibility in the bill as now written the difficulties of establishing other Federal programs at the Glasgow base or of developing a viable industrial complex there are substantial. At our request, the General Services Administration conducted a special canvass of Federal agencies and found no interest in using the facility.

We suggest your consideration of two other matters. First, section 5 of the bill does not appear to authorize agreements with States and localities to conduct the programs cited therein which are normally carried out through Federal grants-in-aid. We assume that the intent is to permit the usual grantees to conduct such programs at Glasgow. If this assumption is correct, it should be made clear by substituting "section 5(a)" for "section 5(a)(19)" in section 5(c) of the bill.

Second, with respect to the provision for the sale by the Corporation of up to $25 million in unguaranteed obligations, we belie e it unlikely that such obligations could be sold even at very high rates of interest unless the funds are to be used to finance very sound revenue-producing activities. Of the programs cited in section 5, only a few are even potentially revenue-producing—e.g., the industrial complex—and their potential does not at this time appear great enough to make the prospect for the sale of the proposed obligations very encouraging. In this connection, the authority to issue obligations could be incompatible with the Corporation's limited life of less than five years. In addition, the bill does not specify what these funds would be used for and the relationship between these funds and the funds of other agencies in carrying out programs at the Glasgow base.

A final congressional decision on S. 1602, we believe, should depend on consideration of the above problems, changes recommended by the Department of Defense in its report, and, of course, a judgment as to whether the bill provides a workable solution to the difficult problems associated with the base closure at Glasgow.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

Mr. ROGERS. Mr. Railsback?

Mr. RAILSBACK. I want to thank Senator Metcalf for his statement and simply ask him a few questions. I am wondering if—I may have missed this in earlier questioning—there is any precedent that you know of in respect to this type of a corporation. I have never heard of it.

Senator METCALF. We have tried to copy public corporations such as TVA and so forth. There isn't any precedent for this specific activity of a corporation. But TVA is an example. We looked at the TVA law for a model to follow for the creation of the Corporation.

Mr. RAILSBACK. Is it your thought that once the Corporation is established, that Government agencies having this made available to them, would make use of this facility?

Senator METCALF. Government agencies could make use of the facilities. Even the Department of Transportation which doesn't think that this is a feasible program for Federal activity could use the facilities if it desired. But we would hope that private industry would make use of the existing governmental facilities and activities in building up the base for such things as vocational education, manpower retraining, some of our Indian training programs, and some of the programs for industrial development.

Mr. RAILSBACK. Have there been any objections or overtures in respect to this from private corporations?

Senator METCALF. Yes. This is what I was talking about. I would like to put in the record, Mr. Chairman, a list of organizations which have approached the task force. I mentioned some of them in the course of my testimony. They worked with the task force in the development of plans and programs in the event S. 1602 is passed.

Mr. ROGERS. As I understand, the request of the Senator is that we receive for the record, a list of applicants and a compilation or a summary of their proposals, as well as explanatory correspondence?

Senator METCALF. Yes, sir.

Mr. ROGERS. Permission will be granted for that purpose.

(Information follows:)

99-654—68——3

Organization	Proposal	Magnitude of program	Total operating cost
Economic Systems Corp. (AVCO)	Establish a new community composed of selected families with productive promise. A contractor would govern the new town until it became self-sustaining. Training would be provided with industrial development and community services would be organized.	The population of the community would be approximately 6,000 men, women, and children. Jobs would total 800.	$8,500,000 net cost. AVCO feels requested Federal dollars would provide the major support through the 3d year. After this period, Federal support would be decreased to a low percentage by the 6th year.
RCA Service Co	Services to operate a training center for American Indians would be established. Unemployed Indians (18–35 years old) would be trained for a 1-year period. Job placement services after training would be provided. BIA regional offices would be responsible for placements, but RCA would provide test scores, personal evaluations, and public relations efforts.	Enrollment of 250 adults, 120 children, and 60 staff members.	$786,150 per year plus $165,830 one-time equipment costs. The annual fixed fee included in the above is $58,233. A fixed fee of $12,284 is included in the equipment cost.
Technical Education Research Center	Establish a National Center for Human Resources Development. Would find educational means to bring educationally and culturally disadvantaged persons to levels of capability which would permit their employment in the millions of technical and technical-support jobs now existing and unfilled. Would emphasize emerging technologies.	1st year, 1,000 students; ultimately, 5,000 students or more. Center would include 6 principal operating units: Comprehensive occupational education center; technical college; technical teacher education center; technical education demonstration center; postmilitary service education center; international occupational-technical education center.	1st year, $6,480,000.
Packard-Bell Electronics Corp. Space and Systems Division.	Establish, operate, and manage a national vocational technical training center for profit to provide training in skills related to aircraft and airline industries.	1st year, 1,000 students and 320 staff members; 2d year, 2,000 students and 409 staff members; 3d year, 3,000 students and 515 staff members; 4th year, 4,000 students and 625 staff members; 5th year, 5,000 students and 619 staff members. Student body would come from discharges of the armed services and U.S. Employment Service referrals.	1st year, $6,490,000; 2d year, $8,657,000; 3d year, $11,224,000; 4th year, $13,870,000; 5th year, $16,402,000; total, $56,643,000. As a profit-making school, Packard Bell would not be eligible for HEW real or personal property grants, but students could qualify under MDTA, GI bill, OEO programs, and some Office of Education HEW programs.
Litton	Develop tourist-recreational potential of area by establishing a recreational promotion agency with emphasis upon creating a successful environment for private enterprise.		5 years, $1,300,000; 10 years, 2,000,000.
	Plan, establish, and manage a 2-year vocational community college. A special effort would be made to recruit Indian students.	1st and 2d years, 500 students and 55 staff members. Litton anticipates annual increases.	2 years, $2,400,000; each additional year $1,000,000
	Plan, establish, and conduct a 2-year Indian family training program. Each family would be housed and given a stipend for basic expenses.	1st year, 75 families, 76 staff members; 2d year, 150 families, 92 staff members.	1st year, $1,851,125; 2d year, $2,245,609.
Rust International University	Establish and operate a tax-exempt, nonprofit organization which would provide college courses for persons with underachievement records and with the ability to succeed in college.	1st year, 1,400 students; 2d year, 1,900 students; 3d year, 2,000 students; 4th year, 2,100 students; 5th year, 2,200 students; staff would have 500 members.	1st year, $2,000,000; 2d year, $1,000,000; 3d year, $750,000; 4th year, $500,000; 5th year, $250,000; total, $4,500,000.
(Kuehnegger) American Institute for Medical Engineering Research.	Establish a nonprofit institute to conduct medical research programs.		1st year, $316,412; 2d year, institute expects to be self-supporting with grants from Federal and private sources.

Organization	Revenue other than Government	Method of funding
Technical Education Research Center	Not stated, although the main source probably would be tuition from nonsubsidized students and revenue from private sponsors.	Federal funds, which would require a special appropriation. TERC expects to attract a wide variety of special technical and occupational programs sponsored by various public and private agencies using existing appropriations.
Packard-Bell Electronics Corp	1st year, $1,453,820; 2d year, $2,907,640; 3d year, $4,361,460; 4th year, $5,815,280; 5th year, $7,269,100; total, $21,807,300; plus unestimated revenue from industrial, R. &. D. or commercial tenants. Packard-Bell assumes industry will pay some student fees. Also expect Government will pay partial amount of fees. Concessions would be sold to supporting retail business stores.	1st 5 years, cost-plus-fixed-fee contract, with real property plus improvements and available equipment furnished to contractor on a no-charge basis. Packard-Bell expects the operation to become self-supporting and profitable after 5 years. Maximum cost to Federal Government (based on Packard-Bell estimates) would be $34,835,700 for the 5-year period. This figure would be reduced by the amount of nonstudent revenues generated by commercial and industrial development.
Litton	None for tourist recreational development program. None for Indian family training program. Source of revenue for community college is not stated.	Recreation development and Indian family training program appear to require 100 percent Federal funding. Community college costs would be reduced by the amount of tuition collected from unsubsidized students. Litton probably will seek a cost-plus-fixed-fee contract from the Federal Government. About 200 Federal scholarships would be given during the college's 1st year.
Economic Systems Corp	The Federal Government would provide the major portion of support through the 3d year. After the 3d year, Federal support would gradually decrease to a low percentage by the 6th year.	AVCO would operate under a contract of the Federal Government until such time as enough industry and aviation uses were attracted to sustain the base and town. Besides the payments under the prime contract, AVCO would expect to receive money for conducting training and other adult and child-care programs of interest to HEW, Labor, OEO, etc.
RCA Service Co	None	Cost-plus-fixed-fee Federal contract. BIA would provide funds or services required by Indians for rent, food, utilities, clothing, transportation, medical and dental treatment. City of Glasgow would provide police and fire protection. Federal Government would provide buildings and grounds maintenance. GSA would furnish vehicles.
RUST International University	1st year, $1,790,000; 2d year, $3,900,000; 3d year, $5,145,000; 4th year, $5,960,000; 5th year, $7,660,000; total, $24,455,000. The revenue from private sources would include regular tuition of students, $23,940,000; general funds of university, $515,000.	University would expect to receive land, buildings, and available equipment gratis as a grant from HEW. University would expect help through HEW grants for education. HEW would have to contribute the State as well as Federal share because State will not contribute. HEW could do this through an administrative decision to postpone other commitments. After 5 years, financing of the deficit would come from foundations and individuals and possibly additional USIU funds. S. 1602 might facilitate funding, but might preclude public benefit grants. Balance of costs would be paid by USIU from funds raised regularly by the university.
American Institute for Medical Engineering Research.	The Federal Government would provide the major portion of the funds for the 1st year. In following years, the institute hopes to attract both Federal and private financial sources.	The institute has received favorable approval from several Federal agencies. Among these are NASA, the National Institutes of Health, the Department of the Army, the Department of the Navy and the Veterans' Administration. The institute anticipates private contracts after the 1st year.

RCA Service Co.,
April 15, 1968.

Office of Economic Adjustment, Department of Defense,
The Pentagon, Washigton, D.C.

Attention: Mr. Donald F. Bradford, Chairman, Presidental Task Force on Glasgow AFB.

Subject: Establishment of Indian Family Training Center at Glasgow AFB.

Gentlemen: RCA Service Company is pleased to submit program and cost proposals that present RCA's plan for establishing and operating a center for training Indian families at Glasgow Air Force Base, Montana. The proposed program will include provisions for adult males, their wives, and children and bachelors.

You are assured of the complete support of RCA in performing contractual requirements resulting from this proposal.

Very truly yours,

T. C. Haney,
Manager, CPFF Contracting.

Enclosed: Program and Proposals RCA 94–FP/G–67.

Cost Proposal

I. GENERAL

This proposal submitted by RCA Service Company provides for furnishing services to operate a training center for American Indians on the facilities currently known as Glasgow Air Force Base, Montana.

II. SCOPE

RCA Service Company, a division of Radio Corporation of America, proposes to furnish services to operate a training center for unemployable Indians in the age group of 18 through 35 years. The services are proposed for a period of 1 year starting from the date of contract award. Staff buildup will commence on the date of contract award and continue at a rate that will accommodate the vocational training of 250 adult Indians (husband, wives, and bachelors) and the operation of nursery, daycare, and Head Start projects for an estimated 120 children. All trainees and their families will be at the Center by the middle of the sixth month after contract award. See the accompanying proposal for staff phase-in and trainee phase-in.

It is anticipated that each trainee will be in residence at the Center for approximately 1 year, although some may be ready for placement as early as 6 months from date of arrival while still others may require up to 20 months of training. Trainee vacancies resulting from attrition will be filled as they occur.

The services RCA proposes will include complete management and operation of educational, administrative, and support functions.

III. TYPE OF CONTRACT AND QUOTATION

This proposal is based on a cost-plus-fixed-fee type of quotation, said cost being in the amount of $727,917 plus a fixed fee of $58,233. See exhibit I for an analysis of this quotation.

Additionally, for budgetary consideration only, exhibit I includes estimates of expenditures necessary for completely equipping the Center for 1 year.

IV. PROPOSAL CONSIDERATION

A. Trainee payments

No monies have been included herein for initial clothing and furniture allowances for the Indians. Monthly subsistence allowances likewise are excluded from the estimated costs.

B. Indian guardianship

RCA has not included a cost estimate for insurance coverage for Indians at the Center. RCA is prepared to discuss matters pertaining to the responsibility and liability for Indians and their guardianship (as applicable).

C. Physical examinations

RCA expects that physical examinations for all Indians scheduled to attend the Center will be administered by the Indian Health Division of the Department

of Health, Education, and Welfare prior to the departure of the individuals from the reservations.

D. Transportation

Costs estimated in the costs portion of this proposal do not provide for weekend recreational transportation for the Indians. No costs are quoted for food and lodging associated with such travel, since no overnight trips are contemplated. Additionally, no travel costs are included either for initial transportation from the reservation to the Center or for transportation from the Center into the community upon completion of training.

E. Medical and dental services

It is expected that medical and dental work will be performed by the Indian Health Division of the Department of Health, Education, and Welfare. Consequently, no costs associated with these services have been included herein.

F. Overtime

No overtime costs have been included in this proposal.

V. CONTRACTUAL PROVISIONS

The number of adult Indians to be trained shall not exceed 250 at any one time and the number of children less than 6 years old shall not exceed 120.

Residential dwelling costs, as well as lodging and food for bachelors, will be handled directly between the Indians and the lessor. However, RCA will monitor these transactions and make certain that they are properly handled.

It is anticipated that services performed will be documented in the form of a monthly program report submitted to the Bureau of Indian Affairs. Services will be invoiced monthly for incurred expenses and one-twelfth of the fixed fee.

Any general provisions to be included in any ensuing contract will be determined during negotiations.

No firm costs have been estimated for facilities or equipment for the training center. These will be determined during negotiations.

No costs have been included for furnishing or supplying the commissary. It is assumed that a local merchant will do this, and that such costs will not be charged to RCA.

The price quoted does not include provision for Montana State tax. All cost-reimbursable items charged against the proposed contract will be invoiced at cost plus G&A plus Montana state tax.

VI. PROPOSAL VALIDITY AND POINT OF CONTACT

This proposal will remain valid for a period of 60 days. Any questions relating to this proposal should be directed to Mr. T. Haney, Camden, New Jersey, 08101, telephone 609-963-8000, extension PY 5095.

ECONOMIC SYSTEMS CORP.,
Washington, D.C., May 22, 1968.

Hon. MICHAEL J. MANSFIELD,
U.S. Senate, Washington, D.C.

DEAR SENATOR MANSFIELD: During the past several months, Avco Economic Systems Corporation has been engaged in developing a conceptual program to turn the SAC base at Glasgow, Montana, upon its closure, into a viable civilian community.

Any social structure of this type requires three fundamental and necessary elements to sustain itself in a financially sound basis. These are:

1. Appropriate facilities for both production and supportive services;
2. A marketable product line;
3. A trained labor force.

We are both aware of the exceptionally fine facilities existing at the Glasgow Air Force Base; therefore, nothing more need be said concerning that element.

Avco has identified potential product lines within its current backlog and forecasts which could be performed at Glasgow Air Force Base. This would generate a sufficient work load to build employment to approximately 1,000 people within two years. The product lines of which we speak are in the general area of aerospace structures. We have been given qualified assurance by Avco Aero-

structures Division that significant amounts of wing components and subassemblies could be manufactured at Glasgow. The qualification is placed on the availability of facilities at a competitive rental price and the existence of a trained labor force.

The missing element is the trained labor force. It is our concept that the broad base of this force be created through the training or retraining of the unemployed or underemployed of that geographical area in aerospace structure assemblies and other supportive trades. This would permit capitalizing on the tremendous growth which is forecast for civil aviation over the next decade.

To accomplish this task, funding would be required from the Federal Government for operation and maintenance of the base facilities and the training program. It is proposed that this initial phase of the program be covered by a cost plus fixed fee contract. Depending upon the scope and level of services provided trainee families, the initial estimate for the total proposed program would amount to somewhere between $5–$7 million for the first year. Subsequent years would show a substantial reduction in federal funds as the trainees are taken on the Avco payroll to become self supportive, taxpaying citizens of the new community.

While working on the industrial development plan we have concurrently worked with Carroll College in Helena, Montana, in a joint educational-industrial program which could be undertaken at Glasgow. The College Development Board at Carroll sees this as an opportunity for the college to spread its influence over a wider area and to serve a new segment of the population.

This project has received an extremely favorable response from all quarters in Montana and particularly the citizens of Glasgow. I hope that this letter will serve to update your knowledge concerning our efforts. We solicit your continued support.

Sincerely,

JOHN B. KELLEY, *President.*

PACKARD BELL,
SPACE AND SYSTEMS DIVISION,
Newbury Park, Calif., April 5, 1968.

Mr. DONALD F. BRADFORD,
Chairman, Presidential Task Force on Glasgow Air Force Base, Department of Defense, Washington, D.C.

DEAR MR. BRADFORD: Enclosed are ten copies of the revised Utilization Plan and supporting tables based on the eventuality of a partial use of the Glasgow Air Force Base for the proposed Packard Bell Vocational Training Center. Per our discussion with the Task Force on 2 April 1968, this Utilization Plan is based on a total student enrollment of 3000 (as compared with 5000 in Packard Bell's proposal). The buildings may be occupied in a year different from that indicated for the dormitory areas, depending upon the mix of students—single students versus married couples and families. We believe that we could utilize a larger number of MCP or Capehart housing units rather than Building Numbers 521, 528, 530, 531 and 532, should this be desirable to make the Packard Bell Utilization Plan more compatible with other utilization of the area. Also, it is possible that we would not require Buildings 735 and 736 or that we could use other buildings if this would be of some assistance.

As I indicated during our discussion, we are of the opinion that all of the dormitories should be reserved for Packard Bell as a first priority over a university type program because of the shorter duration of the course and the resulting increase in student turnover. I would assume that this plan would be more attractive to students who would be residing at the Air Force Base for a period of one or two years. By this reduced plan the NCO Club and the Officer's Club could easily be converted into cafeteria-style dining halls for another program, although it would be most desirable to retain one of these facilities as a social or recreation facility for students and one for faculty and staff members.

As we indicated to the Task Force during our presentation, it would be absolutely necessary that the present Base Amenities such as the outdoor recreational facilities, movie theatre, gymnasium, library, etc., as well as facilities for private commercial sales and services such as a gas station, stores, barber shop, commissary, etc., be available to all contractors rather than one contractor. For example, the University of Nevada took over all of the recreational and leisure facilities

at Stead Air Force Base which virtually eliminated any other instructional program at that facility. We would recommend the Task Force strongly consider this point in any decision or recommendation regarding joint compatibility of the area.

A building requirement not specified on the attached Utilization Plan is for 60,000 square feet of storage or warehouse area. It is not indicated because any building or combination of buildings with large open areas and utility service should be satisfactory to meet this need.

Regarding the housing units for married students, we have no particular preference to either the MCP or the Capehart housing. We do wish to reserve the area specified for "Capehart staff housing" on the housing utilization plan contained in our original proposal for staff housing. This would assume no added financial liability to our cost proposal as a result of the existing multi-million dollar loan on the Capehart housing tract.

We have also attached a revised copy of the financial chart and the page entitled "Source of Student Funds" contained in the handout.

After our meeting, we met with FAA representatives and Department of Labor representatives and obtained statistical data regarding job requirements. Copies of this data were furnished to Dr. Strickler and George Smith for use by the Task Force. We also met with Dr. Levine of OEO and his office has kindly offered to assist us in developing some data on the multiplier cost effectiveness. To prepare this data requires some research, which we are working on at present, and as soon as the data is completed we will forward copies to the Task Force.

We would like to extend to you and to the Task Force members our appreciation for giving Packard Bell the opportunity to discuss our proposal, and we will be happy to supply any additional information that you may require or meet with you to discuss the proposal in further detail.

Very truly yours,

H. E. Atwood,
Program Manager, Economic Development.

A Proposal for Tourism—Recreation and Education—Training, a Key to Regional Economic Growth of Valley County and Glasgow, Submitted by Washington Science Center, Applied Science Division, Litton Systems, Inc., Bethesda, Md., March 29, 1968

SECTION I. SUMMARY

Montana, and in particular its eastern region has barely scratched the surface of its educational, training and recreational potential. Toward this end, one must approach the opportunity to develop these facilities and to increase the economic base in Valley County with a long-range overall plan and action program.

Inherent throughout this proposal is an awareness of the economic fact that Glasgow AFB will be phased out on June 30, 1968. More than jobs will be lost to the community by inaction. Any master reuse plan, to be advantageous to the community, must provide for offsetting this direct economic blow. The availability of the many potential attractive county facilities, on and off the base, can well provide direct and indirect long-range benefits in terms of new jobs far in excess of he normal contribution of the Air Force Base operations to the local economy.

Implementing the civil uses of the base, as recommended herein, when combined with the suggested follow-on programs, will create a balanced, long-range workable master development that would significantly complement the existing economic, cultural and educational character of Valley County area with that of the future development of the region.

The program being proposed by Litton Industries, Inc., Applied Science Division, to the President's Task Force on Glasgow AFB is in support of the objectives and goals stated in *Patterns for Progress*, published by the Valley County Development Council. A very pertinent statement from the document relates directly to this proposal and to the direction in which Valley County wishes to go:

"Specifically, we need to increase the economic efficiency of our farms. We need to develop and attract growth industries. We need to raise the general educational standards and to ensure that we provide adequate technological education. We need to take advantage of our undeveloped recreational opportunities. We must consider means of increasing employment in our service industries."

TECHNICAL EDUCATION RESEARCH CENTER,
Cambridge, Mass., March 22, 1968.

Mr. DONALD BRADFORD,
Chairman, Presidential Task Force on Glasgow Air Force Base, Office of Economic Adjustment, Department of Defense, Washington, D.C.

DEAR MR. BRADFORD: I am enclosing herewith for the consideration of the Task Force copies of our Proposal for a National Center for Human Resources Development.

As you know during the past several months TERC in consultation with a number of national education and other leaders has been engaged in developing the concept of a national program to establish a network of five or six National Centers for Human Resources Development. These National Centers would be located in excess Air Force Bases and other military installations in different regions of the country. Such a network of National Centers would contribute greatly to meeting the urgent national need to provide expanded and updated occupational education opportunities for large numbers of Americans. It would particularly contribute to meeting the national obligation to service men and women returning to the civilian economy.

The proposed National Centers would not duplicate any educational programs which now exist but would assist educational institutions throughout the country by testing and evaluating new educational programs and preparing urgently needed technical teachers. The National Centers would also provide an institutional framework to carry on a variety of special purpose educational and training programs sponsored by various Federal and other agencies which for various reasons cannot be carried on effectively in existing educational institutions. The concept of the proposed National Centers is outlined in the enclosed proposal.

As the first step in the creation of a network of National Centers it will be necessary to establish a pilot National Center at which the concept can be demonstrated, tested, and evaluated. TERC has made a preliminary study of the feasibility of utilizing the Glasgow Air Force Base at the pilot National Center. This preliminary study has shown that the Glasgow Air Force Base would be well adapted to this purpose.

The proposed National Center as outlined in the enclosed Proposal is entirely consistent with S–1602. It could if desirable directly implement 16 of the 22 programs described in Section 5(a) of this Bill and it would complement and support any or all of the remaining six programs.

We therefore request that the Task Force consider recommending the establishment of a pilot National Center for Human Resources Development along the lines outlined in the enclosed Proposal to utilize all or a substantial part of the facilities at Glasgow Air Force Base. If the Task Force is interested in the concept of the National Center as outlined in he enclosed Proposal, we will be glad to provide any additional detailed information which you may desire. I am enclosing for your information a brief description of the Purposes and Programs of Technical Education Research Center.

Sincerely yours,

ARTHUR H. NELSON, *President.*

MCLEAN, VA., *May 7, 1968.*

Senator L. METCALF,
Senate Office Building,
Washington, D.C.

DEAR SENATOR METCALF: Please find enclosed for your personal information a copy of my cover letter for the Proposal for the Establishment of A.I.M.E.R., The American Institute for Medical Engineering and Research, in the Regional Economic Development and Growth at Glasgow, Montana, addressed to Mr. D. F. Bradford, Chairman of the President's Task Force on Glasgow AFB at the Department of Defense.

Should you desire any further detailed information concerning this proposal, I would be very happy to visit you personally for this purpose. The above proposal is the result of years of work and planning aimed at achieving the establishment of such an institute. For this reason, Senator Metcalf, I approach you with my request for your valued support of this proposal.

Respectfully,

WALTER KUEHNEGGER.

Enclosure: Copy of letter to Mr. D. F. Bradford.

McLean, Va., *April 24, 1968.*

Subject: Proposal for the Establishment of A.I.M.E.R., The American Institute for Medical Engineering Research, in the *Regional Economic Development and Growth at Glasgow, Mont.*

Mr. Donald F. Bradford,
Chairman, President's Task Force on Glasgow AFB,
Department of Defense, Washington, D.C.

Dear Mr. Bradford: According to recently obtained information concerning the purpose of the President's Task Force on Glasgow AFB, I hereby submit with pleasure a proposal for the establishment of the above mentioned Institute.

After careful review of the site plans and general locale of Valley County, it is felt that the establishment of such a non-profit making institution would become a great asset in its regional development, even more so if it is connected with the locally planned school system (community college) and paramedical education.

It is proposed and requested that the establishment and operation for the first year of this institute be funded by federal support for the amount $316,412. This amount includes $48,600 for the rental of floor space, $15,609 for office furniture and $3,129 for machine shop equipment. The total amount thus could be reduced to $249,074, if the above items were provided freely. Associated with this proposed program will be the purchase of the homes at the base by the staff personnel.

In the second year, the institute is expected to largely support itself by the performance of contractual research and development from other government (state and federal), private and industrial sources. Evidence of such intended support has been given by—

Dr. F. Leonard, U.S. Army, Walter Reed Hospital, Washington, D.C.;

Dr. W. Kirby, Director of Research Administration, Veterans Administration, Washington, D.C.;

Mr. B. Wilson, Staff Executive, President's Committee on Engineering in Medicine and Biology, Washington, D.C.;

Mrs. J. B. Spain, Vice Chairman, The President's Committee on Employment of the Handicapped.

Also, there has been supporting correspondence (Ref. Vice President, Mr. Hubert H. Humphrey) provided within the proposal itself.

A survey of potential sources of income in addition to those mentioned previously included the following: HEW, NIH–NHI, NIH–NIAMD, NIH–GMS, VA, VRA, SRS, U.S. Army, U.S. Navy, and NASA, besides private and industrial sources for research and development of medical instrumentation to automated diagnostics equipment.

The attached document contains 8 sections and an appendix. Section 1, the foreword, describes the establishment of A.I.M.E.R. while the objectives of the nstitute and its laboratory functions are outlined in Section 2. This section also discusses the application of engineering principles and techniques in the analysis of medical problems. It shows how much problems can be solved by using engineering related concepts as structural engineering in the analysis of the skeletal system and fluid dynamics in the analysis of the cardiovascular system. A complete patient management program (hospital engineering), ranging from the analysis of pathology to the vocational rehabilitation of the patient, has been introduced. The necessary organization and personnel along with their required qualifications are given in Sections 3 and 5.

The facility is described in Section 4. The minimum total floor space requirements are 5,400 sq. ft. of which at least 2,700 sq. ft. would be used for laboratory space preferably located within one single building. A layout of the floor space distribution, the power requirements, and many other pertinent details are given in the attached proposal. The maximum requirement by the 3rd year will be two buildings, each containing about 5,400 sq. ft.

The budget figure (stated above) was computed in Section 6 and considered the smallest items for asset, burden and internal research (labor) costs. Samples of research activities and their development potential are shown in chart form in Section 7. Sales and a list of unsolicited proposals for research and development are given in section 8. Appendix A contains the author's résumé and other supporting information including a list of personal references.

The establishment of this institute would be a great step forward—

by a permanent and continued contribution to the national and international advancement and utilization of medical (hospital) engineering scientifically,

by contributing to the development of medical engineering devices and products so badly needed for local and national health services,

and fulfilling these needs by planned training (education) and utilization of regional manpower supplemented by specialists recruited into the area.

The attached document, represents years of experience and planning. Your program connected with the regional economic growth of Valley County and Glasgow provides an excellent opportunity for the realization of this work in the establishment of the institution. Every possible effort will be expended to make this institute successful and a credit to your effort to revitalize this facility to become a viable asset, to the area and the state, as well as the Nation.

Your personal consideration of including this proposal in the above program would be appreciated. Please feel free to call upon me for a personal presentation or additional information if required.

Respectfully,

WALTER KUEHNEGGER.

Senator METCALF. Packard-Bell, Litton, Economic Systems, RCA, Rust International University, and American Institute for Medical Engineering Research have already made approaches and plans and developed brochures for the use of the base, or part of the base.

Mr. RAILSBACK. In respect to this, I haven't had a chance to study their programs or what they have offered to do. But I am wondering if you envision this corporation deriving revenue from these various arrangements with these private corporations?

Senator METCALF. Yes.

Mr. RAILSBACK. What kind of programs would be involved or would they derive from that?

Senator METCALF. I mentioned the AVCO program which would be leasing the facilities for airline construction, and so forth. I mentioned the other private training programs for pilots and maintenance engineers who would lease the maintenance facilities and rent the homes and move the families in there during the training period, all of which would bring revenue back to the corporation. All of them would be private.

Mr. RAILSBACK. Have any of these industries expressed an interest in purchasing the facilities or some of the facilities?

Senator METCALF. No. I don't know whether it could be ultimately purchased or not. But again, all of these proposals are for only the use of a part of the facilities, the use of maybe some of the hangars. There is one proposal that is for the development of a readymade university which would use the entire facility. That is, the Rust facility would use the homes for staff and so forth. This proposal would require a Federal grant from HEW.

Mr. Cohen has suggested that he is concerned if this bill were passed whether Rust International University will be able to get together and use it.

Mr. RAILSBACK. Is this an existing university?

Senator METCALF. Yes. It is now operating in California as a university. They would use it part time. It would be a 2-year college, an "instant university."

Mr. RAILSBACK. I still don't understand what would happen if this bill is not passed. Would this simply be abandoned?

Senator METCALF. Yes.

Mr. RAILSBACK. As of June 30?

Senator METCALF. It will not be abandoned until adjournment of Congress because of Chairman Rivers and Chairman Russell, who have prevented it from being turned over to the General Services

Administration as it normally would. It will be abandoned completely as a military base as of June 30. All of the military installations will be moved off.

If this bill isn't passed, whatever can be removed in the way of buildings will be removed. The maintenance equipment will be sold for surplus. The superb medical and dental equipment will be sold for surplus. One of the six best systems of runways in America will grow up to prairie grass.

Mr. RAILSBACK. In respect to the financing, I think the gentleman from Colorado mentioned that you are requesting authorization for $1 million a year for 3 years and also authority for the corporation to issue up to $25 million worth of obligations. How would these obligations be paid—out of revenue derived?

Senator METCALF. Out of revenues derived from the proposals and projects that were approved by the corporation and launched by these various organizations.

Mr. RAILSBACK. Without any guarantee by the Federal Government?

Senator METCALF. No guarantee whatsoever. However, the $1 million is the administrative expense of launching this corporation and putting together the initial 3 years of operation.

Mr. RAILSBACK. I must say that what bothers me about this proposal is the fact that none of the agencies that are going to or can be involved in these various programs have expressed any interest and the fact that I take it it was an economy move, although I do appreciate what you are saying.

We are going to lose some resources by abandonment and by sale for surplus. But the fact is that this may very well end up costing more money which has not been requested by the administration.

It seems to me that the interest has not been very great on the part of any of the agencies that might be involved.

Senator METCALF. I must say I have been a little bit concerned, too. I must say that Senator Mansfield and I have been a little bit unhappy about that, too.

Mr. RAILSBACK. That's all I have.

Mr. ROGERS. Mr. Biester?

Mr. BIESTER. Senator, I will be very brief.

I would like to pin down some of the cost factors if this facility were turned over to the GSA. Has anyone computed what would be the likely dollar loss?

Senator METCALF. We estimated a $100 million loss.

Mr. BIESTER. Almost writing off the whole thing?

Senator METCALF. Yes. This committee knows what happens when we sell these things for surplus. You get a penny on the dollar. Of course, many of those magnificent homes are permanent homes and can't be moved. Of course, you can't move the strip. That is part of the big investment. There wouldn't be any recovery of that.

Mr. BIESTER. Isn't it also the case that if we were to reproduce this facility to meet some of the propositions which have been offered and these listed in your statement, the cost will again be $50 to $100 million to reproduce it or more?

Senator METCALF. To reproduce this facility today would be more than $150 million.

Mr. BIESTER. I have some questions about the FAA. I will defer to my colleague from Minnesota, who is far more of an expert in that than I am.

Mr. MACGREGOR. Thank you, Mr. Chairman.

Senator Metcalf, with your associate from Montana, Congressman James F. Battin having been a former member of this committee and a good friend of ours who served on this subcommittee, we have a degree of familiarity with this problem that you present to us this morning in connection with the bill, S. 1602.

As Congressman Battin has talked to me about this matter over the past several months, it has occurred to me that the Federal Aviation Agency might be persuaded that this is an excellent facility for some of the purposes for which that agency was created; indeed, for some of the functions which that agency is now carrying out.

I am thinking specifically of certain of the test facilities, the air facility at Atlantic City, N.J., which seems to me to be more suited to an area that is less thickly populated within the United States; namely, an area of northeastern Montana.

Could you advise us of any approaches, formal or informal, that you or your colleagues, Senator Mansfield or others, might have had with the representatives of the Federal Aviation Agency.

Senator METCALF. I was fortunate to have Mr. Strickler from the Federal Aviation Administration. I assure you that I am as aware as the gentleman from Minnesota is of the persuasiveness of Mr. Battin. I can assure you that both Senator Mansfield and I have tried to be equally persuasive to ask the FAA to take over this facility for such activities as you have suggested. We have been unsuccessful.

Mr. MACGREGOR. The airstrip at the Glasgow Air Force Base is slightly more than two and a half miles in length. This is matched by, I believe, less than five or six other fields throughout the country. The normal Strategic Air Command runway runs usually 11,000 or 11,500 feet. Here you have an airstrip of 13,500 feet.

Senator METCALF. There are only five others which match it.

Mr. MACGREGOR. Let's turn now in connection with that marvelous facility to the possibility of private enterprise in the aircraft field. Let's cover for a moment for the record the attitude of the Boeing Co., the Lockheed Co. or Pratt & Whitney jet engine manufacturers or General Electric. Boeing and GE, of course, are the contract contest winners in connection with the proposed supersonic transport aircraft, but Lockheed with its fixed-wing or dart-shaped design perhaps being the ultimate, predominant airframe manufacturer in the supersonic transport field and Pratt & Whitney and other engine manufacturers moving forward along with General Electric in followup designs for jet engine manufacture.

Would you tell us of the attitude of any of these private companies and the use of the Glasgow Air Force facility for the purposes of the training and testing that will be necessary in the 1970's and in the 1980's and perhaps beyond that in connection with manned aircraft of a commercial nature?

Senator METCALF. Yes. I have brought with me and presented to the committee only those brochures that have a definite proposal. However, to the task force, Boeing especially has indicated an interest in this area, an interest in pilot training for their big jumbo jets and

their supersonic transports and has indicated an interest for training of maintenance crews and so forth in the area.

I think that perhaps your question should be directed to some of the task force when they come in so they can tell you of all of the others who have been interested. This is the thing that we are trying to accomplish; to make available and to preserve this so that these private people, such as Lockheed, Boeing, and others, who are interested and who have sent inspection teams out, who have not presented such elaborate project plans as Packard-Bell, Litton, and so forth, but who are still interested and concerned with this thing that you have mentioned can be named.

Mr. MacGregor. Another company, of course, competing in the highly speculative field of future aircraft development and design is Douglass-McDonnell. I have forgotten which comes first. I would think that such a facility as is presently in existence at Glasgow might very well be greatly desired in the future by Douglas-McDonnell and others, although it may not be presently within their plan in terms of a testing or a research or training facility.

It would seem to me that if we let this go to prairie grass we might well find 5 years from now that suddenly somebody comes forward with a proposal to rehabilitate the base at Glasgow at great cost.

Senator Metcalf. Many of the agencies that are mentioned, of course, are awaiting what happens to this legislation before setting forth a definite proposal.

I predict that in 2 or 3 years, if we are able to save this and get Douglas-McDonnell interested in it, as Boeing is interested and concerned, we will be using to its ultimate this superb installation that we will need as a national resource.

Mr. MacGregor. I thank the Senator from Montana very much. Thank you, Mr. Chairman.

Mr. Rogers. May I ask this question, Senator.

As I understand from the Counsel of the Defense Department, the State of Montana itself owns approximately two-thirds of the land on which the base is located. The Federal Government has only a lease to the year 2005. Will the State of Montana cooperate in transferring title to this land?

Senator Metcalf. We have had assurances from the Governor and attorney general from the State of Montana that we will have complete cooperation for any transfer of land or title that is necessary to implement this bill if it is passed.

Mr. Rogers. I will ask the $64 question. Are there any school lands involved in this?

Senator Metcalf. As far as I know, there are no school lands. As far as I know, you are talking about school sections which always bring up a constitutional problem that we can't——

Mr. Rogers. No, I wanted to make sure because, as you know, the Supreme Court slapped the State of Arizona down when she tried to take some of her section 16 and 36 land and said, "Now look, you cannot do it because it is entrusted according to a grant."

I am just asking if maybe some of this land is in that category.

Senator Metcalf. This land was acquired largely by the State for the city of Glasgow and Valley County for the purposes of the air base. I can't say categorically that there isn't any section 16 and 36

land, but I am under the impression that no school sections are involved.

Mr. ROGERS. Of course, section 4 of your bill directs the transfer to the corporation of all right, title and interest of the United States in and to the property, real, personal, and mixed. The United States has a lease on this land, as I understand it, to the year 2005.

If we pass this bill then the corporation would hold according to the lease that the U.S. Government holds from the State of Montana?

Senator METCALF. It would be transferred to the corporation. We have been assured by the Governor and the attorney general—and by the State land board—that as far as the State title is concerned, in the event that this bill is enacted, there would be the proper transfer of the land involved.

The governmental lease, of course, would account for the first year or so until the corporation took over and used the land for whatever purposes are required.

But I am as aware as the former attorney general of Colorado of some of the school problems. It hasn't been brought to my attention yet, so I don't think there is any school land.

Mr. ROGERS. It does appear that the witness as a former member of the Supreme Court of the State of Montana for the many years——

Senator METCALF. I rather insisted that that land be kept.

Mr. ROGERS. So I hoped. I tried to envision the legal problem that may develop if we passed this bill and transferred whatever interests the Federal Government may have to this corporation, and whether or not the corporation may encounter some difficulty. May I ask this: Is there any payment of rent by the Federal Government under the terms of the lease to the landowners at the present time?

Is the land owned by the State of Montana or do you know?

Senator METCALF. It is just a nominal fee, $1 or $10 a year or something like that. Mr. Chairman, I will find out about the school section. We have made inquiry on it and have files on it as far as the letters from the land board, the Governor and the attorney general as to the transfer of that other land.

Mr. ROGERS. All right. Thank you.

Mr. ZELENKO. I have one question.

Senator, a section of this bill referred to by the General Services Administration, section 10, subparagraph 9, authorizes the corporation to enter into contracts. That is at page 11 of the bill starting at line 10.

It authorizes the corporation "to enter into contracts or other arrangements or modifications thereof with the State and local governments, any agency or department of the United States, any person, firm, association or corporation, and such contracts or other arrangements or modifications thereof may be entered into without legal consideration, without performance or other bonds and without regard to section 3709 of the revised statutes."

Would you tell the committee what that provision is intended to do?

Senator METCALF. The purpose was to give as much flexibility and as much latitude as possible to the corporation to enter into contracts with people for the development of this land and this base and its facilities. We felt that in trying to attract private industry we could accomplish this purpose.

All the Federal Government has involved here, if they abandon this base and sell it for surplus, is whatever the salvage value is and the million dollars that they have invested in for 3 years to run the corporation.

So we felt we didn't need some of the safeguards that we have when we have the expenditure of Federal money or the use of Federal assets and facilitie ssuch as bonds or things of that sort, security bonds, in order that we may give as much flexibility as possible. That is what we are trying to do.

We don't have the need to safeguard assets such as we would have to do in military contracts or something of that sort.

Mr. ZELENKO. Thank you.

Mr. ROGERS. Thank you so much, Senator. We certainly appreciate you coming over and giving us the benefit of your thinking as it relates to this bill, S. 1602. Of course, we have two bills introduced on the House side. They are H.R. 10238 and H.R. 10239. H.R. 10239 was introduced by the Honorable Arnold Olsen whose statement I shall put in the record at this point.

(The statement follows:)

STATEMENT OF HON. ARNOLD OLSEN, A U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. Chairman, I testify today to emphasize my enthusiastic support for legislation to create the first National Center for Human Resources at the Glasgow Air Base.

As you know, Senators Mike Mansfield and Lee Metcalf cosponsored this legislation in the Senate. I think Senators Mansfield and Metcalf and their fine staffs deserve commendation for the careful and exhaustive research which led to strong Senate approval late last year. I am hopeful all of my colleagues on this Committee will have an opportunity to view the impressive convincing slide presentation which has been prepared to illustrate the high quality of facilities at Glasgow.

The proposal that is before us today holds the promise of broad educational benefits for the great Northwest and for our entire Nation.

We are living in a rapidly changing world. The strides which have been taken in scientific advancement during the last few decades are overwhelming—if not frightening.

The security of training for a skilled job with a reasonable assurance that the skill will last for a lifetime is a luxury of the past. It is likely that skills which are considered "new" skills today will be considered old skills within a decade. Today's young people can surely look forward to a lifetime of recurring demands for new skills and demands for retraining. Students must be prepared to adapt readily to two or three—or more—occupational changes in their lifetime.

In the past these demands came more gradually; old skills were phased out more slowly; future demands could be anticipated and prepared for.

But we are not living in the past, and I am quite sure our youngsters would not trade the luxuries of today for this luxury of the past. The problem I am discussing will certainly not diminish.

We know where we stand today. We know preparations must be made to cope with the changing demands for skills that are as certain as tomorrow's sunrise. If we do not accept the responsibility before us today; if we do not prepare, as we should, for tomorrow, we certainly will not be able to look our children in the face and plead ignorance.

Today we have a wonderful opportunity to accept a part of that responsibility. And, in doing so, we have an opportunity to turn a loss into a gain—not only for the State of Montana, but for the Nation.

I will not repeat the impressive testimony, with which you are all familiar, concerning the wisdom and feasibility of transferring the $100 million facilities at Glasgow to this use. Very briefly, however, I want to review just a few of the startling facts which should serve as reminders of the tremendous and growing need for facilities to provide technical and vocational education.

Just since 1961, the Labor Department reports the creation of 3,100 new job classifications. In the next decade there will be more and more jobs for office machine operators, draftsmen, nurses and business machine servicemen. The Department reports there will be fewer jobs for farm workers, bakers, and machine tool operators. Vocational education must anticipate and reflect these changes.

Late last year the Wall Street Journal printed an article which reviewed a few of the labor problems which are accompanying the growing skilled-labor shortage.

"Already," the article states, "a scarcity of skills in many parts of the country has become acute. U.S. Steel Corp. says its capital spending program is lagging behind schedule largely because of a lack of skilled employees. Boeing Co., and Douglas Aircraft Co. are being forced to delay some jet deliveries this year because suppliers can't find the manpower to turn out engines on time. Detroit builders are pirating each other's carpenters. In the Connecticut River Valley, machine tool makers are raiding their competitors for metal workers."

The article, written by staff-reporter Ralph E. Winter, goes on to discuss some of the stop-gap methods now being used by some producers. For example, one innovation calls for separating a skilled job routine into several simple operations that can be handled by workers with little training. The article placed emphasis on the fact that these courses are short-term expedients. "In the long run, employment authorities agree, greatly expanded training offers the only sure way to end labor scarcities."

I don't think we, as a Nation, can afford to permit the opportunity which Glasgow presents to slip away. I believe that if we take action to implement the plan proposed in this legislation, the closing of the Glasgow Air Base will be looked back upon as a happy coincidence. If we do not, we must share the responsibility for the deterioration, waste, and cannibalization that will certainly occur.

In closing, Mr. Chairman, please permit me to say that I support this legislation fully, and that I believe its proposals should be carried out in addition to other related vocational education projects in the State of Montana. Two of every three youths now in school will enter the labor force without any college education or vocational training and we must do much more to reconcile this fact with the demands we know the future will hold.

A panel of experts named by President Kennedy in 1961 was very critical of the federal "legislative patchwork." It recommended that the Federal Government spend $400 million a year (eight times the amount spent in 1963) on the area of vocational education.

I view the National Center for Human Resources Development at Glasgow as a significant step in the direction of our goal in the United States and in our State of Montana. And I believe this must be done in addition to the projects now on the planning boards in other parts of our great State.

I believe we might be guided by the words of Alfred North Whitehead who, in 1917, said:

"In the conditions of modern life the rule is absolute, the race which does not value trained intelligence is doomed. . . . Tomorrow science will have moved forward one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated."

Mr. ROGERS. Our next witness is the Honorable James F. Battin, who served with our Judiciary Committee for a long time. He has been highly interested in this proposal.

Mr. Battin, we welcome you and are delighted to hear your thoughts concerning this bill, S. 1602, and your own bill, H.R. 10239. You may proceed in your own manner.

STATEMENT OF HON. JAMES F. BATTIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. BATTIN. I thank you. First, I would ask unanimous consent that my prepared statement in total be included in the record for the purpose of saving time. I will paraphrase and go to some of the questions that have been asked and elaborate somewhat on the answers.

Mr. ROGERS. We will file your statement in the record at this point.

(The statement follows:)

Statement of Hon. James F. Battin, a U.S. Representative in Congress From the State of Montana

Mr. Chairman, because our problem is unique, the Montana Congressional Delegation is supporting unique legislation in S. 1602, sponsored by Senators Mike Mansfield and Lee Metcalf and identical legislation by myself and Congressman Arnold Olsen. Through this proposal we hope to utilize $100 million of federal funds that have already been spent in a project that promises to return that investment many times over. Without this legislation that vast sum will be wasted. The return on our government's spending at Glasgow Air Force Base will amount to less than 10% if we follow the normal surplus property disposal process. But the proposal before your subcommittee today, although it will require a minimal further investment by the federal government, will assure full return in profits that have intangible value and yet real and noticeable worth. By creating the Northwest Regional Services Corporation, Congress will literally be beating "swords into plowshares."

The legislation is unique because only an innovating bill would have covered the situation at Glasgow. The Department of Defense concedes that closure of the base represents one of the most difficult phaseouts with which it has dealt. It's easy to see why closing Glasgow Air Base created new problems. Here we have the ultimate in an air defense facility. The base is fully capable of supporting an active wing of B–52 aircraft and a fighter interception Squadron. It encompasses 6,800 acres of rangeland on which is located a veritable city—high quality housing, recreation centers, churches, stores, a hospital and vast workshops. A runway to equal that in any metropolitan area is in use and in good repair. Railroad connections are also available and a more-than-adequate highway connects the base to the major thoroughfares of Montana and the nation.

In most other locations this facility would create no problem in disposal. It would in fact be a bonanza for the local government. But located in the extreme northeast part of Montana, 50 miles south of the Canadian border, this marvelous center presents a problem. The State of Montana cannot afford to take over the base, although we would be able to find great uses for the buildings and equipment there. By this statement I do not mean to "cry poverty" for my State, but I do recognize our limitations and wish to make the subcommittee aware of the special case for a federal-state venture in this instance.

The Bureau of the Budget has acknowledged to the Senate Committee on Government Operations that closure of this $100 million facility constitutes a national problem—and I quote from the Senate report on this legislation—"most certainly cannot be solved at the state or local level."

The nearest community to the airbase is Glasgow, Montana, a small, but vibrant little city. The people of this city are willing to devote whatever is necessary and, of course, within their capability to convert the base to civilian use. They have worked long and creatively with their congressional delegation to accomplish this objective. Considering that only 6,398 people lived in Glasgow at the last census, the assistance we have received from the community is overwhelming. But can a community of that size undertake to develop and maintain a $100 million facility on its own? Remember also that the size of this city nearly doubled with construction of the base and that size has been maintained because of the economic benefit that the Air Force installation had on the community. The federal government cannot in good faith lock the gates at the air base and walk away leaving this active community to its own devices.

The State government then would be the next obvious place to look to for help and the people of Glasgow have received help from the State. But here again there was only so much the State could do to ease the blow of losing the air base. The State Planning Commission suggested several alternate uses for the base. State officials from the governor on down were interested in Glasgow's plight and they knew that closing the base would create shock waves in the entire State economy. When you have a state population of less than 1 million and a narrow tax base, the loss of a $20 million annual payroll hurts. That size of payroll is almost impossible to replace.

I have a vested interest in the State of Montana and want to see it grow and prosper so my view is necessarily prejudiced. Consider the trust which is placed in Congress for the wise disposition of taxpayers investment in the federal government. If this base closing is allowed to proceed in the usual manner under the General Service Administration's procedure of property disposal, a $100 million investment will be wasted.

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Another waste which is not so apparent and which we seek to avert in this legislation is the loss of a splendid, low-cost opportunity to provide a priceless service to the nation. Although the decision to close this base still seems to me to be illogical, the facilities at Glasgow Air Force Base can provide all that is needed to fill a vacuum in the Northwest region of the United States. We lack facilities for vocational education in this area of the country. The closing of this installation and the release of these buildings and equipment from military use provide a natural cure for this deficiency. This can be a Godsend.

The air base at Glasgow lends itself naturally to conversion to civilian use. Aviation is a major industry and a new enterprise in terms of available manpower. The industry cries for trained employees and the companies involved in this business are willing to invest in educating people to service the carriers. We see this willingness of industry to invest in the four major proposals by conglomerate corporations to share in the federal government's participation at Glasgow.

The need for job training and incentive education isn't confined to the urban areas of our country. In fact, much of the need for job training in the big cities stems from the exodus of people from our rural states. Montana suffers a drain of this valuable resource because we are limited in the training we are able to offer our young people and the jobs to attract them back to the State after they receive that training at another location. Wyoming, North and South Dakota, Idaho—all the Northwest—suffer from this same loss of enterprising youth. All of these states, and in fact the entire nation, will benefit from a vocational education center at Glasgow. Although used as an argument against creation of this center, the geographic location of Glasgow justifies establishment of this type of institution. Glasgow is located in the center of an area that is arid from lack of this training. The nearest facilities along this line are in Seattle, Washington to the west and Denver, Colorado to the south, leaving the residents in an area of at least 500,000 square miles without access to comprehensive vocational education. The Northwest Regional Services Center at Glasgow would serve this area. It would create an atmosphere of progress by providing new industry and new skills to an area that composes one-fourth of the United States land area.

I predict that this center would become a mecca for aviation personnel be they mechanics, test pilots or aeronautical engineers. Buildings already constructed at the base will handle the largest aircraft in existence and the base is ready at any time to accommodate the supersonic transport planes. The runway alone gives evidence of the potential. Already built and in use is a high performance landing area that is nearly three miles long with the best in taxiways and holding areas.

Another problem with the State of Montana or city of Glasgow taking over operation of this base is the vastness of the installation. The base itself is larger than the support city of Glasgow, Montana, and as a vocational education center, it would accommodate more trainees than the State could provide in the immediate future. This base is a fully modern community capable at this minute of becoming a city with family housing for at least 8,000 people and additional facilities for dormitory residences.

Montana or any other state in the Northwest block would be justified in applying to the federal government for construction of just such a center. In these days of belt-tightening, though, it is not likely that a grant to build a $100 million center would be approved, even though the need could be easily proven. That is why I feel justified in appearing before you and asking approval of this legislation. This isn't a request for a $100 million federal grant for the facility is already in existence.

In summary, Glasgow Air Force Base will provide a vitally needed facility that we could not afford now under any other circumstances. A bargain is available and I urge your favorable consideration of this proposal.

Thank you and I would now welcome any questions from the subcommittee.

Mr. ROGERS. You may proceed to summarize and give us the benefit of any information that you have.

Mr. BATTIN. Thank you, Mr. Chairman.

First of all, I think this is a unique situation that brings forth a unique bill. Senator Mansfield, Senator Metcalf, Congressman Olsen, and I have introduced almost identical legislation dealing with a utilization of a Federal investment. We are not asking for $100 million. We are asking for a utilization of $100 million that presently is in existence in a base.

I do hope you will look at this slide presentation, because most people have the concept when you talk about closing a military facility that you are talking about old tarpaper shacks of World War II vintage. There are some questions as far as our congressional delegation is concerned that it shouldn't be closed, because it is going to have some great economic impact on the local area.

We are not really talking about local impact. We are talking about a city, perhaps one of the newest cities in the United States. Actually, when the order came to close the base, it wasn't yet completed. They went on to complete it.

Don't misunderstand. Here we are talking about excellent water and sewer facilities. We are talking about fire protection, health care, hospitals, dental clinics, beautiful schools, and modern homes. We are talking about brick construction, not temporary facilities.

I can't imagine with the experimentation that is going on today in projects in Government that here you don't have a built-in facility for many types of pilot projects that can be utilized by agencies of the Federal Government.

Let's go beyond that. I think Senator Metcalf is being a little modest when the question was asked of him who developed this bill. I think Mr. Railsback asked the question or perhaps it was Mr. Kastenmeier.

Where did the idea come from? I will give the credit where I think it is due. Senator Metcalf had Dr. Strickler spend untold hours going out and looking at and taking the pictures and designing the program and making some recommendations which ultimately ended up in the bill which you have before you in S. 1602. It is unique in that it is a very valuable resource.

Unless something is done, whether it be at the end of this Congress or before, and the military locks the gate and then walks away, as they are contemplating doing, you are going to have the most modern ghost town in the history of the world.

That is just exactly what it will become. It is unique in area. We are talking about a proposal that can be utilized—a facility, for vocational education, for the training of people in skills that are needed in our society today.

It is pretty well centrally located in an area of about 500,000 square miles. If you look to the east, you have Minneapolis as the closest metropolitan area. If you look to the south, you have Denver. If you look to the west, you have Seattle.

Here is the vast area of North and South Dakota, Wyoming, Idaho, Montana, and the eastern parts of Washington that don't have, because of their economic base, the opportunity. Here we have an opportunity, a $100 million installation that is just there to be used.

The question was asked about some of the proposals that have been made. AVCO, from which I have a letter, is most interested in starting a project there, but they are going to have to have some Federal help. Their whole program is designed to become a plus to the Treasury because they will utilize the facility in such a way as to make it a taxpaying operation.

I would call your attention, gentlemen, to last year when there was an airplane crash in New Orleans. One of the committees of the Congress, the Interstate and Foreign Commerce Committee, in looking into the cause of that crash discovered that a commercial airliner

was on a training flight simulating emergency conditions and crashed into a motel killing some 18 youngsters.

They were simulating emergency conditions so if their passengers at a future time were faced with an aircraft failure, they would have a chance to survive. Why would they do that in an area like this, I don't know. Based upon this, Senator Mansfield directed a letter to the major aircraft companies, not the builders, but the airline companies in the country.

I will mention them: Braniff, TWA, Delta, Western, Northwest, Eastern, Northeastern, American, and National. He asked if they would be interested in combining their joint economic effort to help maintain a facility that could be used for training pilots, for going into the problem of handling emergency situations. They were interested and asked the Airline Transportation Association to make a study to see what the feasibility and economics of it would be for them as to whether or not this might be a good area.

The geographic benefit is one of the reasons the Air Force located in Glasgow, Mont. It is a remote area. The base itself is some 15 or 18 miles from the town. It sits out on the prairie. So utilizing the base for the biggest military aircraft we have, the B–52, if there were any problems on landing and takeoff, it was not going to involve innocent people as far as crashes are concerned.

This logic certainly applies to the airline industry itself. They are interested. I feel that because of the pressures that will come upon us as Members of Congress, we are not going to allow these tests to be made and the emergency procedures practiced over populated areas in this country.

What better facility could you have than a built-in strip with proper and modern air control facilities?

Mr. ROGERS. Can I be assured that you will keep all the supersonic booms up in that part of Montana?

Mr. BATTIN. Somewhere between there and Denver, Mr. Chairman.

Mr. ROGERS. We are willing to give it to you.

Mr. BATTIN. We have a few of them now.

The FAA was mentioned by the gentleman from Minnesota, Mr. MacGregor—I think a lot of the agencies are going to have to again be persuaded to use existing facilities. Particularly in view of the money problems that we are having in the country today.

For them to continue to ask for money to build new facilities doesn't necessarily mean that the Congress is going to give it to them. If they are going to do the proper job within their jurisdiction, this is a wonderful opportunity for them to utilize what now exists.

I think the saying goes, as I mentioned in my remarks, that here is literally an opportunity for us to beat our swords into plowshares, to take a military installation declared surplus by the Department of Defense and turn it into a very usable modern facility for a combination of Government and free enterprise, private enterprise and an opportunity for State and local governments in the regional area.

It certainly isn't limited to Montana. It covers the entire Northwest and, for that matter, it could cover the entire United States. It is a unique approach. I couldn't impress that upon you more. I think it is incumbent upon this Congress and particularly this committee to look at this not as a means of trying to help the State of Montana or help the Northwest, but to create an idea that can be

applied to many other sections of the country. I hope in the very near future that we turn from a war economy to a peace economy and have to utilize the defense facilities we have now.

We are going to be faced with this. We were faced with it a few years ago; in fact, in 1964 when the announcement of this base was going to be closed.

I think the Defense Department summed it up as well as anybody by saying this has been the hardest disposal they have ever attempted. It is because it is hard to justify. This in itself, I would think, would at least prick the imagination to what could be done with a new and modern city that somebody is going to turn the key on.

We talk about the problems of the big cities today. One of the reasons we have problems is because people from rural America are flocking to the city. They are causing problems of employment, retraining and everything else. Here is an opportunity to keep people in the rural areas of America there to train them for things that are vital.

The aircraft industry, we can't imagine the type of people they are going to need when we get the supersonic jets. The problems that are going to be involved in handling that many people moving back and forth across our country if we don't take the technology and the opportunity now—we could very well find ourselves wondering a few years from now why we didn't act at this present time.

I urge upon you to see this slide presentation since you can't be there yourself—the base—and just what we are talking about. Then in your own mind try to figure out what you do with a real asset, a real plus as far as the American taxpayer is concerned in a city that has been built by the taxpayer and now because of a decision would be locked up and walked away from and let go back basically to nature.

Mr. ROGERS. May I interrupt.

You do not envision any further appropriation from the Congress of the United States other than for 3 fiscal years of $1 million each?

Mr. BATTIN. I personally don't, Mr. Chairman, because I think once this corporation is created and the power that they have to involve private enterprise to the extent of the development of the facility—I think it is going to be self-sufficient.

Senator METCALF. May I interrupt?

Mr. BATTIN. I will be glad to yield.

Senator METCALF. We don't envision any appropriations for the Corporation. However, we would hope that existing facilities of the Federal Government such as Manpower Retraining or Health, Education and Welfare, Vocational Education or any of those would be utilized up there and there would be an indirect appropriation in that sense.

Mr. ROGERS. Of course, that is within the normal program of such agencies.

Senator METCALF. That's right. But no special appropriation.

Mr. ROGERS. No special appropriation other than the $1 million for each of the 3 fiscal years outlined?

Mr. BATTIN. Let me say that I base this upon the personal experience that I had earlier this year, Mr. Chairman, wherein representatives of the Litton Industries, and a subsidiary of I.T. & T., and other people went to the base to make an inspection of the facility to see whether it would be suitable or whether we were having pipedreams.

We spent some 3 days with them there. As a result of that, they came back and prepared proposals for the task force setup by the President. This installation is usable and certainly these people are not going to invest their money and their time preparing very technical reports unless they felt that it had some merit and could be used.

This encouraged me more than anything that has happened since this bill was introduced other than its passage by the Senate and hopefully its passage by this Congress.

Mr. ROGERS. Thank you, Mr. Battin. Of course, as you recognize, the bell is going to be ringing here pretty soon. I know your colleagues have some questions they want to ask.

Mr. Railsback?

Mr. RAILSBACK. Mr. Chairman, I just want to commend Congressman Battin for what I thought was just an excellent and most persuasive statement. I can tell that he certainly has put a lot of effort into this particular project personally along with Senator Metcalf. I think due to the lateness of the hour, I shall not ask any questions at this moment.

Mr. ROGERS. Mr. Biester?

Mr. BIESTER. Mr. Chairman, I will also not take very much time; although I don't want to ask any questions, I do want to commend the gentleman from Montana for his very forthright statement and I must agree with my colleague from Illinois, a very persuasive statement.

The conviction he has about this circumstance was eloquently stated; it was an excellent statement.

Mr. ROGERS. Mr. MacGregor?

Mr. MACGREGOR. Great wisdom, indeed, was shown by the people of the Eastern Congressional Districts in the State of Montana yesterday when they renominated Mr. Battin for reelection.

Mr. ROGERS. Is that the result of the primaries?

Mr. BATTIN. Yes. My unopposed primaries.

Senator METCALF. Mr. Chairman, may I say that this has been one of the most helpful hearings that I have participated in. I have appreciated the interest and the concern in the questions that every member of this committee has asked, which demonstrates at least a willingness and a desire to help us work out this very serious problem, and understanding that this is not just a problem for the eastern congressional district or for the State of Montana, but this is a national resource, a superb airfield, that by a little imaginative thinking we can use for education and development.

As Congressman Battin said, "Beat some of our swords into plowshares."

Mr. ROGERS. Thank you, Senator Metcalf and Congressman Battin. We certainly appreciate your assistance and explanations of this legislation.

As you know, we will conduct additional hearings. Tomorrow we will hear representatives of the Department of Defense, who will appear and testify at 10 o'clock. With that we will stand in adjournment until tomorrow at 10.

(Whereupon, at 11:50 a.m. the subcommittee adjourned.)

(The following material was subsequently supplied.)

WILDLIFE MANAGEMENT INSTITUTE,
Wire Building, Washington, D.C., June 4, 1968.

Hon. EMANUEL CELLER,
Chairman, Committee on Judiciary,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CELLER: The Institute wishes to express its support of H.R. 13568 and S. 1602, companion proposals now before the committee which would create a Northwest Regional Service Corporation in order to make productive use of the Glasgow Air Force Base (Montana) following its closure within the next few weeks.

It is hoped that the proposal can be approved by the Congress during the current session so that groups in the Glasgow community and throughout the State can proceed with their plans to turn the installation to education, training, and other productive uses. It always is a serious matter when a community loses an established federal installation, and H.R. 13568 and S. 1602 seek to give Montanans an opportunity to take positive action to offset the economic loss brought on by the closing of that well-developed base.

I would appreciate having this letter made a part of the hearing record.

Sincerely,

C. R. GUTERMUTH, *Vice President.*

TO CREATE A NORTHWEST REGIONAL SERVICES CORPORATION TO PROVIDE A CENTRAL LOCATION FOR VARIOUS TRAINING CENTERS AND PROGRAMS, AND FOR OTHER PURPOSES

WEDNESDAY, JUNE 12, 1968

House of Representatives,
Subcommittee No. 5 of the
Committee on the Judiciary,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2141, Rayburn House Office Building, Hon. Byron G. Rogers presiding.

Present: Representatives Rogers, Biester, MacGregor, Railsback, and McClory.

Staff member present: Benjamin Zelenko, counsel.

Mr. Rogers. The committee will now come to order.

We will resume our hearings on S. 1602, to create a Northwest Regional Services Corporation to provide a central location for the various training centers, and programs and for other purposes.

Our first witness this morning is Mr. Dean Coston, Deputy Under Secretary of the Department of Health, Education, and Welfare. Would you come forward, Mr. Coston? I understand that you have a prepared statement.

Mr. Coston. I do have a very brief prepared statement, Mr. Chairman, that I would like to present.

I have with me this morning Mr. Sol Elson, also of the Department of Health, Education, and Welfare who is in charge of our surplus property utilization program.

STATEMENT OF MR. DEAN COSTON, DEPUTY UNDER SECRETARY, DEPARTMENT HEALTH, EDUCATION, AND WELFARE

Mr. Coston. Mr. Chairman and Mr. Railsback, I appreciate the opportunity to testify for the Department of Health, Education, and Welfare on S. 1602, a bill to create a Northwest Regional Services Corporation, to provide a central location for various training centers and programs, and for other purposes.

This bill provides for the transfer of all federally owned facilities at the Glasgow Air Force Base near Glasgow, Mont., to a Government Corporation when they are no longer needed for military purposes.

The bill also authorizes the Corporation to establish 21 described programs on the facilities, some of which are of interest to the Department of Health, Education, and Welfare.

Since 1962, the Office of Surplus Property Utilization of the Department has been a member of the DOD "task force" which operates under the Office of Economic Adjustment of DOD, whose function it is to work with affected communities in utilizing all possible Federal aids which will assist them in absorbing the economic impact resulting from closure of major military bases.

We have participated in 26 such "task force" operations and have conveyed many parcels of land, with and without improvements, to eligible local and State institutions for health and educational uses. Without exception, until the Glasgow Base closure, local and State as well as private organizations have been able to work out self-supporting base-disposal programs which would relieve the economic impact and establish permanent institutions, private and public, on which long-term sound economies could be built.

Glasgow is somewhat different because of its location, its types and quality of facilities, and its environment. Normally, the Department would be opposed to special legislation such as S. 1602. However, in the case of Glasgow, because of its uniqueness, it presents a situation which would not create a precedent detrimental to the efforts heretofore applied to other base closures.

Because of its ready adaptability to a new and intriguing concept for education and training, and the opportunities it presents to establish new programs, the Department recommends serious and sympathetic consideration of the proposed bill.

We would, however, suggest one amendment which I have with me and, with your permission, would like to offer for the record, unless you prefer that I read it.

Mr. ROGERS. I understand that this is your proposed amendment to S. 1602. We will have it placed in the record.

(The proposed amendment referred to follows:)

AMENDMENT TO S. 1602 PROPOSED BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Redesignate sections 11 through 18 of the bill as sections 12 through 19, and insert on page 12 immediately below line 10 the following new section: "Section 11. Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, as amended, the Corporation may transfer to the Secretary of Health, Education, and Welfare, hereinafter referred to as the Secretary, such of the real and related personal property formerly a part of Glasgow Air Force Base acquired by the corporation pursuant to Section 4(a) above, as the Secretary recommends is usable and necessary for health or educational purposes. Any property so transferred to the Secretary may be conveyed by him only for health or educational purposes and only to organizations or institutions eligible to acquire surplus real property under section 203(k) of such Act, and shall be made subject to the provisions of regulations promulgated by the Secretary under that Act and subject to the same terms and conditions as are applicable to surplus real property conveyed by him under said section. The Secretary shall, with respect to any properties transferred by him under this Act, have the same responsibilities and shall exercise the same authorities concerning the determination and enforcement of compliance with terms and conditions under which such transfers are made as he has under section 203(k) of the said Act in respect to surplus property conveyances made thereunder."

Mr. COSTON. This would be for the purpose of enabling the Corporation to transfer directly to the Secretary of Health, Education, and Welfare any land and/or improvements, together with related personal property, whether or not excess to its needs, or surplus real and related personal property in the same manner and subject to

the same terms and conditions as are applicable to surplus real properties transferred under section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended.

With such an amendment, the Secretary of the Department of Health, Education, and Welfare would be enabled to secure property needed for conveyance to educational or health institutions in accordance with the criteria now existing therefore.

Upon conveyance of properties, the Department of Health, Education, and Welfare would assume all compliance responsibilities to assure the continued health or educational use of the facilities so conveyed.

In addition, I wish to call attention to the suggestion contained in our letter of March 19, 1968, to your committee, commenting on S. 1602. In paragraph 3, we suggested that the reference to "section 5(a)(19)" in section 5(c) of the bill be changed to read "section 5(a)."

This would enable the Corporation to utilize other organizations and agencies, public and private, in carrying out any of the programs and to collect user charges for use of any of the facilities and services in programs under the bill, instead of limiting collection of such charges to the industrial complex project.

Mr. Chairman, we will be glad to respond to any questions you or Mr. Railsback may have.

Mr. ROGERS. Have you had an opportunity to examine Senator Metcalf's proposal as it relates to the method of funding the proposed International University at Glasgow?

Mr. COSTON. Yes, sir; we have spent a good deal of time in consultation with the U.S. Office of Education, the Department of Defense, and officials of the U.S. International University at San Diego, in analyzing the appropriateness of Dr. Rust's proposal to establish a branch campus of his university at the Glasgow site.

We have worked intensively with Dr. Rust. He has prepared several variations of proposals depending on the resources that might be made available and depending on the enactment of S. 1602, or nonenactment of that bill, so we have several alternatives in mind.

It has been our feeling all along that the establishment of a university branch at Glasgow represents a significant key to the full development of the entire facility. We do not believe that by itself the university proposal would adequately utilize the total resources of the base, but it would represent a seed around which you could develop industrial and training complexes, both public and private, which would result in full development of the properties.

Mr. ROGERS. If S. 1602 is approved, and if your Department decided to support the establishment of the university at Glasgow, it would have to request additional specific funds that would have to be appropriated by the Congress. Is this correct?

Mr. COSTON. That is correct, sir. The university proposal, in addition to its needs for the land and facilities and personal property on the base, would require a measure of Federal financial support in the first few years.

Mr. ROGERS. The proposal I understand would require approximately $24,455,000. Of course, that is to finance it for the first 5 years, but the university expects to receive land, buildings, and all available equipment, as a grant from HEW?

Mr. COSTON. Mr. Chairman, we have been sharpening our pencils a good deal since that figure was first developed, and we now believe we could bring the university in and get it self-sustaining for a considerably less Federal investment than is represented there.

We now think that something on the order of $2 million a year for the first 3 years would develop a viable and effective program at Glasgow with this university.

Mr. ROGERS. You say about $2 million a year. For the first year you indicate $1,790,000. The second year, $3,900,000. Of course, the fifth year you get up to $7,660,000. Now you say you have sharpened your pencil and you think you could do it on the basis of about $2 million a year?

Mr. COSTON. Yes, sir; perhaps even less than that. Mr. Elson tells me they have refined the proposal a good bit. One thing I might point out is that the figures you are reading include the investments of the university's money as well.

That would not all be Federal funds, but a considerable part of that would be Dr. Rust's university funds as well. Mr. Elson, you may wish to comment further.

Mr. ELSON. The estimates that we have developed would be that the university would require Federal assistance of approximately $4½ million over the first 5 years and thereafter would be completely self-sustaining.

Mr. ROGERS. Do you have statutory authority at present to establish a university such as the one we are discussing?

Mr. COSTON. Mr. Chairman, we are looking at the various support authorities that exist in the Department. This would, of necessity, be a multifunded project. We certainly have the authority and have made a determination that the institution would be eligible to receive the property. It is an accredited institution and it has sufficient financial resources so that we could transfer the property to them under the Federal Surplus Property Act. With respect to the support funds that would have to be provided for the first 2 or 3 years of operation, these would have to come from sources within the U.S. Office of Education.

As you know, this is not a year in which there are large amounts of money lying around uncommitted or unused, nor would there be next year. But we feel confident that we can work something out to provide sufficient financial base to get the university started.

Mr. ROGERS. Mr. Railsback.

Mr. RAILSBACK. As I understand your testimony, you favor, generally speaking, S. 1602 with those amendments that you propose?

Mr. COSTON. Yes, sir.

Mr. RAILSBACK. Am I correct that this amendment which you have proposed simply would permit and not require the Corporation to enter into an agreement with you to transfer land? In other words, it is a discretionary thing and you would have to seek approval of the Corporation?

Mr. COSTON. Yes; we would have to persuade the Corporation that it was in the best interests of the Corporation to do this.

Mr. RAILSBACK. Do you have a plan already worked out that specifies or estimates the land that would be involved in any such transaction?

Mr. COSTON. Mr. Elson.

Mr. ELSON. Yes; we have more or less delineated the area which would be required by the university for the establishment of its campus there.

Mr. RAILSBACK. Does that proposal or plan involve some of the technical facilities that would normally be associated with, say, the landing-strip facilities and the meteorological information center?

Mr. COSTON. Generally speaking, Mr. Railsback, the university's land requirements revolve around the cantonment area on the base. That is the area of airmen's dormitories with their associate facilities, the old base exchange building, the chapel building, some of the classroom and instruction facilities that are immediately within the cantonment area.

The facilities along the airstrip generally would not be used, although the university has indicated some need for at least one of the large buildings for use as a gymnasium and recreational facility.

Mr. RAILSBACK. I think it would be most helpful to us in deciding what to do with this legislation if we could perhaps see that plan or get some kind of a general idea of it so that we are in a position to discuss it intelligently with other people who are going to be asking questions about this. I wonder if you have a copy you can submit?

Mr. COSTON. Mr. Railsback, the Department of Defense has developed an overlay map which shows the base and all of its facilities, and then on the series of overlays shows the various areas that would be used for various functions.

I am sure when the Defense Department appears they would be glad to bring that map with them. I don't have it with me this morning.

Mr. RAILSBACK. Will this show what has been proposed as far as HEW and this International University are concerned?

Mr. COSTON. This would be shown on the map.

Mr. RAILSBACK. What kind of a university would this be? What would be the curricula?

Mr. COSTON. I can't speak for Dr. Rust in great detail as to what his proposal is, but generally speaking the university recognizes that there is a serious educational problem in this country with low-achieving high school students. These students ought to be successful; their IQ tests and everything else indicate that they should be and yet for one reason or another they have not been academically successful.

When they complete high school many of them find they are unable to gain admission to a college because their high school grades just don't meet up to the college-entrance requirements. Dr. Rust believes, and there is a good deal of evidence to support the belief, that, with proper motivation and with concentrated instruction in isolated settings, these young people could be brought up to academic standards which would permit them to succeed in the conventional university.

What he proposes to do at Glasgow, then, is to bring together these students in very small class settings in an isolated situation where they are not distracted by the automobiles and the other things that sometimes cause high school students to get low grades, and get them highly motivated to go on and succeed in college.

There are large numbers of these children in the country. It is astonishing the number of young people that ought to be achieving highly who simply don't.

Mr. RAILSBACK. Would this be along the lines of an Upward Bound program?

Mr. COSTON. We would hope that Dr. Rust would be able to use Upward Bound students in his proposal, but many of these students are students who are not faced with financial difficulties, who could probably pay for the cost of higher education but who simply don't have the motivations to go on and get one.

Mr. RAILSBACK. That was my next question. Would this be a free-tuition university?

Mr. COSTON. No, sir; this would be a tuition university and a relatively high cost tuition, because of the very small class size and the high student-faculty ratios that Dr. Rust proposes.

Mr. RAILSBACK. What is envisioned as the possible enrollment in the International University classroom?

Mr. COSTON. I believe Dr. Rust would like to start with an enrollment of about 500 students and eventually reach an enrollment of about 2,000. He would need a supporting staff of almost the same size to operate the university.

Mr. RAILSBACK. Would these students be recruited from throughout the country?

Mr. COSTON. Yes, sir.

Mr. RAILSBACK. Would it be on any kind of a referral basis, or how would they be recruited?

Mr. COSTON. I have not gone into detail on the method of recruiting. Colleges, of course, have many ways to attract students. There would be a national information program that the university would conduct.

I am sure many of them will be referred by high school principals. Many of them will be referred by counselors and other experts in the field of education who believe that this kind of university would be useful to a specific person.

In this kind of specialized training facility the word gets around pretty fast that it is available, and both principals and counselors in high schools keep pretty close track of what institutions are taking what kind of students.

Mr. RAILSBACK. Did I understand that you are represented on the Presidential Task Force to study the disposal of the Glasgow Air Force Base?

Mr. COSTON. Yes, sir, we are.

Mr. RAILSBACK. This task force has not as yet made any recommendations, is that correct?

Mr. COSTON. We have not completed our investigations because these hearings that are being held here represent an extremely important part of the whole task force study, and we are hopeful that out of these hearings and out of S. 1602 will come better information that will enable us to fit our studies together with what the Congress decides to do.

Mr. RAILSBACK. You know, it almost seems to me that we are putting the cart before the horse, that we should have the benefit of your recommendations before we act.

Mr. COSTON. I suspect when the Defense Department, which chairs the task force, appears before you that they will be able to speak in more detail about the work of the task force.

Mr. RAILSBACK. Do you think there is any conflict between this International University proposal and the intent and provisions of S. 1602, which provide for so many different kinds of uses?

Mr. COSTON. No, sir; to the contrary, I believe that the two concepts, one of the development Corporation and the other of the establishment of a university, fit very well together and really represent a team effort that in the long run will be the most effective use of the facility.

Mr. RAILSBACK. Do you think that this is not going to conflict with the technical training aspects of the bill and the manufacturing or the flying operations?

Mr. COSTON. No, sir; Glasgow Air Force Base is a small city. It has very extensive facilities—housing, recreational facilities, stores, churches, shops, industrial plants, magnificent air strip. It has all of the aspects of a small city and, as in any small city, if it is to be viable and economically sound, it has to have diversified activities.

It seems to me lying at the heart of the development of the Glasgow community and the development of these facilities would be the establishment of a higher education facility. To my mind this does not conflict at all with the necessity of providing vocational education, for providing research activities or industrial manufacturing activities or flight line activities.

I think these would all work together and make the community a genuinely economically diversified operation.

Mr. RAILSBACK. Can we obtain from you a list of the personal property that you believe would be involved in the International University proposal?

Mr. COSTON. That is really up to the Department of Defense, which is the agency that determines what personal property will remain at the base after the base is closed. My understanding is they have not yet completed that total inventory, but I am sure they can give you a fairly good estimate of what types of personal property they propose to leave.

Mr. RAILSBACK. I know that, but I am wondering now which of that personal property HEW would want transferred to it. In other words, I am wondering if you have anything in mind or if you have made any requests that certain personal property be considered for this purpose.

Mr. COSTON. First of all, this property has not yet been declared surplus and has not yet entered the chain by which it eventually resides in HEW for disposal. That action has not taken place.

We have not yet officially received the list of property for disposition. We have, however, talked a good bit about it. Mr. Elson has worked very hard on this over the months and I would like him to go into more detail.

Mr. RAILSBACK. Mr. Elson.

Mr. ELSON. We have not actually specified the personal property that would be necessary for the university. I think what you have in mind, Mr. Railsback, is whether or not the personal property that is on the base and which is related to the industrial complex and to the vocational-educational possibilities would be needed by the university.

This would not be required by the university. Primarily they would require the kind of personal property that would be necessary for the typical classroom activity—the desks, chairs, typewriters, grounds-maintenance equipment, what have you—that the Department of Defense would see fit to leave on that base.

Mr. RAILSBACK. I think that is correct. What I am trying to find out is just how much of this total operation would be taken by International University in the event that the Corporation saw fit to enter into an agreement with, say, HEW. I want to know how much of the total operation of the base would go for that purpose so that we could see what other uses could be made for profitmaking ventures by private industry.

Mr. COSTON. Mr. Railsback, you will see the Defense Department maps. In addition, in order to be completely accurate about what we are trying to work out, I would like to supply for the record in a rather carefully detailed manner the information you have requested, if that would be satisfactory.

Mr. RAILSBACK. That, Mr. Chairman, in my opinion would be a very good idea if he could do that so we would all have a better idea of what we are talking about.

Mr. ROGERS. I think probably if we were shown those slides they promised us last time we would get a better vision of it. After we see those slides if then we need further information we can get it from the witness. How would that be?

Mr. RAILSBACK. Yes; could you make that available to us?

Mr. COSTON. We do not have the slides.

Mr. RAILSBACK. I mean the other information.

Mr. COSTON. Yes; we will be glad to make available to the record a statement of our understanding of what the U.S. International University's project proposal encompasses, both in terms of real property requirements and the personal property requirements.

Mr. RAILSBACK. I think that would be helpful if you could do that. That is all I have.

Thank you.

(Subsequently, the following materials were submitted by Mr. Coston:)

REQUIREMENTS OF U.S. INTERNATIONAL UNIVERSITY FOR RELATED PERSONAL PROPERTY, INCLUDING EQUIPMENT AND SUPPLIES

The Department of Defense has not as yet been able to furnish the Department with a list of related personalty, including equipment and supplies, which could be made available to U.S. International University. Neither has the USIU filed a specific list of personal property requirements for its program at Glasgow. However, the University will require the following broad classifications of related personalty and equipment:

Classroom and laboratory equipment.
Dormitory equipment.
Kitchen and dining hall equipment.
Recreation supplies and equipment.
Maintenance supplies and equipment.
Automotive and mechanical equipment.
Fire fighting equipment (unless this function is performed by another entity).

The Department of Defense has informed the Department that at Glasgow, as in other Base closures, it will make a special effort to leave as much equipment as is possible to provide maximum support to potential users. Generally speaking, it has been the objective of DOD to make property available in a quantity sufficient to meet the first 12 to 18 months requirements of the user.

LIST OF BUILDINGS AND FACILITIES REQUESTED BY U.S. INTERNATIONAL UNIVERSITY

Building No.	Federal use	Size [1]	Type of construction	Educational use
168	Sanitary sewage pump station	128	Permanent	Utility.
169	do	282	do	Do.
607	Water storage tank	400,000 gallons	do	Do.
609	Electric switch station	992	do	Do.
641	Corridor containing utility storage	288	do	Do.
668	Substation	1 each	do	Do.
823	do	do	do	Do.
852	CE pavement and grounds	55,534	do	Do.
854	CE maintenance shop	4,854	do	Do.
855	CES administration	2,714	do	Do.
856	CE maintenance shop	2,085	do	Do.
861	CE storage covered	2,138	do	Do.
866	Supply and equipment base	42,232	do	Do.
867	Shed, supply and equipment base	8,640	do	Do.
868	Commercial transportation facility	7,869	do	Do.
870	Water storage tank	300,000 gallons	do	Do.
875	Vehicle fuel station	627	do	Do.
912	Substation	1 each	do	Do.
914	Fire station line/street	9,282	do	Do.
918	Utility vault	1,288	do	Do.
919	Electric power station building	1,102	do	Do.
926	Substation	1 each	do	Do.
1005	Water supply building	10,049	do	Do.
1017	Warehouse disposing and salvage	4,000	do	Do.
1018	Shed, disposing and salvaging	1,920	do	Do.
1020	Heat facility building	4,558	do	Do.
1094/1096	Heat, fuel oil storage	284,000 gallons	do	Do.
1107	Substation	1 each	do	Do.
1113	Sanitary sewage pump station	50	do	Do.
1119	Utility vault	82	do	Do.
1132	Electric switch station	384	do	Do.
1133	Substation	1 each	do	Do.
1140	Electric power station	186	do	Do.
11021	Air-conditioning plant	8 ton	do	Do.
11101	do	30 ton	do	Do.
1157	Electric power station buildings	240	do	Do.
1158	Substation	1 each	do	Do.
1159	Electric power station building	80	do	Do.
1173	Utility vault	82	do	Do.
1180	Electric power station buildings	186	do	Do.
5231	Air-conditioning plant	120	do	Do.
6661	do	15	do	Do.
6671	do	86	do	Do.
6721	do	66	do	Do.
500	Athletic field	1 each		Physical education.
505	do	do		Do.
601	do	do		Do.
602	do	do		Do.
603	do	do		Do.
725	Tennis court	do		Do.
728	Gymnasium	16,645		Do.
750	Athletic field	1 each		Do.
7500	Athletic field stand	do		Do.
	Campsites along Porcupine Creek and the boating and camping facilities at Fort Peck Reservoir.			Student service.
513	Community medical facility	42,064	Permanent type	Similar use.
515	Garage, ambulance	1,742	do	Do.
713	Bowling alley	8,520	Definitive type	Do.
714	Commissary (2)	17,784	Masonry-warehouse type.	Do.
715	Library/post office	7,085	Permanent type	Do.
718	Exchange sales stove (2)	15,063	do	Stove for staff.
721	Chapel, base annex (2)	9,310	do	Similar use.
740	Service station	2,453	Moderate permanent.	Do.
742	Dental clinic	6,020	Masonry, permanent.	Do.
819	Mail room, sq	2,047	Permanent type	Do.
846	Service club (4)	20,261	do	Student center.
1900	Commissary	434	do	Similar use.
521	Officers quarters, men	9,158		Housing.
528	do	17,098		Do.
530	do	3,662		Do.
531	do	3,662		Do.
532	do	3,662		Do.
[2] 526	Open mess, officer	14,346	Permanent type	Dining hall.
[2] 724	NCO open mess	13,973	do	Do.
810	Dormitory, airmen	25,029		Student housing.
811	Dining hall, airmen	13,451		Dining hall.

See footnotes at end of table, p. 62.

LIST OF BUILDINGS AND FACILITIES REQUESTED BY U.S. INTERNATIONAL UNIVERSITY—Continued

Building No.	Federal use	Size [1]	Type of construction	Educational use
814	Dormitory, airmen	25,029		Student housing.
815	do	200 MN		Do.
816	do	200 MN		Student housing.
817	do	200 MN		Do.
820	do	200 MN		Do.
822	Dining hall, airmen	10,755		Dining hall.
825	Dormitory, airmen	200 MN		Student housing.
827	do	200 MN		Do.
830	do	200 MN		Do.
874	Cold storage	5,559		Similar use.
1110	Readiness crew	16,827		Housing.
550	Headquarters group (1)	26,449	Permanent	Main administrative offices.
555	Field training facility (1)	11,534	do	Classrooms (academic).
604	Administrative office	1,996	do	Similar use.
705	Theater	5,958	do	Do.
732	Air police operations	2,496	do	Security guard office.
735	Base comm. (2)	3,560	do	Similar use.
736	Headquarters group	6,840	do	Administrative and staff offices.
813	SQ headquarters	2,811	do	Do.
608	Auto storage	4,000		Academic.
644	Support structure	1 each		Do.
643	do	do		Do.
840	Workshop	9,850		Do.
876	Auto maintenance admin	2,992		Do.
879	Auto storage	15,216		Do.
880	Auto maintenance shop	23,431	Masonry	Do.
890	Refueling vehicles shop	2,031		Do.
1102	Support facility kennel	440		Do.
1105	Water supply building	10,049		Do.
1115	Relative humidity measuring set	1 each		Do.
1116	Wind measuring set	do		Do.
1118	Weather transmissiometer	do		Do.
1150	Comm. transmitter	1,064		Do.
1160	Comm. receiver	1,064		Do.
1165	Wind measuring set	1 each		Do.
1166	Weather transmissiometer	do		Do.
1175	Weather ceilometer	do		Do.

[1] In square feet unless otherwise indicated.
[2] Residence halls and dining halls.

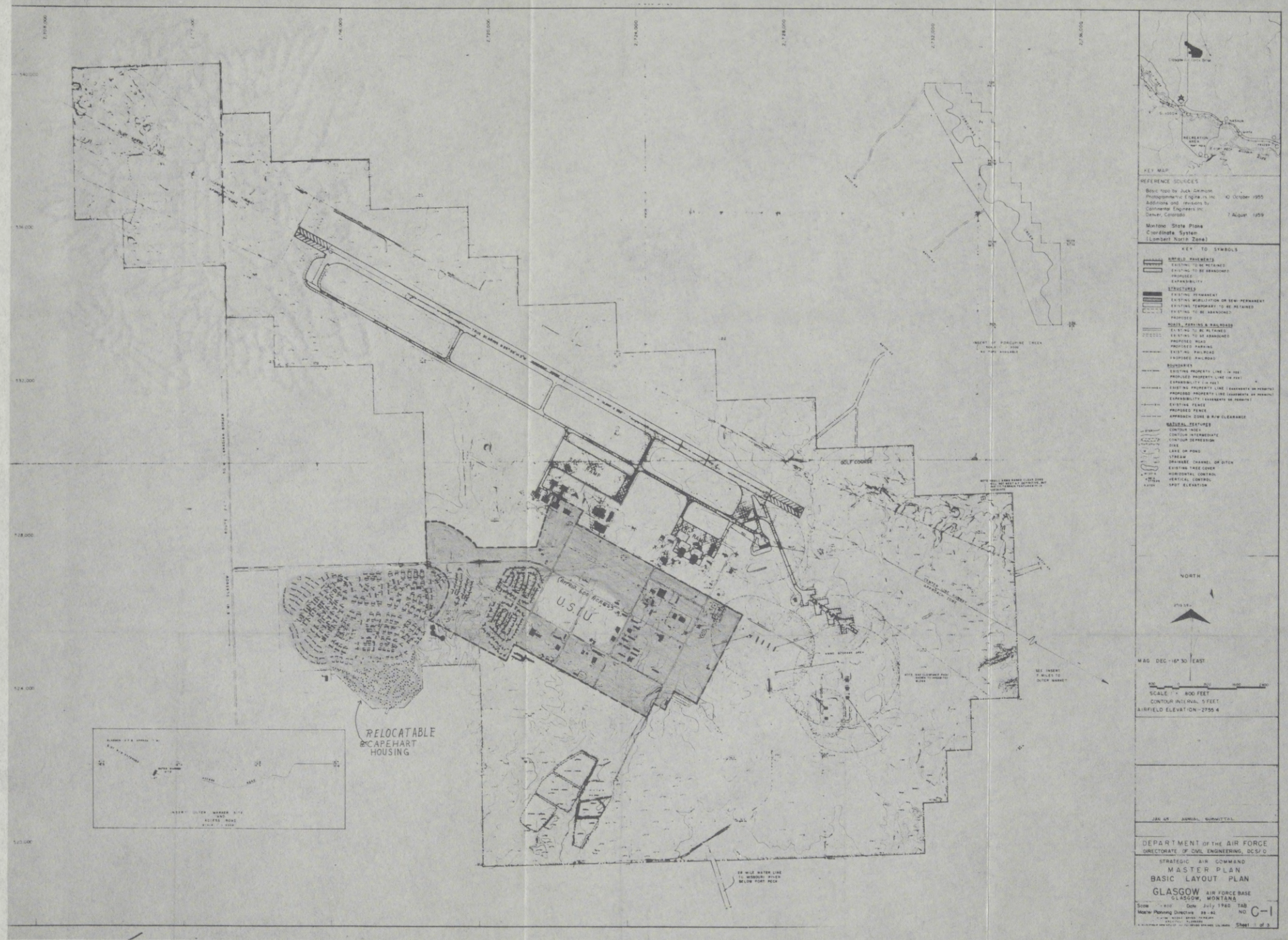
Mr. ROGERS. Mr. MacGregor.

Mr. MACGREGOR. I notice that the Department of HEW recommend serious and sympathetic consideration of the proposed bill now under consideration by this subcommittee. I have noted also that you recommend an amendment enabling the Northwest Regional Services Corporation to transfer directly to the Secretary of HEW any land and/or improvements.

Do you feel that it is absolutely necessary to have the Department of HEW as a middleman between the proposed NRSC and any U.S. International University or any other educational facility.

Mr. COSTON. We suggest this, Mr. MacGregor, because we have in the past administered programs making surplus properties available for health and educational purposes. We have what we think is a very tight procedure that assures the continued use of those properties once they are transferred. We have a requirement, for example, that under a benefit allowance spread over a 30-year period the property reverts unless the use is continued over a 30-year period.

We think these safeguards are very important if we are to assure that the use proposed is the use which, in fact, happens. The Corporation, I think, could probably do the same thing, but they would have to devise their own set of procedures and draft extensive regulations to cover the same problems that we now feel are pretty well handled by HEW.



Now, the reason the language is "any" in our proposed amendment is that there are other facilities on the base which in the development of a community might be transferred to nonprofit educational-health uses.

For example, there are several school buildings on the lands now. The buildings are owned by the local school district, but the land is still in the possession of the Air Force. There is also a very fine hospital on the base. It might well be that the Corporation would see fit to permit the hospital to be operated by a nonprofit corporation.

In this sense it would be useful, I think, to permit the Corporation to transfer it to HEW and then through our procedures to assure that hospitals use over the life of the building. This is basically the reason we suggest this amendment.

Mr. MacGregor. Do you foresee educational institutions such as the U.S. International University using only a portion of the facilities of Glasgow Air Force Base?

Mr. Coston. Oh, yes, only a portion.

Mr. MacGregor. Do you see this use as compatible with use, of other portions of the existing facilities, by a number of other entities.

Mr. Coston. I think it is essential that other uses be there. I don't think the university by itself would make successful utilization. I think you need multiple use of this base, and I think you have to have a significant private profitmaking orientation established on the base if you are to develop a community that can stand on its own feet.

Mr. MacGregor. Mr. Railsback has indicated this subcommittee is handicapped to some extent because we have not yet seen the slides and I don't think members of the subcommittee have personally visited the base. Have you personally visited the base?

Mr. Coston. Yes, sir; I have been out there, Mr. MacGregor.

Mr. MacGregor. How recently? Have you been there since all of the facilities have been completed?

Mr. Coston. Oh, yes, we were out there last fall and we spent 2 days there and made extensive tours of the facilities. I might say I was extremely impressed with the quality of this base. The facilities are superb. There is magnificent housing on the base. There are terrific industrial potentials for the base. It has one of the finest airstrips I have ever seen in this country.

It just has everything that you would need to develop an economically viable community. The drawbacks, of course, are its location and the lack of large populations in the area that can generate local support for these programs.

Mr. MacGregor. Is it fair to say, Mr. Coston, that generally speaking you are of the same frame of mind as Senator Metcalf and Congressman Battin that it would be a shame to let this facility be cannibalized and let the airstrip go back to prairie grass and sell the surplus equipment for what few cents on the dollar could be obtained?

Mr. Coston. I think certainly if some practical solution can be found which will permit full utilization of this base it would be the best thing that could be done, not only for the economy of the area but for the protection of the significant Federal investment that is there in the facilities.

Mr. MacGregor. I understand you see S. 1602 with the amendments as such a vehicle?

Mr. Coston. I see it as the only reasonable proposal that is before us today. I certainly won't say that it is a hundred percent guaranteed to be successful. I think, as in any enterprise like this, there is some risk that it may not work. But I think on balance the benefits which could ensue to the State of Montana and to the U.S. Government through this kind of approach outweigh the risks that are involved in making these investments.

Mr. MacGregor. Thank you.

Mr. Rogers. Mr. Biester.

Mr. Biester. I am concerned that breaking the groups into a number of subjects, the extent to which those uses can be compatible, is questionable. If the airstrip were to be used for the testing of aircraft such as the SST or other developing aircraft, would such a use be compatible with the university?

Mr. Coston. The FAA people could speak with more authority on that, but it is my understanding, Mr. Biester, that the noise problem from an SST would not be nearly as serious at the airport as it would be some miles away from the airport, so I think that kind of a test program probably would not have an adverse effect on the development of other activities at the base.

Mr. Biester. I was thinking not only of the SST, but any kind of jet engine or jet aircraft.

Mr. Coston. When we visited the base we observed some of the jet engine test facilities that were operational at that time on the base. They certainly were not interfering at all with other training activities or the peace and quiet and comfort of the housing area on the base. They are well-constructed facilities and they are quite quiet when in operation, so I don't see any problem in testing jet engines with the facilities there now.

Mr. Biester. Do you feel that use for testing of the engines and aircraft would be compatible?

Mr. Coston. I think it is extremely important that in the long run we develop aviation uses for this facility. I think its location, the facilities that are there, the magnificent airstrip that is there, all lead me to believe that aviation uses are the promise for the future in this area.

As you know, today airlines are doing most of their training at major airports around the country. More and more people are getting concerned about the training activities going on in heavily used commercial airports. I think in the long run it is going to be necessary for the airlines to move training activities to more remote locations and to that extent the Glasgow location, to my mind at least, and I don't know enough about the airlines industry to know the economics of it, but from the social standpoint and from what I see in the overcrowding size in our metropolitan airports it would just seem to me that it is logical for more training activities by the airlines to take place in places like Glasgow.

Mr. Biester. Are you saying, therefore, that the university use would be a temporary use?

Mr. Coston. No, sir; I would hope the university would become very firmly founded and would become a real solid institution, because again I go back to my point that to have stable communities you need to have multiple-use development.

One of the problems in base closures, for example, is that you concentrate one specific activity, that is a military activity, and you get a cyclical up and down effect as the military activities rise and fall, which has a terrible impact on the local community.

If you have diversified activities, it is likely that while one activity is rising another one is falling, and you get a more stable economy for the local area. I think this is what we have sought to do in all of the base closures that we have participated in: to encourage very diversified uses to stabilize the cyclical economics that develop around military installations.

Mr. ZELENKO. Mr. Coston, in the hearings in the Senate on this bill, the representative from HEW was the Commissioner of Education, Mr. Howe. I want to quote two statements by Mr. Howe and ask you to comment on them.

The first is:

> Most of the funds the Office of Education administers for elementary, secondary, vocational, and adult education activities flow to the several States with a State allocation to each. Unless basic legislation were changed to set up a special category in each program for investment in national projects, it would be necessary to ask States to voluntarily forego portions of their allocations in order to invest it in the regional and national program to be started at Glasgow Air Force Base. The willingness of States to enter into such arrangements seems to me would be open to question.

Has there been any indication of a willingness on the part of the State of Montana, to forgo its allocation and to invest any of those funds into the development of Glasgow Air Force Base?

Mr. COSTON. To the contrary, the State of Montana has indicated they would not be willing to forgo funds for this investment. This has posed a difficult problem for us.

Mr. ZELENKO. Are there any States in the region that might possibly benefit from the development of the base which have indicated they would forgo their funds?

Mr. COSTON. No, they have not.

Mr. ZELENKO. Would additional legislative authority be required for HEW to make a contribution for a university at this base?

Mr. COSTON. The nature of the institution that is being proposed is admittedly experimental and, while it has been tried in small ways in several places, it has not been tried on a massive scale. It might be funded as a research project and we are looking at the authorities available for the conduct of cooperative research programs in which the university and the Federal Government would participate, both financially and with technical assistance and staff resources, in the development of this experimental project.

What you have raised is, of course, an extremely difficult question, and it goes to the whole problem that the Department faces in all of these specialized projects of dealing with statutes that are, by and large, State grant programs and administered basically by the States.

We do not have in the Department large amounts of so-called free or discretionary money. This is aside from the purposes of this legislation, but I have always felt that when you are running large State oriented programs you ought to have some discretionary money to support innovative new projects, that the States for many reasons are not willing to use their formula grant funds to support.

Mr. ZELENKO. Would it be possible today under existing law for an agency such as the Defense Department or perhaps HEW to obtain this property and then transfer it to an organization like Dr. Rust's University without the creation of a Corporation as a middleman?

Mr. COSTON. Oh, yes; that would be quite possible under law today. Let me make one more comment on that question. It would be possible under law, but it would not, it seems to me, give you the framework for the multiple-use development I feel is so important.

Mr. ZELENKO. I was asking about the transfer of property to Rust University, or to some other user perhaps.

Mr. COSTON. In a number of base closures the Defense Department has made property available through GSA to the Department of Health, Education, and Welfare and we have transferred property. There have been sometimes very complicated property transactions involving all three Departments in order to develop a useful conversion of the facility. It is quite possible, I believe, under existing law.

Mr. ZELENKO. I have just one further question. Mr. Howe also said:

> I think a major study and analysis period is necessary for the development of plans, for the adoption of available space to those plans and for setting priorities and phasing.
>
> I expect that that kind of work would occupy the planning group, which I assume would be assigned for a period of a year or a year and a half, and then you would get the beginning of actual movement of new personnel to start projects which would gradually grow over a three- or four-year period. It would seem to me that you would phase into full operation something over approximately a three- or four-year period with a year of planning at the beginning. That is the rough way I would look at it.

Now, have those time estimates changed since Mr. Howe testified?

Mr. COSTON. This is what the Presidential Task Force did. They analyzed the properties and they analyzed potential uses, and they had broad-ranging discussions with all kinds of organizations and corporations.

It is also a process that the Office of Economic Adjustment and the Defense Department carries on, on a continuing basis; that is their function. They are charged with the job of planning for base closures and attempting to minimize the economic problems that ensue when a major facility is closed.

They do this and I think over the years they have done it very well. Most base closures which at the beginning look like a catastrophe often turn out to be a great asset. In many cases the communities are happier with the converted uses than they were with the military uses, because the cyclical problem no longer is a serious one.

So this kind of planning does go on. It is a continuous operation. We don't formally get into it until the Defense Department believes that there is an education or health use as a part of their planning which we ought to pursue.

At that point, then, the Department of HEW focuses its planning on those activities for which property might be requested from us. That is why I speak at such great length about the U.S. International University. That has been the only part of it that the Department has really participated in extensively. The other discussions with corporations, with the aerospace industry, with the FAA and so forth, are the responsibility of the Office of Economic Adjustment and they have pursued those quite vigorously.

Mr. ROGERS. Thank you, Mr. Coston. We appreciate your appearances here to give us information concerning this proposal, you and Mr. Elson.

Mr. COSTON. Thank you very much, Mr. Chairman.

Mr. ROGERS. With that you may be excused.

Our next witness is Mr. Alan L. Dean, Assistant Secretary for Administration, Department of Transportation.

Do you have a prepared statement?

Dr. DEAN. I have a brief prepared statement.

I have with me Capt. James A. Hyslop of the U.S. Coast Guard. A number of its able and experienced officers serve in the Office of the Secretary, and Captain Hyslop is an officer of the Coast Guard as as well as the Director of the Office of Procurement and Logistics Policy of the Department of Transportation.

Mr. ROGERS. So you were able to get the Treasury Department to give up the Coast Guard?

Mr. DEAN. The Treasury was kind enough to agree with the President's plan to put the transportation agencies of the Government into one department, including the Coast Guard.

STATEMENT OF ALAN L. DEAN, ASSISTANT SECRETARY FOR ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION

Mr. DEAN. I am pleased to appear before your committee this morning to testify on the proposal to create a Northwest Regional Services Corporation.

The Department favors the objectives of the proposed legislation to enhance the social and economic well-being of the people of the Northwest. We are strong proponents of the effective utilization of existing Government facilities such as the Glasgow Base.

A recent example of departmental adherence to this policy is the Coast Guard consolidation of facilities in the New York and Connecticut area in order to utilize the facilities originally established by the Army on Governors Island, N.Y., when it became excess to Defense Department requirements.

It is with regret that after a thorough review we have determined that present Department programs do not support any reasonable Department of Transportation utilization of the excellent Glasgow facilities. To the extent that the Department can support other governmental or privately managed utilization of the facility we shall be pleased to do so.

The training and research programs mentioned in the bill which are relevant to the Department of Transportation include pilot and mechanic training programs, a research and development safety center, and a comprehensive aviation testing facility having capacity to perform airport construction tests as well as the sonic boom and other jet aircraft noise abatement programs.

The Department now conducts extensive programs of the nature that I have just enumerated, using large technical installations at Edwards Air Force Base, Calif., Wallops Island, Va., the National Aviation Facilities Experimental Center at Atlantic City, and the FAA Aeronautical Center at Oklahoma City, Okla.

In the area of supersonic transport development, Edwards Air Force Base, along with the Wendover, Utah, test range, will be the major

Government facility used in the flight test programs. This complex affords installed instrumentation for high-altitude testing, including sonic boom testing, which would be extremely expensive to duplicate elsewhere. Similarly, for jet noise abatement programs, the NASA Langley Research Center already affords an extensive capacity for testing.

A suggested use for the Glasgow Base is in providing supersonic transport pilot training. With the delay in the SST development program it is not expected that supersonic crew training will begin before 1976.

When the manufacturer of the SST begins flight tests of prototype aircraft, we will be in far better positions to evaluate this potential.

With reference to future departmental programs, we are now studying the need for facilities for research, development, and testing in the field of motor vehicle and highway safety, in pursuance of a provision of the National Traffic and Motor Vehicle Safety Act.

That act requires that we report to Congress our recommendations as to a suitable site for such facilities. We must reserve our comments on the suitability of the Glasgow Base for this purpose until this study is completed.

When it becomes time to review specific potential sites, we will, of course, send a group to the base for on-site evaluation of its advantages and disadvantages for the motor vehicle research, development, and testing program.

As the Department of Transportation develops further requirements for training and research facilities, we will continue to seek ways to utilize existing plant and equipment to our needs and this will include consideration of other suitable Government facilities, including the Glasgow Corporation's facility, if it is in operation.

Mr. Chairman, I would be pleased to answer any questions which you or the members of the committee might have.

Mr. ROGERS. As you know, the House, on Monday of this week, approved legislation which would authorize the Secretary of Transportation, I think, to draw rules and regulations relating to supersonic booms, and so forth. Do you envision that the Department would use the Glasgow Air Force Base for experiments upon which to draw proper regulations?

Mr. DEAN. Mr. Chairman, we think it unlikely that the base would play any appreciable role in those tests. The authority to which you refer was placed in the Federal Aviation Administrator and it would involve a variety of flight and engine tests as a backup for the regulatory activity which the Congress proposes to authorize.

We would depend upon well-instrumented existing test facilities such as those of the NASA and Edwards Air Force Base, rather than attempting to do expensive and duplicatory instrumenting at Glasgow, which was not set up for this kind of mission.

Mr. ROGERS. We have a statement from the director of the North Dakota Aeronautics Commission, Mr. Harold G. Vavra, and the last paragraph of his statement is to the effect that, because of the adequacy of the number of FAA approved flight training schools and aviation mechanics schools in North Dakota and the United States, the North Dakota Aeronautics Commission urges the Judiciary Committee to amend S. 1602 in section 5(a)1 of the bill to prohibit the Northwest Regional Service Corporation from engaging in the training of aviation pilots and mechanics.

Do you have any comments on that controversy?

Mr. DEAN. The Department of Transportation and the FAA are very much concerned that there be in this country adequate facilities to train pilots, mechanics, and other airmen. But this is, except insofar as the Defense Department engages in this activity, a responsibility of the individual airlines, training schools, and private industry groups.

We feel that this has worked very satisfactorily. We would have no objection to the inclusion of authority in the bill before you to permit the Corporation to enter into arrangements with private training groups in the interests of facilitating training of airmen, but this is not a matter in which we would have a direct funding involvement or any direct program responsibility.

Mr. ZELENKO. Do you certificate those schools?

Mr. DEAN. We do.

Mr. ZELENKO. How many schools are there in the United States today?

Mr. DEAN. The number is quite large. I would have to submit the exact number for the record.

(Subsequently the following information was submitted:)

The number of training schools certificated by the FAA for personnel in aviation activities are as follows:

a. Private FAA certificated aviation mechanics schools	96
b. Private FAA certificated pilot flight and ground schools	[1] 1,736
c. Scheduled air carriers schools	29
d. Scheduled air cargo carriers schools	3
e. Supplementary air carriers schools	13
f. Commercial operators schools	31
g. FAA approved dispatcher schools	5
h. Flight engineer schools	12

[1] As of Jan. 1, 1968.

Mr. ZELENKO. Is the Department aware of a need for additional schools?

Mr. DEAN. We feel that with the Defense Department's declining rate of training of airmen, which department has been a primary source of trained personnel, that the country may well face a greater demand for airmen and mechanic training, including pilot training, than has been the case in past years.

In fact, in cooperation with the Department of Defense and the Department of Labor, with the bulk of the work being done by the Bureau of Labor Statistics, we have studies going on at the present time to identify the magnitude of the training and manpower requirements for aviation. We don't as yet have a final report on this, however.

Mr. ROGERS. Thank you.

Mr. RAILSBACK. I have no questions.

Mr. ROGERS. Mr. Biester.

Mr. BIESTER. Where are tests similar to those which resulted in the disaster at New Orleans being conducted at the present time?

Mr. DEAN. We have made a number of changes in the requirements for that kind of demonstration of pilot proficiency in air emergencies. They are no longer conducted over heavily populated areas, they are no longer conducted at low altitudes, and, in fact, they are not required in the precise form that led to the New Orleans accident under present regulations as amended. We especially avoid populated areas in this kind of test.

Each airline has certain airport areas where they conduct their test operations. Our inspectors work with them. I can assure you, Mr. Biester, that the New Orleans type of situation has been discontinued.

Mr. BIESTER. Without going into all the factors of that problem, I am curious to know first of all whether the concerns that led to testing of that kind are still current concerns, and I assume they are.

Mr. DEAN. As you know, the whole purpose of that testing was to assure that a pilot, when confronted with an emergency, could respond in a manner that might save the lives of an entire planeload of passengers. The need for this kind of demonstration in flight under the scrutiny of an FAA inspector is, I think, one which most people would recognize.

We did agree that engine-out tests over a big urban airport where a recovery problem might occur needed reconsideration and we changed our procedures. You can still run the same tests at a higher altitude giving you plenty of recovery opportunity. You can do it over a less congested area. Thus, in the rare event of some further incident, and these have been extremely rare, you would minimize the risk to people on the ground.

Let me give you an example of the kinds of locations that are being used for testing now. Moses Lake, which was once an airbase in eastern Washington, became surplus, much as Glasgow. It has been adopted by Boeing and various airlines as a major area of testing with our support and cooperation; because Moses Lake, while it is a flourishing part of the State of Washington, is scarcely a heavily populated part of this country.

Mr. BIESTER. Where else are you testing?

Mr. DEAN. I would have to give you a list of the other primary test areas.

Mr. BIESTER. Are there any near Philadelphia?

Mr. DEAN. I can't answer that for certain. The FAA could, but I will give you for the record a list of the primary areas of flight tests.

Mr. BIESTER. Now, with respect to the possibilities which are referred to in your testimony, do you envision a time at any point in the next 10 years when the facilities such as Glasgow would be useful either to the combined use of the airlines or to DOD or a combination?

Mr. DEAN. Looking 10 years ahead with the increase in aviation activity in this country, it is not at all unlikely that, should a Corporation of the kind contemplated by the bill before you be in existence, advantageous arrangements for training by individual airlines might prove possible, or even that some of those airlines that operate more heavily in the Northwest might wish to have some type of maintenance activity at the facility.

The attractive thing about the Corporation is it does give you an entity that is capable of negotiating on a businesslike basis with not just Government agencies but with any private concern that might find it profitable to take advantage of the facilities at Glasgow.

Mr. BIESTER. I appreciate those comments about the Corporation. I think they are well taken, but my interest lies in the facility itself. I assume that you have looked ahead over at least the next 5 years, and hopefully 10 years, into some of the uses and needs that you expect to occur in the air industry.

Mr. DEAN. We have done so; yes.

Mr. BIESTER. I am asking you, in view of those projects, whether you envision a need for a facility comparable to the facility which now exists at Glasgow within the next 10 years?

Mr. DEAN. Not by the Department of Transportation. We have an extensive research facility, including complete airport facilities at Atlantic City. We have another great training center at the Aeronautical Center in Oklahoma which also is associated with a large modern joint-use airport, and we have relationships and arrangements with both NASA and the Defense Department for existing test ranges and experimental bases. These, as far as I can see, will meet our needs for the indefinite future.

Mr. BIESTER. In that answer, are you embracing your projected estimate of needs of the air industry itself?

Mr. DEAN. No; my earlier response indicated that, with the growth of the air industry, should a facility like Glasgow be available over the years ahead the many private company managements that are involved may find it advantageous for some purpose, such as training, maintenance, or some other need, to enter into agreement with the Corporation. But such agreements would have to evolve through negotiations between them and the Corporation.

Mr. BIESTER. I understand that. My question goes to whether you would regard that as likely.

Mr. DEAN. I would think that, if the Corporation's fiscal setup permitted reasonable rents and charges for the provision of facilities, there would be some commercial attractiveness. Whether it be enough to support the full use of the facilities would be dubious, but I think there would be some commercial prospects; yes, sir.

Mr. BIESTER. Thank you very much.

Incidentally, since I did raise the question about where these tests are occurring, now I would appreciate that for the record.

(The following information was subsequently submitted:)

These tests are not conducted at designated locations as such. FAA has promulgated the following procedures:

"Two-engine out landings will be conducted so that the critical portion is over unpopulated approach lanes. The critical portion begins at the runway threshold and extends longitudinally to the point where the approach speed is reduced below two-engine Vmca (minimum control speed air)".

Thus, the test may be conducted at any airport which meets the above criteria.

Mr. ROGERS. As I understand, you do not envision any particular use of Glasgow Air Force Base by the Department of Transportation at the present time. Do you know of any other agency or any other corporation entity that may be interested in having such a long runway?

Mr. DEAN. Mr. Chairman, there are only a small number of departments and agencies that are deeply involved in aviation. Defense, NASA, and the Department of Transportation are the primary organizations. The Defense Department, of course, you will hear; and, since they have had custody of this base, they are thoroughly familiar with it.

Mr. ROGERS. Have you had occasion to visit the base?

Mr. DEAN. I have not personally been to the base. We have had our staff do so; in fact, some of the FAA staff are among the most knowledgeable people in the Government with respect to this base. I have not been there, but I have gone over the photographic material. I know the kind of construction and we agree, for the record, that it is an excellent modern base with fine facilities.

Mr. ROGERS. Mr. Zelenko has a question.

Mr. ZELENKO. Is it your testimony that the Department of Transportation has no immediate interest in the airstrip and you are unaware of any other Federal agency in the aviation field that does have such an interest?

Mr. DEAN. I am personally unaware of any agency with such a need.

Mr. ZELENKO. Has the Department had a representative on the Presidential Task Force?

Mr. DEAN. Yes, we have participated in that task force.

Mr. ZELENKO. Are you aware of any private interests or corporations that are interested in using the airstrip at Glasgow?

Mr. DEAN. I have no information beyond that I gave in response to Mr. Biester.

Mr. ZELENKO. We have before us a proposal from Packard-Bell Corp. Are you familiar at all with their proposal?

Mr. DEAN. I am not, no.

Mr. ZELENKO. Thank you, Mr. Chairman.

Mr. ROGERS. Thank you, Mr. Dean. We certainly appreciate your coming in and bringing Captain Hyslop with you.

Our next witness is Mr. Joe E. Moody, Deputy Administrator of the General Services Administration.

Mr. Moody, you have with you a gentleman. Will you identify him, please?

Mr. MOODY. I am accompanied by Mr. Walter C. Moreland, who is the Deputy Commissioner of our Property Management and Disposal Service, and has direct responsibility for disposal of surplus property.

Mr. ROGERS. Do you have a statement?

Mr. MOODY. Yes.

STATEMENT OF JOE E. MOODY, DEPUTY ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

Mr. MOODY. Mr. Chairman and members of the subcommittee, on behalf of the Administrator of General Services, Lawson B. Knott, Jr., I wish to thank you for this opportunity to appear before your subcommittee to present the views of the General Services Administration on S. 1602, a bill "To create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes."

The bill requires that, upon determination of the Secretary of Defense that the Glasgow Air Force Base, Glasgow, Mont., is no longer needed for military purposes, the base, including personal property located thereon and owned by the United States, would be transferred to the Corporation for the purposes of providing training centers and other programs of particular benefit to the surrounding areas. The objective of the bill is to minimize the adverse impact of discontinuance of the use of the base for military purposes.

The property has not yet been reported, in accordance with the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, as excess to the needs of the Department of Defense. However, if the base is eventually reported excess to GSA, its disposal would present unusually difficult disposal problems.

Unlike the situation surrounding disposal of most large unneeded military facilities throughout the country, we are advised by the State of Montana and the local governing bodies that they do not have the resources to develop Glasgow Air Force Base for productive uses. Furthermore, no private interests have come forward with a proposal to utilize the base without substantial Federal financial assistance.

The Northwest Regional Services Corporation to be established under S. 1602 would provide a vehicle through which continuing efforts could be made to develop further uses for the base. The creation of this Corporation may well be the best method for undertaking development of a program of nonmilitary use of this property in a manner designed to offset the adverse economic impact on the area otherwise flowing from discontinuance of the use of the base by the Department of Defense.

However, there are certain changes which we believe should be made in the bill to enhance the ability of the Corporation to achieve its intended purposes. First, we recommend that section 5 be amended to authorize the Corporation to acquire fee title to the land area leased by the Department of the Air Force from the State of Montana.

This area comprises approximately 4,039 acres of the base on which almost all of the improvements are located, except for the Capehart housing. Although the General Services Administration, the Bureau of Land Management, and the State of Montana have entered into an exchange agreement, the consummation of which would vest in the Government fee title to the leased land, the Northwest Regional Services Corporation, depending upon its ultimate plans for use of the base, should be authorized, notwithstanding any other provision of law, to consummate this exchange, if it so desires.

Second, section 4(a) of the bill should specify clearly that the transfer authority conferred upon the Secretary of Defense includes the 922 acres of land under permit to the Air Force from the Bureau of Land Management. We will furnish to the subcommittee language which would accomplish these amendments.

Finally, we have some doubt as to whether section 10(9), which would authorize the Corporation to enter into contracts "without regard to section 3709 of the Revised Statutes," is broad enough to permit accomplishment of its apparent purpose.

Since this is a highly technical matter which does not affect the basic objective of the bill, I will present to the subcommittee for inclusion in the record proposed clarifying amendments if that is agreeable.

Mr. ROGERS. Yes, we will be happy to receive the identified amendments and suggestions for the record.

(The amendments referred to follow:)

CLARIFYING AMENDMENTS AND ADDITIONAL COMMENTS ON SECTION 10(9)

Section 10(9) of S. 1602 would authorize the Northwest Regional Services Corporation (NRSC) to enter into contracts "without regard to Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)."

Section 310 of the Federal Property and Administrative Services Act of 1949, 63 Stat. 383, as amended, (Property Act), provides, among other things, that any provision of law which authorizes an executive agency to procure any property or services without regard to Section 3709 "shall be construed to authorize the procurement of such property or services pursuant to Section 302(c)(15) of (The Property Act) without regard to the advertising requirements of Sections 302(c)

and 303 (The Property Act)." By virtue of Section 310 of the Property Act, therefore, the grant of authority in Section 10(9) of S. 1602 is a limited one.

There are some indications, however, that the drafters of the bill believed that the grant of authority in Section 10(9) would exempt NRSC from all of the provisions of Title III of the Property Act. For example, Section 10(11) of the bill authorizes the making of advance and progress payments and Section 11 requires the inclusion in all negotiated contracts of a clause authorizing examination of contractor's records by GAO. If the drafters had not believed that Section 10(9) exempted the corporation from Title III of the Property Act, there would have been no need to include Section 10(11) and 11 of the bill since these matters are already covered in Title III. (Sections 305 and 304(c) of the Property Act.)

If it is intended that the NRSC be exempt from all of Title III, this may be accomplished by amending Section 10(9) by deleting the words "section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)" and substituting therefor the words "Title III of the Federal Property and Administrative Services Act of 1949, 63 Stat. 383, as amended (41 U.S.C. 251–260)." On the other hand, if it is intended only to exempt the corporation from the advertising requirements, Section 10(9) can remain as drafted. However, under these circumstances, Sections 10(11) and 11 of S. 1602 should be deleted.

Mr. MOODY. This concludes my prepared statement, Mr. Chairman. However, if you or members of the subcommittee have any questions you may wish to ask, I shall be happy to answer them at this time or furnish the desired information for the record.

Mr. ROGERS. It is approximately 4,039 acres which are owned by the State of Montana. Is that right?

Mr. MOODY. That is correct.

Mr. ROGERS. And the Department of the Air Force has a lease on this land until the year 2005. You mention that GSA, the Bureau of Land Management and the State of Montana have entered into a land swap whereby the fee title to the leased land will vest in the Government. You suggest that the bill be amended to specifically authorize the Corporation to consummate this exchange of land.

You also note that an additional 922 acres of land is under permit to the Air Force from the Bureau of Land Management. I gather your suggestion is that the bill be amended to clarify the authority given to the Secretary of Defense to transfer this property to the Corporation.

Mr. MOODY. That is correct. We think it is essential that whoever has the responsibility to develop this base for diversification of uses must have complete dominion and control over the entire installation.

Mr. ROGERS. And to get rid of that lease, whatever it may be?

Mr. MOODY. Holding only a leasehold undoubtedly would adversely affect anyone's ability to bring investment into the property.

Mr. ROGERS. Mr. Railsback.

Mr. RAILSBACK. I would like to ask either of the witnesses if they can describe for the subcommittee what the normal procedure is in respect to an abandoned or excess military base and surplus property.

Mr. MOODY. I would be very happy to explain it, sir. Under the provisions of the Federal Property Act, any owning agency, as in this instance the Department of Defense, which has property that it determines is no longer required for the purposes of the Department of Defense, must report those properties to General Services Administration as excess to its needs.

Our first action is to determine, through what we call a screening process, whether any other Federal agency has a need for the use of that facility, and if we find a need for all or part of it we would, subject to a determination that the proposed use is consistent with the highest

and best use of the property, transfer the property from the owning agency to the requiring agency.

Assuming, for the sake of the explanation, that no such need develops, the property would then be determined to be surplus to the needs of the United States and would then become available for disposal. At the time we initiate our disposal process, since surplus properties are available on a public benefit discount for certain specified non-Federal uses, such as health, education, park, recreation, historic monuments, or wildlife conservation, we would notify a group of interests simultaneously as to the availability of this property.

This would include the Governor of the State in which the property is located, the county authorities, the municipal authorities, and the departments and agencies that have responsibility over the programs for which public benefit discount use disposals are authorized. That would be HEW, in the case of health and education; Interior Department, in the case of park and recreational use; FAA, Department of Transportation, in connection with airport use.

We would ask the local people whether they have any interest in developing a comprehensive plan for the use and disposition of that property. Now, this notice has the effect of bringing together the various interests that have varying interests in the property.

Mr. RAILSBACK. How about private industry?

Mr. MOODY. At this point the property has not yet been exposed to private use. Normally, if a locality has an interest it is kind of a coalescence of the various interests you have. Part of it may be the hospitals that were mentioned this morning or the educational interests.

You may have park and recreational interests, and here we have an airport which is suitable for public airport use. This process eventually leads to the development of a plan for the use and disposal; normally the public uses don't take up all of the property, and at that point then we begin to develop a more refined disposal plan for the portions of the property that are not desired for public purposes.

Mr. RAILSBACK. Up until this point, would it be on a beneficial discount basis?

Mr. MOODY. If there is a public airport use, it goes for a hundred-percent discount. In other words, donation. If it is a health and educational use it can go for a discount up to a hundred percent, depending on whether it is a tax-supported educational or health institution or whether it is a tax-exempt one.

Mr. RAILSBACK. None of this activity has proceeded yet because this has not been turned over, is that correct?

Mr. MOODY. With respect to this property and in an effort to be helpful in ascertaining even before it came to us whether there was any Federal need for the property, we have actually made a screening of the property in advance of it having been reported excess. We found no Federal interests in the use of the property.

Mr. RAILSBACK. How about some of the other interests that you mentioned, such as the State municipalities?

Mr. MOODY. The State has taken the position that it has no resources available for the development of the property and, while the State might get the property itself without cost for some of these uses,

all of the uses I mentioned involve a substantial expenditure to bring them into being.

Mr. RAILSBACK. I see. In some cases, depending on the use, it could be a gift from the Federal Government, if it were going to be used for a public airport?

Mr. MOODY. Let us take the college proposal that is made here. If this act is not passed and the property comes to us, this university can apply to HEW for the conveyance of that portion of the base that it is now interested in. If HEW approves the educational plan of use and development of the university, HEW would then ask GSA to assign that portion of the base to HEW and HEW would convey it to the university, subject to the restrictions that Mr. Coston mentioned, to assure its use for that purpose for a period of 30 years.

Mr. RAILSBACK. Do I understand your testimony to be to the effect that, by reason of the unusual circumstances here, the fact that the State cannot financially indicate an interest, the fact of its location, its multiple purposes, you think this is a unique situation that requires a unique solution?

Mr. MOODY. We do, sir.

Mr. RAILSBACK. Do you support this rather unusual concept of a public corporation to sort of centralize and gather together all of the multiple aspects of this particular base?

Mr. MOODY. We do, sir. Because of the very unique circumstances involving this base it would be a most challenging disposal problem, and we think the circumstances warrant the establishment of a centralized group such as the Corporation to do what they can with this.

Mr. RAILSBACK. You were telling us before of the general procedure of disposing of property and you had reached a point where I had asked you about private industry. How is private industry finally notified? Is it notified after the public interests indicate no interest?

Mr. MOODY. We would then, as I say, develop a disposal plan and expose the property, normally on a publicly advertised competitive-bid basis, for sale to private buyers.

Mr. RAILSBACK. What is the usual loss rate in selling at a public auction like that?

Mr. MOODY. Mr. Railsback, I want to explain that in some detail. We don't recognize a loss in the sale. In fact, we have our properties appraised before they are sold. Compared to investment, there is a great difference, normally, between the sales price and the sales return. But based on fair market value of the property for its highest and best use for nonmilitary purposes, our return runs around 115 to 118 percent of the fair market value.

Mr. RAILSBACK. Do you have a requirement that requires you to receive a percentage of the appraised value before you can accept a bid?

Mr. MOODY. We have to get the fair market value. That may be different than appraised fair market value. The best test of value is the marketplace, as I am sure you appreciate. We appraise the property and expose it under the best methods of sale we can devise, and if we are successful, fine. We don't sell if we don't think the high bid comes pretty close to what it is worth.

But we sometimes learn through the marketplace that our ideas of value are not as sound as we thought they were, and sometimes we finally have to take less than the original appraisal.

Mr. RAILSBACK. In this case, by reason of the work which you have already done—and I think you are to be commended for doing the work in this case, because it does present an unusual problem—it is your feeling that we are certainly well advised to entertain this new concept—in this particular case, at any rate?

Mr. MOODY. Yes; and that is a unique position for GSA.

Mr. MCCLORY. Has this same property been the subject of other bills before the Congress? For instance, has it been the subject of a claims type of bill?

Mr. MOODY. No, sir. This bill in a slightly different form was considered in the Senate and passed by the Senate in the form now before your committee. But I think this is the first legislative attention to the problem.

Mr. ROGERS. Mr. Biester.

Mr. BIESTER. What is the extent of the present Federal investment in the capital structure? What do you presently have in it?

Mr. MOODY. As I have mentioned, Mr. Biester, this property has not formally been reported to us yet. We don't have the support for this figure; and, when Secretary Morris testifies, he can probably give you more detail.

But our figure on the total investment is $89,142,000. The great proportion of that, if my recollection is right, and I believe it is, is in the capital improvement in the property as distinguished from land cost.

Mr. BIESTER. At the present time you have received no interest whatsoever, public or private, for purchase of the property?

Mr. MOODY. The task force, as you know, has explored any number of possibilities and I would not want to rule out any of them as possible purchasers. They have not been explored by GSA.

Mr. BIESTER. Can you give us your estimate of what return on this invested dollar the public will see if we do not adopt this unique formula?

Mr. MOODY. Our average return on investment, as distinguished from value, runs around 20 percent. That varies all over the lot from almost zero to more than investment in some cases. But I would not like to venture an opinion in this case because of the unique circumstances.

Mr. BIESTER. In this instance we are dealing, are we not, candidly, with the situation which would have returns less than average?

Mr. MOODY. It is going to take a tremendous effort on the part of whoever has the responsibility here to realize any material return on this property.

Mr. RAILSBACK. Will the gentleman yield?

Mr. BIESTER. Surely.

Mr. RAILSBACK. I take it from what you have said in response to Mr. Biester's questions, and also in response to my questions, that, when we are talking about market value, there is a great distinction between the actual cost of the property or the capital investment; and you are taking into consideration, when you appraise the market value or estimate the market value, that this is military property that

is going to have to be used for nonmilitary purposes; so naturally there would be quite a substantial difference.

I think it is significant that your experience has been that you realize on these kinds of forced sales that you only recover 20 percent of the actual cost or investment.

Mr. MOODY. There is another factor that I would mention that has a very material bearing on this. The Government has earned out of this property a substantial part of its investment by use, and that is so in any property you have.

Take an office building, for example; the land has gone up but if we have a property that the Government has used for 50 years we have gotten our money out of it, out of the improvement on the property.

This one has not been in existence that long, but I am sure the Government still has earned a substantial benefit out of the investment it has in this property.

Mr. BIESTER. I recognize it is not within the purview of your responsibility, but, upon accounting techniques of this investment, is the $80 million figure a depreciated figure?

Mr. MOODY. No, an actual cost figure.

Mr. BIESTER. As of what year?

Mr. MOODY. I don't know. This base was established not too long ago. I have some information on this some place. It has been extended and expanded several times. In 1955 is when it started, but within the period of 1955 to now there have been substantial additional investments in the property.

Mr. BIESTER. In this sort of situation is it depreciated, and is there a depreciation figure?

Mr. MOODY. In determining a fair market value, for example, there would be. But we don't attempt to depreciate the cost to reflect the Government use value.

Mr. ROGERS. Counsel has some questions.

Mr. ZELENKO. Mr. Moody, I take it that military obsolescence is a fact of life that GSA is facing regularly every time a base closes or surplus military property is disposed of.

Mr. MOODY. The majority of the property we sell comes from the Department of Defense as a result of change in military technology.

Mr. ZELENKO. Although you have had much experience with military obsolescence, this is the first time a wholly owned Government Corporation has been proposed as a method of salvage? Is that true?

Mr. MOODY. That is correct. I would not want to leave the impression that this is the only or the first difficult disposal problem. It is not, as I am sure the chairman is well aware, as well as some of the rest of you.

But there are so many factors here—the substantial cost, the highly specialized nature of the property, the financial situation in the State, the isolation of the location—with all of these factors combined, this is going to be a terrifically complex and difficult disposal problem.

Mr. ZELENKO. The testimony thus far in these hearings suggests that to salvage the base it will take a further investment on the part of the Federal Government.

Mr. MOODY. That is inherent in all the proposals that have been made. It is that distinguishing feature evidently that has thus far prevented private interests from proposing a transfer of the property

from the Government. These private interests are reluctant to undertake a financial interest without Government assistance.

Mr. ZELENKO. The Government would weigh the $89 million base investment and whatever return GSA might be able to realize through forced sale against the continuing Federal investment that might be required to attract and keep private interests on the base?

Mr. MOODY. I think that is a valid consideration, yes. This Corporation would be vested with substantial authority that the general law does not vest in General Services Administration, such as the sale of bonds, that might be very useful here in an attempt to develop the property.

Mr. ZELENKO. Let me ask you about the authority proposed to be granted the Corporation. In an earlier letter to the Senate committee, GSA commented on a provision of the bill, paragraph 11, section 10.

The provision provides:

> The Corporation shall have the following powers, to make advance progress and other payments which the Board deemed necessary under this act without regard to the provisions of section 3648 of the revised statues as amended.

In the report of GSA on that provision you opposed it and recommended that that section be deleted. I will read from the report:

> Section 9(11) of the bill would authorize the Corporation to make payments without regard to section 3648 of the revised statutes, which would, with certain exceptions, provide the payment of the contracts for the performance of any service or the delivery of any articles shall not exceed the value of the service rendered or of the articles delivered appreciably to such payment.
>
> Section 305 of the Property Act, as amended, (41 U.S.C. 255) and the Federal Procurement Regultions authorize executive agencies to make advance payments and progress payments in connection with the procurement of supplies and services.
>
> It is therefore recommended that this section 9(11) be deleted.

Have you abandoned that objection?

Mr. MOODY. No, that was intended as a technical comment. This Corporation would be an executive agency within the meaning of the Federal Property Act and as such it would be authorized to make these payments without an express provision for it in this bill. We deal with that in this technical amendment we are now proposing.

Mr. ZELENKO. That is all. Thank you.

Mr. ROGERS. Thank you, Mr. Moody. We certainly appreciate your assistance here and you may be dismissed.

Mr. MOODY. Thank you very much.

Mr. ROGERS. We will place in the record at this point a letter and a statement from Harold G. Vavra of Bismarck, North Dakota, and also a statement by Frank Woehr, a principal of the Aviation High School of Long Island, New York.

(The documents referred to follow:)

AVIATION HIGH SCHOOL,
BOARD OF EDUCATION—THE CITY OF NEW YORK,
Long Island City, N.Y., June 10, 1968.

Re S. 1602.

Congressman EMANUEL CELLER,
Chairman, Committee on the Judiciary,
Rayburn House Office Building, Washington, D.C.

DEAR SIR: It is requested that the views presented herewith be considered by the committee holding hearings on the "Northwest Regional Services Act"—S. 1602.

1. My credentials are listed on the attached sheet. In addition, I am presently Chairman of the New York State Aerospace Education Council.

2. My views re S. 1602 are presented in the two page brief attached.

3. My views regarding a National Aviation Mechanics Educational Materials Resource Center, which I hope may be of some interest to the committee, are outlined on two pages mimeographed so titled which are attached.

Thank you for the opportunity to present these views.

Sincerely,

FRANK WOEHR, *Principal.*

Aviation High School will celebrate its thirtieth anniversary in September 1966 and its administration will look back upon an impressive record of turning out 20,000 high school graduates and 13,000 trained workers in evening extension programs.

If it's true that an institution is the lengthened shadow of a man, then A.H.S. is certainly a strong reflection of the shape and form of Frank Woehr.

He was a member of the original faculty in 1936 as a shop teacher in airframes. He became shop chairman in 1943 and principal in 1947.

Mr. Woehr is credited with conceiving the idea of a super aviation high school such as the one in Long Island City. So he feels especially proud that A.H.S. is on the "must" list for touring educators from all over the world as the only high school anywhere, devoted exclusively to training toward a career in aviation.

Mr. Woehr grew up in Brooklyn and attended its Manual Training High School and Pratt Institute, and later Buffalo State Teachers College and then New York University, where he earned two degrees. A dedicated educator, Mr. Woehr devotes many extra hours visiting plants in the aerospace industry to learn about technical advances which are subsequently incorporated into the school's program; and goes on field trips arranging for jobs for graduates.

He is indeed known in his field as a "Mr. Aviation Education." In addition to his duties as principal of A.H.S., he is a past president of the National Aerospace Education Council; a council member of the Air Force Association; member of Aviation Technician Education Council; officer in Aerospace Youth Development Association and a member of the New York City Air Age Education Committee. The last group has organized extensive airport institutes for many thousands of teachers and airport tours for over a million people. Mr. Woehr is also a past president of the Vocational High School Principals Association of New York City.

To: Committee on the Judiciary—U.S. House of Representatives.
By: Frank Woehr, Principal—Aviation High School, New York City.
Re: S. 1602—Northwest Regional Services Act.

1. The present and future critical shortage of aviation mechanic-technicians has been adequately documented. The important question is: What is the best way from a cost-effectiveness point of view to use public monies to help relieve the situation?

2. This program would not satisfy the national need for the training of skilled aviation personnel. The numbers trained in this new program would be just a drop in the bucket. Updating of existing programs is of primary importance and should have priority.

3. The utilization of a phased-out Air Force base and surplus equipment is a worthy objective. However, the Congress could better serve a national program by assistance to all FAA approved A&P schools, in ways to be detailed later, than by putting scarce dollars into a local shopping basket.

4. Among the multi-faceted objectives of the Montana Act would be "an industry training and job training center for employable individuals, including Indians" (p. 3, line 10). Are there any public funds supported programs that exclude Indians?

5. The act is a "shot gun"; one which authorizes programs for pilots, mechanics, practical nurses, medical technicians, automatic data processing, teaching aids, an experimental center for handicapped, underprivileged and economically deprived, law enforcement and crime prevention research and training, rehabilitation center for alcoholic and narcotics addicts, training center in intergovernmental relations, transportation safety research center, air and water research, supersonic transport and instrumented sonic boom testing range, jet aircraft noise abatement test center, airport testing facility, supersonic transport training center, an educational research and demonstration facility, a national center for human resources development and . . . "any other programs." Aren't these a duplication of programs already in existence? How deeply can they go in each of these areas?

6. The proposed $1 million per year for 3 years (total $3 million) could better be spent in developing an instructional materials center for aviation technicians. Such a center would serve ongoing programs in our schools and would be a contribution to the national welfare. The shortage of aircraft technicians is not only a critical and growing national problem for industry; it also concerns an area where the federal government is already involved through the FAA. The FAA has established the standards and through their curriculum control and examinations regulate the content and other program features. Through tie lines to various sources of data, information could be gathered which then could be made available to qualified schools. Instructional materials could be video-taped and distributed.

7. An area where Congress can help support FAA approved schools would be to expedite the release of surplus equipment. Everyone would benefit from this. The procedures for the transfer to qualified aviation schools of usable surplus government property should be streamlined. The present regulations are burdened with excessive paper work, are time consuming and assigns inappropriate priorities to various groups—to the disadvantage of the FAA certificated aviation mechanics schools.

8. The organization of public supported vocational training programs (and I would assume practically all programs) are most effectively administered by and through those existing agencies that have a capability developed through experience. The proliferation of parallel programs, through special funding, sets up undesirable and wasteful duplication of services. The personnel to carry out these programs are either "pirated" from existing programs, or if they are not recruited are often without a comprehension of the problems or means of solution. It is better to update good existing programs than to set up competing ones.

Aviation Technician Education Council

RECOMMENDATION: THAT A NATIONAL AVIATION MECHANICS EDUCATIONAL MATERIALS RESOURCE CENTER BE ESTABLISHED

1. Why?

(1) Escalating technology of aviation/aerospace industry poses special educational problems and challenges.

(2) As technical advances are achieved, instruction must be adjusted accordingly.

(3) Technical changes are occurring with increasing rapidity and it is essential that the required educational adaptations be kept in step.

(4) Increasing numbers and more highly trained aerospace workers are needed in order to meet the needs of the industry and nation.

(5) Available "hardware" and educational know-how in the area of instruction should be utilized.

(6) A competent aerospace work force is an essential national resource for economic viability and growth.

(7) More efficient educational methods are needed in order to keep the expanding aerospace worker training costs within reason.

(8) Good aviation mechanics education is not only a requirement of a growing aerospace industry but also an investment in humanity and the nation's future.

(9) The current and future aircraft industry manpower needs have been documented by the FAA's "Project Long Look", the "Nathan Report" and acutal manpower shortages existing at present.

(10) Proper aircraft maintenance is increasingly important for the safe operation of the larger, faster, more complex and expensive jets.

(11) UCLA study has demonstrated the effectiveness of updated instructional materials and methods.

(12) It is necessary to utilize most efficient instructional methods available in order to keep instructional costs within reason and maximum cost-effectiveness.

(13) A correlated approach and sharing of information is required to provide a commodiality of materials and methods.

(14) Efficient aviation manpower is a required ingredient of industry and contributor to the competitive position of American flag airlines and aerospace industry.

2. What?

(1) Proposal visualizes the housing in one center, the best instructional materials available in the field of aviation mechanics training and making them available through an audiovisual retrieval system

(2) This would involve all industrial materials available (airlines, manufacturers, component suppliers.) FAA materials used for training of in-house personnel, institutional and private materials.

(3) The central control of aircraft maintenance by the airlines is a fact of industry and relevant to the centralization of instructional materials.

(4) The instructional materials available in the instructional materials center would be multi-media and include closed circuit TV, movies, tapes, records, slides, videos, displays, and other TV materials. In addition, it would house a curriculum library, texts, workbooks, quizes, examinations and programed materials.

(5) It would be used for the in-service education training of aviation teachers throughout workshops and closed circuit TV.

(6) ETV is best adapted to mass education. The specialized nature of the aviation mechanic training needs can better be met by closed circuit and direct line communications between the instructional materials center and the various schools.

(7) The best and most modern learning materials could be quickly phased in and made available to students and teachers without a critical time lag.

(8) The instructional materials available through the center would supplement the teaching of professional instructors who are in short supply.

3. Who?

(1) Would promote quality aviation mechanics education for all.

(2) Would serve all schools and agencies preparing personnel for aircraft mechnics occupation.

(3) In the future—as now—persons being trained for aviation mechanics represent a cross-section of our population.

(4) Would serve disadvantaged persons better because:

. . of multi-media approach using interesting materials

. . of provision for remedial, reteaching and individual progress

. . teacher would be freed to help individual pupils with special problems.

(5) Would provide a design for extra and expanded educational opportunities for all.

(6) The bank of information, representing greater resources than any one institution could possibly possess, would better meet the needs of the heterogeneous student body which has aspirations for a career in the aero space industry.

4. Where?

(1) That location with the best available resources, potential and desire to serve the needs of all the aviation mechanic schools and their students.

STATE OF NORTH DAKOTA,
AERONAUTICS COMMISSION,
Bismarck, N. Dak., June 8, 1968.

Subject: Hearings on Senate bill S. 1602.

Hon. EMANUEL CELLER,
Chairman, Judiciary Committee,
U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN CELLER: I wish to acknowledge receipt of your kind invitation to attend the hearing before Subcommittee No. 5 on Thursday, June 13, 1968 at 10:00 a.m. in Room 2141, Rayburn House Office Building, Washington, D.C.

I appreciate your invitation to testify before the Committee. Unfortunately I cannot be in Washington, D.C. on the day of the hearing.

I therefore am submitting herewith a statement for the hearing record of S–1602 and would appreciate its inclusion in the official record.

Sincerely,

HAROLD G. VAVRA, *Director.*

STATEMENT OF HAROLD G. VAVRA, DIRECTOR, NORTH DAKOTA AERONAUTICS COMMISSION, BISMARCK, N. DAK., TO SENATE BILL S. 1602

My name is Harold G. Vavra, with address of Bismarck, North Dakota. I am the Director of the State of North Dakota Aeronautics Commission with offices at Bismarck, North Dakota. The Aeronautics Commission, by state statutory

authority, shall represent the state in aeronautical matters before state and federal agencies. The purpose of this statement before the Judiciary Subcommittee No. 5 is to advocate an amendment to Senate Bill S. 1602.

S. 1602 would create by law a Northwest Regional Services Corporation for the purpose of securing title to certain property, which is now known as the "Glasgow Air Force Base, Glasgow, Montana," to provide a central location for various training centers and programs.

Section 5(a)1 of the Bill provides for the training of pilots and mechanics under the Manpower Development and Training Act of 1962 and under similar government financed programs.

It is the position of the North Dakota Aeronautics Commission that in the various states of the United States, there are presently an adequate and expanding number of flight training school and aviation mechanic training schools, owned and operated by private enterprise, to handle all of the pilot and mechanic trainees that the Federal Government is capable of financing under its presently limited resources, under the Manpower Development and Training Act of 1962 and under the Veteran's Pension and Readjustment Assistance Act of 1967. These programs include financial assistance for flight training and aviation mechanic school training. In addition, private enterprise schools offering flight and aviation mechanic training also provide similar training to non-government sponsored trainees.

The adequacy of the flight training facilities in the United States is outlined as follows. The Federal Aviation Administration, as a part of the Department of Transportation published on January 1, 1968, a list of all certified pilot flight and ground schools. This publication is identified as AC-No. 140–2D and is printed by the U.S. Government Printing Office. It shows the number of FAA approved flight schools by state and the name and address of each school.

Within the 50 states of the United States, there are some 1,750 flight schools approved and certificated by the Federal Aviation Administration with some in every State of the Union.

In North Dakota there are 15 flight schools approved by the FAA, of which eleven are approved by the State, for offering flight training to Veterans under the G.I. Bill. North Dakota also has an aviation mechanic training school, which is approved by the Federal Aviation Administration for offering aviation mechanic training for up to 50 trainees. This school accepts both Veterans and trainees under the Manpower Development Training Act of 1962.

Because of the adequacy of the number of FAA approved flight training schools and aviation mechanic schools in North Dakota and the United States, the North Dakota Aeronautics Commission urges the Judiciary Committee to amend S–1602 in Section 5(a)1 of the Bill to prohibit the Northwest Regional Services Corporation from engaging in the training of aviation pilots and mechanics.

Mr. ROGERS. Now the committee will stand in recess until tomorrow at 10 a.m. at which time we will hear two witnesses: Mr. Ivan D. Livi and Lt. Col. Henry F. Murray of the USAF, retired.

(Whereupon, at 12 noon, the hearing recessed to reconvene at 10 a.m., Thursday, June 13, 1968.)

TO CREATE A NORTHWEST REGIONAL SERVICES CORPORATION TO PROVIDE A CENTRAL LOCATION FOR VARIOUS TRAINING CENTERS AND PROGRAMS, AND FOR OTHER PURPOSES

THURSDAY, JUNE 13, 1968

House of Representatives,
Subcommittee No. 5 of the
Committee on the Judiciary,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2141, Rayburn House Office Building, Hon. Byron G. Rogers presiding.

Present: Representatives Rogers, Biester, and McClory.

Staff member present: Benjamin Zelenko, counsel.

Mr. Rogers. This morning we will continue hearings on S. 1602, to create a Northwest Regional Service Corporation to provide a central location for various training centers and programs, and for other purposes.

Our first witness this morning is Mr. Ivan D. Livi, president of the Technician Aviation Council, the Pittsburgh Institute of Aeronautics, Pittsburgh, Pa. I understand you have a prepared statement.

Mr. Livi. Yes, Mr. Chairman.

I would like to introduce myself in this way. My name is Ivan Livi and I am vice president of the Pittsburgh Institute of Aeronautics, which is an aviation technicians school, and I am also currently serving as the president of the Aviation Technician Education Council. I am here today as a representative of the council.

STATEMENT OF IVAN D. LIVI, PRESIDENT, AVIATION TECHNICIAN EDUCATION COUNCIL, PITTSBURGH INSTITUTE OF AERONAUTICS

Mr. Livi. I am here as a representative for the Aviation Technician Education Council to express some views and comments relative to the creation of a Northwest Regions Service Corporation as proposed by bill S. 1602. The Aviation Technician Education Council is a council of administrators from the Federal Aviation Administration Approved Mechanic and Technician Schools.

The creation of the Northwest Regions Service Corporation, as proposed in bill S. 1602, will provide for the establishment of many types of programs, but, the programs upon which I would like to express views are the programs involving the training of aviation personnel, particularly aviation mechanics.

It is the majority opinion of the members of the Aviation Technician Education Council that this program not be initiated. Our position is based on the following views:

During the past 5 or 6 years, numerous studies and surveys have been made in an attempt to establish the need for aviation mechanics and pilots for the future. These studies, such as Project Long Look, the Arizona State University feasibility study—Department of Labor surveys, industry surveys, and FAA studies were estimates projected over a period of 10 to 15 years.

Those of us who are in the aviation industry know that the aviation industry is expanding quickly and to a tremendous size, but, the need for mechanics and pilots is not adhering to the figures projected at the time most of these studies were made.

Therefore, the first point on which ATEC bases its opinion that a program of this type not be initiated is that to the best of our knowledge no study was made to determine the need for this program. The need for aviation mechanics has been, at certain times, critical, but there are other factors involved which must be considered.

The area of general aviation, where the need is projected to be the greatest, does not attract the newly licensed aviation mechanic. This means that, even with mechanics available, the needs of general aviation may not be satisfied while available mechanics are being siphoned off into other industries.

Most aviation school graduates seek employment with the air carrier industry and, if employment is not available with the air carrier industry, they would rather work in some other industry than seek employment in general aviation. This means that, even though there is a need in one phase of the industry, there may be at the same time unemployed aviation mechanics.

The present time is a period during which we are experiencing this condition to some degree. To illustrate the realistic aspect of this situation, let me cite this example:

On June 5, 1968, a group of employment personnel people representing 12 companies assembled at the Pittsburgh Institute of Aeronautics for the purpose of interviewing a group of graduating students. This group represented the following companies:

AIRCRAFT COMPANIES

United Air Lines	Continental Airlines
Eastern Air Lines	Mohawk Airlines
American Air Lines	Boeing Co.
Western Airlines	Sikorsky Aircraft
TWA	Lycoming-Avco
Northwest Airlines	Beckett Aviation Corp.

This group of personnel representatives has a total of 160 job openings to offer the graduates. This is far from the needs that had been projected for this time 3 years ago.

The airline pilot situation is a similar one. Surveys and estimates projected a need of thousands of pilots for the major airlines, but at present most major airlines have lists of applicants that will satisfy their needs for the next 12 to 18 months.

A common fault of surveys and projections is that the estimates made are usually higher than the actual needs. There is no penalty

for overestimating and if a company has only 300 openings at a time when it had estimated a thousand, the employer has better selection and a better bargaining position.

Even with this fact in mind, I want to emphasize that there is a steady and growing need for aviation mechanics, but the most feasible source of mechanics is the present approved schools. Much has been said about the inadequacy of the present schools, but nothing has been done to help in the updating of these schools.

It would be much easier and much less expensive to help the present schools increase their output than to establish programs that must begin from nothing and whose output would be a mere drop in the bucket. The updating of existing programs is of primary importance and the only method which will permit the training of mechanics to keep pace with the future needs of the industry.

The proposed program is a multifaceted one in which there are outlined approximately 22 different types of training. I want to emphasize that the training of aviation mechanics cannot be one part of a multiple training program.

The training of mechanics is an enormous task which requires all the effort, finances, and ability that can be put into it, and when a school has attempted to do this training as one part of a multiple program, it has resulted in poor and inadequate results.

The program as proposed would be diverting its efforts and finances into so many different directions that it appears impossible that it would do the job of training aviation personnel adequately. Also, with its many different aspects, there would probably be a duplication of many programs already in existence.

Since aviation mechanic programs are controlled and regulated through the Federal Aviation Administration's established standards, has any investigation been made into these requirements to determine the feasibility of establishing such a program as proposed? Has any study been made of how many people would be able to take advantage of this program if it was established at Glasgow Air Force Base?

This location is in a remote area. How could large numbers of students be induced to go there for training? Certainly, the program is being proposed to contribute to the national interest, but if the output of such a program is very small, then millions of dollars have been spent for such small returns.

We believe the Congress can much better serve the national interest by expediting the release of surplus properties to all aviation schools so that each can increase its enrollment and output of trained aviation personnel. The combined results of the 93 FAA-approved schools can more realistically meet the needs of the aviation industry in the future than the output from a few new, federally sponsored programs.

In conclusion, I would like to request that a decision to create the Northwest Regions Service Corporation be held in abeyance until a more accurate study of the need and feasibility of this program has been conducted.

Mr. ROGERS. Mr. Livi, I take it from your statement that there are 93 FAA-approved schools which train mechanics?

Mr. LIVI. There are 93 approved mechanics schools by the FAA, yes, sir.

Mr. ROGERS. I understand from your statement that most, if not all, of these schools belong to the Aviation Technician Education Council?

Mr. LIVI. The council represents about 65 of these schools.

Mr. ROGERS. Am I to understand that under the program that is now being carried on that you are adequately training mechanics to be used by airplane carriers?

Mr. LIVI. Yes, sir. Here are some figures from the FAA which help to explain this. At the time this estimate was made there were 87 approved schools; since then there were 12 or 14 that had just come into being approved during the last 12 or 18 months.

But at that time there were 87 approved schools. The enrollment in those 87 schools was 11,413 mechanic students. This does not include the young men who are coming out of service as aviation trained people who will go into the industry; for the present time this is an adequate source for the need.

Mr. ROGERS. How long does one have to go to these schools in order to be a mechanic employed by an airline?

Mr. LIVI. The length of time will vary from approximately 14 to 16 months to about 21 or 22 months. Then they have met the requirements for licensing by the FAA.

Mr. ROGERS. You point out in your statement that 12 airlines only had 160 jobs to offer graduates of these schools.

Mr. LIVI. Yes, sir, that was the situation on that date.

Mr. ROGERS. On that date. Now you are familiar with the situation that developed when the airline mechanics struck about a year ago? They did so on the theory that they could go get better wages in other places.

Mr. LIVI. I am trying to think of the situation. I am not sure I understand the question.

Mr. ROGERS. At one time the mechanics, of at least one of the lines and probably a number of others, insisted upon a wage increase. They pointed out that the wages paid by the airline companies were not comparable to what they could get in other industries.

Mr. LIVI. This is true.

Mr. ROGERS. They went out on strike and, apparently, finally arrived at a contract. Now my question is, what is the history of your school for mechanics? Do your graduates go into the airline industry or into other industries?

Mr. LIVI. The majority of our graduates have gone into the airline industry. This is a major project with our organization's placement. We go into every effort to place our graduates, although we have found that there are times when no matter what you do the graduate does not go to work in aviation.

Up until the last few years the pay has been a very serious consideration. At this time the airline pay is comparable to many other industries. But the greatest need, as we can see it, is in the field of general aviation. There the pay scale is quite low and there are many times that when a graduate cannot get employment with the air carrier industry, the airlines; then he will go to some other industry where he can make more money rather than take a job in general aviation.

So at the time we, at Pittsburgh Institute of Aeronautics, have been ab7e to place our graduates, but it has been a real major project.

Mr. ROGERS. If this proposal contemplated a school run along the same lines as your school and the other 92 aviation training schools

in the United States, would you still have any objection to it? Wouldn't that be a free enterprise system of operation, the same as yours is?

Mr. LIVI. No, we would have no objection. As a matter of fact, we welcome more aviation schools in free enterprise. Where we feel the need to object is that, under this program, the money being put into the program is Federal money and does not bring enough results to make it worth while to the industry, or at least it appears this way.

You say a free-enterprise school; there are actually eight or 10 being considered for approval by the FAA, so we feel if the needs increase to the degree that has been anticipated that the only way it can be met is if each school can increase its output a little; but with additional facilities and some help in finances, so when you multiply this by the 90 or 100 schools, then you have a substantial number of people who will be available to the industry.

Mr. ROGERS. Mr. Biester.

Mr. BIESTER. I would like to separate these two problems, if I might. You do feel there should be more schools but not schools sponsored such as this school, is that a fair assumption?

Mr. LIVI. Yes, I think an addition of schools would be justified as a free-enterprise school, yes.

Mr. BIESTER. So there is a sufficient need for mechanics, and more schools?

Mr. LIVI. Yes, there is a need.

Mr. BIESTER. How many new schools have been established over the last 5 years?

Mr. LIVI. At present I would say that during the last 5 years the approval has gone from approximately 65 or 67 schools to the present 93 with, as I mentioned, approximately eight or 10 pending approval.

Mr. BIESTER. What is the average cost to the student to go to these schools?

Mr. LIVI. The average cost on an hourly rate as tuition is charged in these schools is approximately 90 cents to $1 per hour for instruction time. Now the instruction time must meet the minimum requirements of FAA, so the minimum time is presently 1,650 hours, but with the new regulations being implemented it will go to 1,900.

The most extensive course that I am familiar with, and I think we have one of them, is approximately 2,500 hours.

Mr. BIESTER. So the cost to the student then runs between $1,800 and $2,600?

Mr. LIVI. Yes, sir.

Mr. BIESTER. Do you have scholarship aids for students?

Mr. LIVI. Yes, we do.

Mr. BIESTER. Is there a significant number of disadvantaged young men going into this educational system?

Mr. LIVI. I would not say a significant number, for this reason: We know that for employment service they must pass physical examinations, and this is one thing we do in our organization. We require every applicant to take a physical examination, so if the physical examination seems to appear that it would not be suitable for employment, rather than have him go to school we explain this to him to begin with. But that is a limiting factor.

The employer's examination, and this is quite rigid with the air carrier industry.

Mr. BIESTER. How does that bear upon disadvantaged?

Mr. LIVI. To this time I think it has had some effect on it although in each school an attempt is being made to bring more disadvantaged in.

Mr. BIESTER. How does the physical examination bear upon that aspect?

Mr. LIVI. As far as attending school as a student?

Mr. BIESTER. Yes.

Mr. LIVI. If the individual, for example, has a color vision condition which we know will limit his employment opportunities it is a recommendation of the school that he not enter this training, but to seek training in other fields. If he still believes that he would like to have this training and more or less will take his chances on employment——

Mr. BIESTER. Excuse me for interrupting. I am not after the color vision problems of the student, but to find out any color vision problems of the industries. Is there a significant number of Negroes in this activity?

Mr. LIVI. Sure.

Mr. BIESTER. What percentage?

Mr. LIVI. I don't think I am prepared to give any percentage on this.

Mr. BIESTER. Ten percent?

Mr. LIVI. I would say not more than 10 percent, probably less.

Mr. BIESTER. How are the scholarship arrangements made?

Mr. LIVI. There are a number of ways. Certain States have scholarships available since the State of Pennsylvania has a scholarship fund. The schools themselves have some type of scholarship arrangement. At our school we have a scholarship arrangement where any student who is given any finances by an organization is matched by a similar amount by the school.

Mr. BIESTER. Is there a specific direction of this scholarship aid into the disadvantaged community at the present time?

Mr. LIVI. Yes, we are attempting to do this.

Mr. BIESTER. How successful have you been?

Mr. LIVI. It has in the past year, I might say, been much more successful than it had been in the past.

Mr. BIESTER. Are you satisfied that there is sufficient facility for the testing and training of pilots in emergency situation procedures?

Mr. LIVI. I am not as familiar with pilot training, but in dealing with the personnel people of the airlines with whom we deal we talk with them about all phases of aviation employment. The majority opinion of these people is that they do have the facilities and the applicants for this purpose.

Mr. BIESTER. That is all I have.

Mr. ROGERS. Mr. McClory.

Mr. MCCLORY. I notice, Mr. Livi, that you refer in your statement to the fact that this Glasgow Air Force Base is in a remote area. Do you feel that if this were located someplace else that this identical proposal, if more convenient to a larger population, would serve a useful purpose?

Mr. LIVI. I think it would come much nearer to serving a useful purpose, for this reason. We have found in the aviation industry, that in order for a person to be employed he must go to where the job is, and this is one problem that we have had in the Pittsburgh

area. We have had no local employment and we have dealt with this problem for years.

But to take people out to a remote area and then to bring them back into the industry does not seem to be the right thing to do.

Mr. McCLORY. On the other hand, we are trying to decentralize, are we not, and do we not find that the industry and educational institutions and all sorts of facilities and operations and projects are removing themselves from the core areas of the cities and locating in more remote or more open areas?

Mr. LIVI. We are merely basing our opinion on what has happened in our own program over the years. This has been a very basic problem, the placement of people outside the area of taking people from an area where there is no employment, training them to go to a different area. To take people out to a remote area and then to bring them back again to the employment area is not a good thing.

Mr. McCLORY. If this is developed it would result in moving a population—that is not there now—to the Glasgow Air Force Base; would it not?

Mr. LIVI. This would be all right if the industry moved into a nearby area, too. For example, if a young man who has been trained at Glasgow Air Force Base has to go to San Francisco or Chicago or Boston to work for an air carrier industry, this can create a problem.

Mr. McCLORY. Would you say the location is a major objection or is that one of the major questions that you are raising?

Mr. LIVI. Yes, sir.

Mr. McCLORY. Thank you.

Mr. ZELENKO. Mr. Livi, are you familiar with the facilities at Glasgow Air Force Base?

Mr. LIVI. No, sir; I am not.

Mr. ZELENKO. We have been told that it provides one of the most modern runway facilities in the country and that therefore it is an extremely valuable training site for the aviation industry. Your testimony, I gather, is that there is no documented shortage of aviation mechanics. Is that correct?

Mr. LIVI. There have been a number of surveys, but the need does not seem to be keeping pace with the surveys.

Mr. ZELENKO. Your testimony doesn't refer to flight schools, as such, does it?

Mr. LIVI. No, sir.

Mr. ZELENKO. The schools which you have described to the committee are schools for mechanic training?

Mr. LIVI. Yes.

Mr. ZELENKO. I gather there are flight schools also certificated by the FAA?

Mr. LIVI. Yes; as a matter of fact there are quite a number.

Mr. ZELENKO. We have been advised there are some 1,750 flight schools today throughout the 50 States. Secondly, your testimony is that in addition there seems to be adequate licensed facilities at present to handle the demand for aviation mechanics.

Mr. LIVI. Do I understand you to say there are adequate schools for licensing mechanics?

Mr. ZELENKO. Yes; that is your testimony?

Mr. LIVI. For the present time; yes, sir.

Mr. ZELENKO. I have no further questions.

Mr. ROGERS. Are you acquainted with the National Aviation Trade Association?

Mr. LIVI. Yes.

Mr. ROGERS. Do you know what the National Aviation Trade Association consists of?

Mr. LIVI. It is an association of aviation trades over the entire Nation.

Mr. ROGERS. Which would include aviation training, mechanics, pilots, and what have you?

Mr. LIVI. Yes, sir.

Mr. ROGERS. I think that will be all. Thank you very much, Mr. Livi. We appreciate your coming in and giving us your testimony.

Our next witness is Col. Henry F. Murray, USAF, retired. He is director of the Piedmont Aerospace Institute.

Come forward, Mr. Murray. Do you have a written statement? Sit down and proceed and give us the benefit of your thinking in this matter.

Mr. MURRAY. Thank you, Mr. Chairman.

I will have a statement which will be mailed. I would like to read from notes that I have here, if this is within your permission, sir.

Mr. ROGERS. Proceed in your own manner.

STATEMENT OF LT. COL. HENRY F. MURRAY, USAF (RETIRED), DIRECTOR, PIEDMONT AEROSPACE INSTITUTE

Mr. MURRAY. Mr. Chairman, members of the subcommittee, thank you for the opportunity to present our views in opposition to Senate bill S. 1602.

I represent Piedmont Aerospace Institute, a private trade school offering post high school technical instruction designed to qualify persons for aviation occupations.

Specifically, our present offering is the aircraft maintenance technicians course. It prepares the student for the Federal Aviation Administration certification as a mechanic with the airframe and the powerplant ratings.

Our school operates under our agency certificate No. 4166 issued by the Federal Aviation Administration. It is licensed by the Board of Education, State of North Carolina, as a private trade school.

To maintain our accreditation by the Federal Aviation Administration we must meet the requirements of facilities, equipment and personnel as specified by part 147 of the Federal Air Regulations. Surveillance inspections by the FAA representatives are made at least once in each 6 months.

I am sure that all of us agree that American civil aviation sets the standard for all the world. Excellence of design and performance are demonstrated daily all over the globe. I am sure that in no other nation does the private sector of the economy make such efficient and profitable use of air transportation, both commercial airlines and general aviation activities.

Such profitable operations rest largely on safe, reliable operating flying equipment. Here again, Americans are recognized for developing preventive maintenance methods and repair and overhaul techniques which reflect the abilities of the individual mechanics trained to the high standards of the air transportation industry and the Federal Aviation Administration.

Americans holding mechanic's certificates issued by the FAA are in demand all over the world. Aircraft mechanics or aircraft maintenance technicians obtain their certificates in two general ways:

One, by working under the supervision of another certificated mechanic of senior experience in order to gain the knowledge and schools to complete FAA examinations. This takes from 30 months to many years.

Second, the most efficient way is by attending a school certificated by the FAA offering a full-time curriculum taught by certified instructors in a school facility specifically equipped for that purpose. Such schools have become the recognized source for topnotch personnel who are best prepared to grow into positions of authority and responsibility in the air transportation maintenance activity.

The curriculum of a typical school is complex. It cuts across many vocational fields: reciprocating engine and jet engine operating principles, aerospace vehicle metal structures, repair and overhaul of accessory items such as alternators, generators and starters, aircraft paint finishes, fiberglass plastic repair techniques, aircraft electrical and electronics systems, hydraulic and pneumatic systems.

Indeed, these men are technicians. Over the years a number of FAA-certificated schools have developed in widely separated regions of the United States: California, Florida, New York, Oklahoma, Missouri, and others. In recent years additional private and public schools have developed in regions not previously served: Colorado, North Carolina, Alabama are locations of some of the newer approved schools.

The number of agency certificates for mechanic schools has grown from about 70 in 1966 to approximately 90 at the present time. Under the watchful eye of the FAA, these educational facilities are moving to meet the needs of certificated mechanics on a nationwide scale.

We at Piedmont Aerospace Institute believe that the interests of the air transportation sector of our economy are best served by this kind of widespread aviation technical education. To concentrate training evidence in one or two national training centers would tend to restrict the opportunity from many who might otherwise enter the field.

Is it not true that we wish to provide equal opportunity for all citizens regardless of the region of their residence? We feel that the Federal Government's role should be to stimulate aviation technical training through encouraging students to prepare themselves for and enter schools now available to them throughout the country.

Probably the most useful assistance is to facilitate the availability of loans or grants to deserving students. Additionally, we suggest the use of Federal funds to encourage interest in aerospace technical careers through pre-aeroprep curriculum at the high school level and aerospace informational courses in elementary and junior high schools.

99-654—68——7

Again, Mr. Chairman, I wish to express my appreciation to you for the privilege of appearing here.

Mr. ROGERS. Colonel, do I understand that Piedmont Aerospace Institute is not connected with the Piedmont Airlines, or are they affiliated?

Mr. MURRAY. Sir, we are a department of Piedmont Aviation.

Mr. ROGERS. A department of Piedmont?

Mr. MURRAY. Yes, sir.

Mr. ROGERS. As such you could be considered as an auxiliary, so to speak, but do you have separate management, and so forth?

Mr. MURRAY. I am director of Piedmont Aerospace Institute, and I report to Mr. T. H. Davis, the president of Piedmont Aviation, Inc. We have a separate training facility for the purposes of conducting our FAA approved North Carolina licensed private trade school.

Mr. ROGERS. Does Piedmont get subsidy?

Mr. MURRAY. Piedmont Airlines, according to my most recent readings of the newspaper; no, sir. We are perhaps one of the very few supplemental airlines that do not, but again I am speaking not as a member of the airlines division, for which I am not authorized to speak.

Mr. ROGERS. Piedmont Aerospace Institute's income is from teaching, as I understand. Do you charge tuition?

Mr. MURRAY. Yes, sir; we are a tuition school.

Mr. ROGERS. If you should run into a deficit, is there a possibility that Piedmont Airlines itself would pick it up, or has that taken place?

Mr. MURRAY. We commenced our operation in November 1966, and since that time we have graduated two classes. Our student body commenced with the first class of nine students, and it has grown to now approximately 100 students a board. We have not operated profitably from the beginning.

Our parent company is Piedmont Aviation, Inc., which has two divisions, a general aviation division and an airlines division. To the extent that Piedmont Aerospace Institute affects the welfare of the company, the answer to your question, sir, is yes. But I would also like to reiterate that my best recollection of the facts are that we do not receive subsidy.

Mr. ROGERS. Do I understand that Piedmont Airlines in their desire to make sure that they get good mechanics really set up the school to make sure they had them trained?

Mr. MURRAY. Certainly this is one of the motivations, sir.

Mr. ROGERS. Up until that time when they made this decision had there been enough privately operated schools that trained mechanics to supply the demand of your airline and others?

Mr. MURRAY. The circumstances of Piedmont, sir is that it is a growing organization. Its need for mechanics itself as in operating an airline have been increasing, but it is acutely aware of the growth in the general aviation sector as well.

There is a geographical region in our country from New York to Florida, from Pittsburgh, where Dr. Livi is located, eastward, from St. Louis and Tulsa eastward, that is not served by the large private trade school of the type that we have organized ourselves to be.

Another of our motivations was to serve our region in attempting to provide an opportunity for technical training, post high school in nature, to individuals who might otherwise not have an opportunity

to attend a school for certain reasons but particularly for their desire not to leave their home area to attend such schools.

Mr. ROGERS. Mr. Biester.

Mr. BIESTER. What is the tuition in your school, sir?

Mr. MURRAY. Tuition for instruction, sir, is $14.40 for an 18-hour curriculum. This is about $0.80 per curriculum hour.

Mr. BIESTER. Somewhat less than the average we heard from Mr. Livi. Do you have scholarship programs formally from the school?

Mr. MURRAY. No, sir, not at the time we do not have such.

Mr. BIESTER. Do you make any special efforts to get disadvantaged young men into your school?

Mr. MURRAY. We are going to get into definition troubles.

Mr. BIESTER. People who can't afford the $14.00?

Mr. MURRAY. Yes, sir, we do. There are in North Carolina several educational funds that serve particular local regions, the Winston-Salem fund serves Winston-Salem and Forsyth County. There is another fund, the Bryon Foundation, that serves the entire State and we are encouraging people and hoping to be listed by the HEW, among those for whom students might obtain assistance through the Vocational Training Act of 1964.

Mr. BIESTER. How many students do you have in your school now?

Mr. MURRAY. About 10 which amounts to about 10 percent of our student body at the moment now.

Mr. BIESTER. How many Negroes do you have in the school?

Mr. MURRAY. There is one student who is Negro. There have been three applications from individuals that were accepted and did not enter school.

Mr. BIESTER. When did the one come aboard?

Mr. MURRAY. I believe he came aboard July of last year, sir, one of our most outstanding students, I might add.

Mr. BIESTER. Looking at it from the standpoint, since I suppose you are a bridge between the user here and the training activity, do you foresee an increasing need, apart from general aviation, for greater numbers of technicians in the commercial field?

Mr. MURRAY. Of course, these prognostications have been difficult over the years. The Project Long Look sponsored by the FAA is one of the authorities in this area. The aviation sector of the economy is growing and I hope we can keep our aircraft—I don't see how we can keep our aircraft in the air without additional mechanics to support them, yes, sir.

Mr. BIESTER. Is the Negro who is one of the outstanding students on a scholarship program of any kind?

Mr. MURRAY. No, sir, not on a scholarship. He happens to be a veteran and he therefore qualifies for veteran's benefits.

Mr. BIESTER. So none of the 10 that are there on State scholarship aid are Negroes?

Mr. MURRAY. No, sir; that is correct.

Mr. ROGERS. Mr. McClory.

Mr. MCCLORY. Thank you, Mr. Chairman.

Colonel you mentioned that you felt that additional scholarships or financial programs might be less expensive or more desirable in connection with promoting programs of education and training. Isn't your institution, and aren't similar institutions, eligible to receive scholarship benefits, loans and grants under existing Federal legislation?

Mr. MURRAY. Yes, sir, particularly the Vocational Education Act of 1964. Our suggestion was that anything to facilitate the availability of such loans to students, and I might point out at the moment, as I indicated, we are processing the necessary papers for our own school to be listed among those schools for which students might request the particular loans.

Mr. MCCLORY. So the Federal legislation is there really, but you just haven't availed yourself of it.

Mr. MURRAY. Our youth has been a problem here. There is a 2-year minimum operating period which we will complete this summer, for eligibility.

Mr. MCCLORY. So in a sense you are not asking for additional legislation or additional appropriations for grants or loans or scholarships. You are just pointing out that avenue is preferable to the establishment of this project at Glasgow Air Force Base?

Mr. MURRAY. Yes, sir; basically, that is my suggestion. I mean the ease of processing applications, the availability of administrative personnel to act promptly upon them, et cetera.

Mr. MCCLORY. If the Glasgow Air Force Base project were developed, were authorized, and contracts were let to private enterprise to operate training schools such as your school, don't you think that you or your counterparts in the California area or in some other area might be interested in bidding on such a contract?

Mr. MURRAY. That certainly is a distinct possibility. Yes, sir.

Mr. MCCLORY. And the mere fact that the Congress might authorize this project development would not necessarily interfere with you being a private school operation, would it? Couldn't it operate contemporaneously with a part of the overall program?

Mr. MURRAY. It is my feeling, sir, that the aviation technical schools have developed regionally in a surprisingly equal distribution throughout our country. The implications that I read from S. 1602, sir, are that this might become a central or "national" center.

This concept we object to, sir, when it excludes a more even distribution throughout the country. To me it implies bringing groups of people in from distant areas to a spot for education in a time in their lives perhaps when they are in transition from home to a work life.

I feel that through their more local regional schools would be a more normal and natural transition.

Mr. MCCLORY. Thank you very much.

Mr. ROGERS., Thank you. Do you have any questions, Mr. Zelenko?

Mr. ZELENKO. Mr. Murray, do airlines other than Piedmont operate aviation mechanic training schools?

Mr. MURRAY. I know of no others who have developed a private trade school organized such as we are. Other airlines have apprentice programs and, well, even as I talk I can recall one that does have an FAA approved basic curriculum, same as ours, yes, sir.

Mr. ZELENKO. Is your testimony in opposition to the proposed legislation?

Mr. MURRAY. Yes, sir; this is correct.

Mr. ZELENKO. Is that based on a belief that the development of a regional facility to train mechanics for aviation trades would interfere with the operation of private schools such as your own?

Mr. MURRAY. Sir, we read from this suggested legislation the possibility of centralized national training centers. It is this basic principal to which we are objecting. Does this answer your question?

Mr. ZELENKO. The proposals, as we understand them, to use the facilities at Glasgow are alleged to come from private entrepreneurs who would set up their own training facilities at that base. For example, I think Congressman McClory mentioned earlier the possibility of bidding on those facilities. Now, does that change your opinion?

Mr. MURRAY. The centralization concept to the exclusion of the development of present programs already in being with considerable history of success operating in cooperation with the Federal Aviation Administration is objectionable to us, sir.

Mr. ZELENKO. Thank you very much, Colonel.

Mr. ROGERS. Thank you.

The hearing is adjourned subject to the call of the Chair.

(Whereupon, at 11 a.m. the hearing adjourned to reconvene at the call of the Chair.)

(The following materials were submitted for inclusion in the record:)

STATEMENT OF HON. JOHN J. RHODES, U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. Chairman, and Members of the Committee. I am submitting this statement in opposition to S. 1602. While I do not for a moment question the validity of many of the objectives embodied in the legislation, I most sincerely believe that the means proposed to carry them out are quite unsatisfactory. The legislation envisions utilizing Glasgow Air Force Base, Glasgow, Montana, as a "regional service center" for programs of training and rehabilitation ranging all the way from the air sciences to narcotics addiction. I do not believe that such diverse programs can be adequately and efficiently augmented by a single agency, nor do I believe that the location of the proposed center recommends itself for such a massive undertaking.

The provisions of S. 1602 establish programs which duplicate various training and rehabilitation programs already the responsibility of specific government agencies. The Department of Health, Education, and Welfare, and the Department of Transportation, both directly, and indirectly through grants in aid to various foundations and educational facilities, are conducting many programs which parallel those suggested in the Bill. The bill suffers especially in its failure to clearly delineate the division of responsibility between the proposed Corporation and the various agencies of the government already charged with many of the functions established by the legislation.

I am particularly concerned with those provisions of the bill which envision use of Glasgow for education and training in the air sciences and related aviation activities. Having followed quite closely recent studies undertaken by the Economic Development Administration of the Department of Commerce relevant to the feasibility of establishing a national program for the training of skilled aviation personnel, I am well aware of the need for programs of this nature. However, it is apparent from these studies that the success of such an undertaking will depend, in large part, on such factors as location of the center, weather conditions, support of the aviation industry and other practical considerations. In this respect, it would seem apparent that the relative isolation of the Glasgow facility, its severe climate, and the lack of detailed and necessary feasability studies do not recommend Glasgow as an aviation training installation.

In that passage of this legislation would siphon off funds and activity for the establishment of air training facilities which could more adequately serve the needs of the aviation industry and of the nation, I feel compelled to urge against its enactment. The mandatory requirement that certain programs be carried out at Glasgow, many of which are either already being carried out elsewhere, or which could be better carried out elsewhere makes the legislation objectionable in many respects. Government agencies responsible for certain training programs might be put into the position of being forced to move their operations to Glasgow whether such training was feasible there or not.

In addition, I am disturbed by the over-powering authority which the Act would grant the proposed corporation over those governmental agencies which can more efficiently co-ordinate most of the twenty-two programs envisioned by the bill. The proposed center, and the corporation, would be costly in terms of money and manpower, and I do not feel an adequate case has been presented for their establishment. For these reasons, Mr. Chairman, I respectfully urge the members of the subcommittee to join me in opposition to S. 1602. Thank you.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., July 1, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN CELLER: I would appreciate having the enclosed letter from Irving Senzel, Acting Director of the Bureau of Land Management, submitted in the hearing record on S. 1602. I hope this letter answers any questions Subcommittee Number Five might have regarding the transfer of State lands to the Federal Government at Glasgow Air Force Base.

Very truly yours,

LEE METCALF.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., June 25, 1968.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: This is in response to your request for a status report on the exhange of State lands in Montana for Federal lands at the Glasgow Airbase.

Our Montana State Office informs us that all of the details involving this exchange, including the appraisal have been completed. On June 18, the decision approving the exchange was sent to the State.

Publication of the proposed exchange will be published starting July 4 and ending July 25.

If no protest to the exchange is filed, if title to the State land offered is free and clear, and if no adverse claims to the property are made, patent could be issued to the State shortly after the publication has been made.

All of the work involved in this exchange has been handled by our State Office in Billings, Montana. We have informed that office of your interest in this matter and have asked them to keep you advised of further developments.

Sincerely yours,

IRVING SENZEL,
Assistant Director.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., June 14, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Subcommittee No. 5, U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN CELLER: Enclosed are two letters from Mons Tiegen, Montana Lands and Investments Commissioner. I hope these letters answer the Subcommittee's questions about exchange of state land at Glasgow Air Force Base. I would appreciate having these letters inserted in the official hearing record for Senator Mansfield and myself.

Very truly yours,

LEE METCALF.

STATE OF MONTANA,
DEPARTMENT OF STATE LANDS AND INVESTMENTS,
Helena, June 12, 1968.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Reference is made to the telephone call I received yesterday from Miss Wohlhowe, of your staff, relating to the position of the State of Montana with regard to the Glasgow Airbase problem. I am enclosing herewith a copy of a letter I was instructed to write Senator Mansfield in October, 1967 concerning this same matter.

I should perhaps bring you up to date on what has transpired so far in our efforts to convey title to the state land underlying the Airbase proper. Following a meeting on February 19 with representatives of the military and the task force,

it was agreed that an attempt would be made to exchange the land with the state for other government owned land in that area. On April 19 an agreement was signed between this department, the General Services Administration and the Bureau of Land Management, setting forth the terms of the transfer. The Bureau of Land Management was to make their exchange under Section 8 of the Taylor Grazing Act and our application under this procedure was dated May 16, 1968. I contacted the Bureau of Land Management yesterday and they advised me that the exchange was progressing well and no serious objections to the original proposal are anticipated. I have, however, nothing official from the Bureau as yet on this.

In conclusion, let me stress the position of the State Board of Land Commissioners that they will fully cooperate with any arrangement that will permit the continued use of this facility, limited, of course, by any statutory restrictions.

On behalf of the State of Montana I wish to thank you for your continuing interest in this matter.

Sincerely yours,

MONS L. TEIGEN,
Commissioner, State Lands and Investments.

OCTOBER 17, 1967.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: At the meeting of the State Board of Land Commissioners, held yesterday afternoon, Acting Governor Ted James called the attention of the board to some comments you made in Great Falls last week concerning a prospective use for the Glasgow Airforce Base. He said that you had indicated that additional land would be needed for this particular development and that you were concerned as to whether or not the Land Board would cooperate in making available this additional acreage.

The board asked me to convey to you their desire to cooperate with your office in working out an arrangement that will make possible the continued use of this splendid facility. This cooperation, of course, would be limited by any restrictions imposed upon them by law.

If it is possible for you to give us this information, the board would like further details concerning the development and the amount of additional land required.

Sincerely yours,

MONS L. TEIGEN,
Commissioner, State Lands and Investments and
Ex-officio Secretary to the Land Board.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washinhton, D.C., June 13, 1968.

Hon. EMANUEL CELLER,
Chairman, House Judiciary Subcommittee No. 5,
U.S. Congress, Washington, D.C.

DEAR CHAIRMAN CELLER: I would appreciate having the enclosed telegram and letter inserted in the hearing record on S. 1602.

Very truly yours,

LEE METCALF.

Enclosures.

BUTTE, MONT., *June 3, 1968.*

Senator LEE METCALF,
Senate Office Building,
Washington, D.C.:

The 126 cities and towns of the Montana Municipal League stand unanimously behind the city of Glasgow in its support of its SB 1602.

We urge your wholehearted efforts in assuring its passage. The benefits to be derived from this bill are inconceivable until we look at our Indian problems of employment and in particular those of the Gros Ventre and Assiniboine. Such a project could further enhance the local CEP program by providing work stations. The entire State would thus become the beneficiary.

THOMAS F. POWERS,
President, Montana Municipal League.

CITY OF MALTA,
Malta, Mont., June 11, 1968.

Hon. LEE METCALF,
United States Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR METCALF: The City of Malta wishes to register support for our sister city of Glasgow, with respect to Senate Bill 1602. Accordingly, a resolution was adopted at our Council Meeting last evening, instructing me to write the Montana delegation urging their favorable consideration of this legislation.

With kindest personal regards.

Very truly yours,

WILLIS M. MCKEON,
City Attorney.

TO CREATE A NORTHWEST REGIONAL SERVICES CORPORATION TO PROVIDE A CENTRAL LOCATION FOR VARIOUS TRAINING CENTERS AND PROGRAMS, AND FOR OTHER PURPOSES

THURSDAY, JULY 11, 1968

HOUSE OF REPRESENTATIVES.
SUBCOMMITTEE NO. 5
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2141, Rayburn House Office Building, Hon. Emanuel Celler (chairman of the House Committee on the Judiciary) presiding.

Present: Representatives Celler, Donohue, MacGregor, Mathias, Railsback, and Biester.

Staff member present: Benjamin L. Zelenko, counsel.

The CHAIRMAN. The committee will come to order.

We will continue our consideration of Senate bill S. 1602, a bill to create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes.

The first witness this morning will be our distinguished Member from Montana, the dedicated public servant we all know, Representative Arnold Olsen.

Mr. Olsen.

STATEMENT OF HON. ARNOLD OLSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA, ACCOMPANIED BY DR. MERVIN STRICKLER, SPECIAL ASSISTANT ON AVIATION EDUCATION FOR THE FEDERAL AVIATION ADMINISTRATION

Mr. OLSEN. Thank you very much, Mr. Chairman.

I thank you especially for the opportunity to make this presentation on behalf of this Senate bill. There are companion House bills that are identical.

The proposition is to do something about the abandonment of the Glasgow Air Force Base so it does not go to waste.

I have with me Dr. Mervin Strickler, who is a Special Assistant on Aviation Education for the Federal Aviation Administration. He was on loan for a year to Senator Lee Metcalf of Montana on this special project of what to do with Glasgow Air Force Base. He is really a specialist on this particular subject as well as other education subjects.

99-654—68——8

I would ask that he be permitted to proceed forthwith.

The CHAIRMAN. Dr. Strickler.

Dr. STRICKLER. Mr. Chairman, my primary role this morning is to respond to Montana congressional delegation requests that we share with the chairman and the members the color slide presentation that we have here that we all believe will do two things: It will reduce the amount of time that the chairman and the members of the committee would require in getting a feel for the magnitude of this facility and a look at what the resources are, along with being able to relate these to the legislation.

Several times during the hearings the requests were made to make sure the committee could see this. Congressman Olsen and Congressman Battin and the Senators asked that I do this. We are all set, with your permission. We checked out the hearing room and we do not have to turn the lights off completely; but we can reduce them so that you will be able to see this and hear this. This will, in the vernacular, tell more than many thousands of words could. We think this is a good preliminary to the statement that will be made later by the other witnesses. With your permission we will go right ahead with this.

The CHAIRMAN. Glad to have you proceed.

[Slide.]

AUDIOVISUAL PRESENTATION

Senator MANSFIELD. My fellow Montanans, this is Mike Mansfield speaking on behalf of the Montana Congressional Delegation, inviting you to give your close attention to the following graphic presentation on Glasgow Air Force Base. The film and narration, prepared by Senator Lee Metclalf and his fine staff, will detail some of the many national, regional, and private potential uses for this most important installation.

Under current plans, this completely modern air base will be phased out of the Air Force inventory by July 1st, 1968. It is important to all of us as Montanans and Americans that we work together to find the best solution to the problem of future utilization for this facility.

The ideas presented here are designed to stimulate your thinking in this regard. They are not by any means the only solutions to be suggested. We earnestly seek your advice and guidance in this matter. This is a serious problem for Montana and for us all. I am hopeful that together we can find the right answer. You may be certain the full Montana Congressional Delegation will continue to do its very best.

Mr. BATTIN. My colleagues in Congress, this is Jim Battin. Congressman Olsen and I are happy to welcome you here today. We will ask you to join us in watching this slide presentation that points up the magnitude of the problem created by the announced closure of Glasgow Air Force Base planned in June 1968. When S. 1602, the Northwest Regional Services Corporation Act, passed the Senate on October 27, 1967, Senator Jake Javits of New York, a member of the Committee on Government Operations which unanimously reported the bill stated: "I believe that we will be dealing with a pilot plant operation in this situation as the government proposes to abandon a major installation. This is a real innovation. I must say that the ingenuity of the proposal is interesting and commands attention. This is an experiment that may very well have genuine applicability. It may help to indicate the way in which we can proceed in matters of this magnitude."

Mr. OLSEN. This is Arnold Olsen. James Battin and I, along with the distinguished Majority Leader of the Senate, Mike Mansfield, and the junior Senator from Montana, Lee Metcalf, believe this presentation will illustrate some of the programs and activities this magnificent $125 million facility could be used for. We are most happy to join in this bipartisan effort to convert one of our nation's arsenals of destruction into one of instruction, and in so doing provide a return in money as well as humankind for the taxpayers of the nation far in excess of the original investment.

GLASGOW AIR FORCE BASE—BONANZA OR WASTELAND?

NARRATOR. Glasgow Air Force Base is located eighteen miles north of the City of Glasgow, Montana, in the northeast corner of the State near the borders of western North Dakota and Southern Canada. Thirty miles south of the City of Glasgow is the Fort Peck Reservoir created by the dam on the Missouri River. The Fort Peck Indian Reservation is nearby.

The City of Glasgow is located on a nationwide network of railroads, highways and airways. It is a shopping, service and transportation center for the surrounding agricultural area.

As this aerial view shows, the City of Glasgow is geographically typical of the Northern Great Plains. Glasgow is a community of nearly six thousand.

Glasgow Air Force Base is modern, well equipped and one of the newest in the Department of Defense inventory. It has been built within the last ten years. Many of the buildings are less than six years old.

The taxpayers of the Nation have already invested more than one hundred million dollars in Glasgow Air Force Base.

Other military bases have been successful converted to non-defense purposes. The conversion of those bases to civilian use resulted largely from local initiative and resources.

In Montana, the assessable tax base at local, county and State levels combined with other economic and related considerations make it impossible to handle the conversion of Glasgow Air Force Base in the traditional manner. The replacement value of the base and its various elements exceeds the estimated total general fund income for the State of Montana for the next two years.

Thus, Glasgow Air Force Base resources need to be related to regional and national needs. Specifically, it has potential in rehabilitation, education, training, health, aviation, industrial development and related fields.

The natural resources of the area relate primarily to agriculture and recreation.

An aerial view of just a portion of the fine housing at Glasgow Air Force Base helps one become aware of the magnitude of the valuable resources here.

A variety of fine housing has potential for a community of nearly ten thousand people, Dormitories can house over two thousand with others housed in fine single, duplex, triplex and quadruplex homes.

Dormitory facilities are modern, comfortable and the envy of most college and university students.

Double rooms like this . . .

And this . . . are joined with shower and lavatory facilities between them.

There are excellent facilities for dining . . . and training food service personnel . . .

And recreation . . .

Both indoors . . . and outside . . .

. . . is available . . .

. . . near . . .

. . . the base.

Family housing on the base ranges from excellent single family homes . . . like this . . .

. . . and like this . . .

To duplex . . .

Triplex . . .

Quadruplex . . . homes of modern and permanent types.

A new fifty-bed hospital and a ten-chair dental clinic provide excellent medical facilities.

The hospital is housed in this modern building and includes . . .

. . . Latest X-ray equipment . . . along with full diagnostic and laboratory facilities.

The dental clinic is equally modern and well equipped.

Two elementary schools and a junior high school accommodate nearly one thousand pupils.

. . . in a setting like this. At the present time, the high school students are transported by bus to the City of Glasgow.

This new headquarters building could provide a combination of offices, classrooms, laboratories.

A newly designed, efficient, central heating plant supplies heat along with equipment for training stationary engineers.

The water system taps the nearby Fort Peck Reservoir for a three million gallon per day supply of the finest possible water either for drinking or industrial use.

The Cover Picture of the First Issue of Life magazine, November 23, 1936, features the Fort Peck Dam on the Missouri River. The largest earthen dam in the world provides water.

. . . and boating
. . . wildlife refuge
. . . hunting
. . . both birds
. . . and big game
. . . and fishing.

Hydroelectric generators supply power.

This modern water plant which controls and purifies the water for the base can—like the heating plant and hospital—serve both its normal purposes and that of training workers.

The annual operating expenses for heat, water and electricity are under one half million dollars per year—if all of the base facilities are used. However, the utility system is designed in such a way that the utilities can be channeled as needed to those areas of the complex requiring service.

There are no problems insofar as communication, power, and transportation are concerned for those who might make use of Glasgow Aif Force Base. However, misconceptions about the weather do present a problem. It does get hot in the summer in Glasgow and cold in the winter. The relative humidity, however, is low and the climate is dry.

It is interesting to note that a staff visit in mid-February demonstrated these conditions in Washington, D.C., at 7:00 a.m. on a Monday morning; at noon of the same day in Minneapolis, Minnesota; and at Glasgow, Montana, conditions at 10:15 a.m. on Tuesday morning following an overnight train trip.

According to Air Force experience and available weather data, Glasgow Air Force Base has more favorable flying weather than most airports in the United States. More favorable flying days in uncongested airspace is a genuine asset for air transportation of people and cargo as well as for aviation training.

There is snow in the winter. As this 1967 mid-February scene shows, there are only a few inches on the ground. Annual precipitation in the area averages thirteen inches per year.

Speaking of snow, the Great Northern Railroad has developed an advertising campaign featuring the positive influence of snow in the area served by the railroad. Clearly, snow can be an asset.

Glasgow Air Base has many obvious advantages. . . . How to make use of these advantages in the best way will come from. . . .

Representatives of education, industry and Government meeting to pull together ideas and resources to serve mutual goals.

If such a meeting were held at Glasgow Air Force Base it could be in one of the fine conference rooms such such as this. . . .

Or in a lounge of this type . . . which is just one of many on the base.

The basic question is how to use the existing modern facilities to meet recognized needs. One suggested use that would save an estimated one-half million dollars is being explored by local, State and Federal officials who are discussing using the thirteen thousand five hundred foot long runway or a part of it instead of expanding the fine smaller airport close to the city. Decisions like this are not easy to make. If it is decided to use the Air Force Base for civilian aviation purposes. . . .

Here are just a few of the modern ramp and hanger facilities. . . .

Along with the control tower and up-to-date navigational aids not shown. Here is a valuable civil aviation airport investment for the use of any aircraft now planned. It is one of few airport in the Nation that could now accommodate the supersonic transport.

In Texas, good use has been made of a former forty-one million dollar military base converted to the James Conally Technical Institute for training local and State students. This use grew from the intiative of local citizens, State Legislators, the Governor and Federal officials. Glasgow may well serve similar regional and national needs and programs.

Manpower, career guidance and aviation experts agree that aviation offers many attractive jobs for trained youth. Aviation is a growth industry and career field.

Glasgow's resources are well suited for training aviation technicians . . . needed through the world.

Modern, well-equipped shops such as this provide training possibilities for many career fields.

This type of training which can be done at Glasgow Air Force Base may lead to jobs . . .

. . . such as airline mechanics . . .

. . . general aviation mechanics . . .

. . . instrument repair . . .

. . . aircraft construction . . .

. . . work in new materials and processes such as plastics . . .

. . . painting and finishing . . .

. . . air traffic control radar equipment repair . . .

. . . and electronic trouble-shooting offer many job opportunities and training possibilities.

The Nation's first and only Manpower Development and Training Act financed program for pilot training was very successfully conducted in Montana. Today all of the graduates of this experimental program are working in well-paying jobs such as flight instruction, flight engineer, agricultural pilot and airline pilot.

To qualify for this program, the participants had to be unemployed but trainable. They attended ground school classes like this and took flight training.

One of the graduates of this program, Larry Ashcraft of Helena, Montana, now earns nearly fifteen thousand dollars a year flying as a co-pilot on a TWA jet. The average income of the formerly unemployed youth who went through this program is now over eight thousand dollars per year and steadily rising. In a few years, the participants will repay the Government in income tax alone, more than the total per trainee cost of the program. Glasgow could easily be the Nation's Manpower Development and Training Act pilot training center.

Health and medical manpower experts tell us there is a nationwide shortage for trained workers in the allied health professions: Nurses, medical technologists, dental assistants, X-ray technicians, para-medical, sub-professional and many other entry level career fields for which Glasgow's resources can be used as they now exist or with minor modifications.

There is a worldwide need for training doctors, nurses and para-medical personnel in the medical team delivery of medical services in rural, remote and emergency situations. Such training could economically and effectively use Glasgow's aviation, medical and environmental resources.

Automatic data processing training and related job opportunities hold promise for the youth of the Nation who qualify.

Only those who are trained will be able to take advantage of automatic data processing oriented job opportunities.

A related career field is the growing area of international communications. Glasgow is geographically well suited for such training.

More car owners and garage and equipment operators recognize the nationwide need for skilled, motivated, well trained automobile mechanics. Similar training is needed for farm implement repairmen and operators.

One moment please.

The fire protection resources at Glasgow Air Force Base like the water, heating, and medical facilities can be used for its basic purposes as well as for training workers.

Aerospace industry experts estimate that one quarter of a million jobs will be directly related to the development of America's supersonic transport.

This eighteen hundred mile per hour transport of the near future will require. . . .

Draftsmen and engineers, as well as. . . .

Construction workers.

With the large potential factory site at Glasgow subcontracting like this, or. . . .

Other heavy industry or factory use like this. . . .

Can train and employ men and women, youth and adults.

Glasgow's more than two miles of runway fit the supersonic transport age. The runway and other necessary facilities exist now. Perhaps they can be used by those who buy the British and French. . . . Concorde SST.

Or later for helping train our own supersonic transport crew members. The airport and its associated resources lend themselves to jet and supersonic aviation use.

Glasgow's inventory of over one-half million square feet of prime factory, warehouse or training buildings—centrally-heated—fit nationwide industry needs for decentralization.

This expensive completely equipped jet engine test cell is just one part of the valuable industrial complex. This can be used for testing, manufacturing, research and training.

These fuel storage facilities provide potential aerospace or petroleum industry users with needed resources for storage and training.

President Johnson has asked the Nation to marshall all possible resources to help improve programs of education and health for America's children and youth. Glasgow has many things that can help in education, training, experimentation and demonstration.

The President has asked for a continuation of the worldwide war on hunger.

Using Glasgow's natural environment, with jumbo jets now under construction, cost effiectiveness studies encourage consideration of a worldwide food lift that can be efficient and helpful in attaining the humanitarian objectives of our Nation.

Some of these same resources may help Glasgow become a worldwide air cargo center. Excellent warehouse, rail, truck and air cargo facilities combine with lack of air congestion for arriving and departing flights to place Glasgow in a central position for worldwide markets.

Warehouses such as this can provide air carriers of the Nation and the world with the means of meeting transportation requirements for cargo, storage and distribution. Notice the truck in the left side of the warehouse.

Air cargo is growing rapidly throughout the world. Glasgow can help play an important role in this form of world-wide transporation service.

The Great Northern Railroad provides nation-wide rail service with a spur-line on the base.

Warehousing, manufacturing or training facilities such as this building are available in almost unlimited supply.

These resources have led to the suggestion that a foreign trade zone be established at Glasgow.

Montana is centrally located in relationship to world-wide markets by subsonic jet and supersonic transport.

Distances from Glasgow to major Asiatic and European markets show interesting geographic relationships with increasing use of transpolar air routes.

Glasgow's transportation resource, combined with available labor and housing facilities. . . .

Underscore the location as an ideal foreign trade zone because of trans-polar distances, availability of rail transportation, access to United States markets, warehousing and related facilities and available labor.

Solutions to converting Glasgow to non-defense purposes include a residential technical institution and vocational school with possible aviation, health, mechanic, and related training along with encouragement of airlines and private industries to use the vast resources.

A post-secondary, two-year technical institute appears feasible and may well receive support from a variety of governmental foundation and industry sources.

Other possible Federal programs may be accomplished within existing or planned legislation. Such Federal programs which meet recognized national needs might include law enforcement training, research for training the handicapped, Indian employment, training teacher aides, family rehabilitation, and safety research.

The real question is whether or not the total community resources of Glasgow Air Force Base. . . .

Can be converted to industrial development and related uses and become . . . A production asset to the community, the State and the Nation.

Glasgow Air Force Base could become the Nation's first national center for human resources development with a comprehensive occupational facility featuring testing, experimentation, development, and demonstration for the entire Nation.

Can we marshal local, State, regional, Federal and international resources from the public and private sectors to join force in giving more people an opportunity to share in Montana's clear water, clean air, and blue skies?

The Nation is faced with a one hundred million dollar question. The replacement costs of these facilities were unquestionably in excess of the original investment but even more important than the money and the buildings are the lives that can be touched by wise use of Glasgow Air Force Base.

Senator METCALF. This is Senator Lee Metcalf. We have taken this means to call your attention to a valuable national asset. If defense needs permit the closure of the Glasgow, Montana, Air Force Base now scheduled at the end of June, 1968, we have an opportunity—we have an opportunity to convert a unit of destruction into one of instruction in the war against ignorance and unemployment. The alternative is to waste the resource that is this fine, publicly-owned facility and let human needs go unmet.

Glasgow is not the first air base to be closed. It will not be the last military base to be closed. As we work together to make the highest possible use of this great public resource in the public interest, we have set a pattern for the opportunity to solve such problems in the future.

(End of audio-visual presentation.)

The CHAIRMAN. May I ask at the outset, Mr. Olsen, who produced this picture?

Mr. OLSEN. This gentleman beside me, Dr. Mervin Strickler.

The CHAIRMAN. What department?

Dr. STRICKLER. Mr. Chairman, I would like to give credit where credit is due. The last slide—I will be happy to put on again for you—shows that with the cooperation of the Department of Defense, the Department of Interior, Corps of Engineers, we put this presentation together with existing materials and resources and with the imaginative help of one of the Department of Defense people who helped us with the art work—Mr. William E. Rowland.

This was all done within existing resources. It was done with the hope of being able to communicate to the maximum number of people the nature and extent of the resources because we all felt that it was difficult for people to get out there and see it firsthand. This presentation has been used by the local community, the Governor, by the Montana local, county and State representatives and by the Montana congressional delegation to show people who have different interests in Glasgow Air Force Base. It was a communications device.

The CHAIRMAN. We in New York just suffered giving up the Brooklyn Navy Yard which had existed for 105 years. That was a very, very large installation. Would the Department of Defense be willing to make a similar picture and I be one of the cast of characters because I happen to come from Brooklyn?

Mr. OLSEN. Mr. Chairman, Dr. Strickler is not in the Department of Defense. We would all help you in putting together a splendid show just like that and show it to industry. I am sure that showing it to industry would get the interest that we have gotten for this particular air base. We have got a lot of interest in this legislation from private enterprise. We could do the same with the Brooklyn Navy Yard or we could do the same with any of these abandoned facilities because they are valuable. They are extremely valuable and they can be used for many, many purposes if we only got the message out.

You see, it is a lack of communication that lets these things go to waste.

The CHAIRMAN. I want to let the gentleman know I am available to be one of the cast of characters.

Dr. STRICKLER. Mr. Chairman, I work for the Federal Aviation Administration and, to the extent that any of my talents could be helpful to you, I will volunteer them because I have worked as a member of Mr. Bradford's interagency team, with other communities, and we are basically conservationists. In other words, we are trying to seek the wisest possible use of these resources.

I would consider it a privilege to lend to you and your associates any of the resources that we have, both officially or on my own time.

Mr. OLSEN. Mr. Chairman, if I may proceed, I will be through in 3 or 4 minutes.

The CHAIRMAN. All right.

Mr. OLSEN. This base is not in my district. It must be several hundred miles from my district. It is in Congressman Battin's district.

Mr. Chairman, my purpose in showing you and the distinguished members of this committee the slide presentation on Glasgow Air Force Base is to make sure that you have a feeling for the vast, modern complex that challenges all of us, Montanans and Americans alike. I have submitted more detailed testimony to this committee for the record in absentia while I was engaged in work in Montana during your earlier hearings.

Today I simply want to underscore the fact that the legislation before you, which has had such an exhaustive and careful study in the Senate and which is being given detailed and thoughtful analysis in hearings before this committee, offers the Nation an opportunity for a unique solution to a complex problem. Frankly, I have been impressed by the imaginative thinking that has gone into this legislation. It has been heartening to have suggestions from Montana and throughout the Nation.

Just the other day, for example, a private aviation entrepreneur from Oklahoma suggested to the junior Senator from Montana, Senator Lee Metcalf, an idea that Glasgow Air Force Base and similar large soon-to-be surplus military facilities be developed as a part of "* * * a rural airfreight warehousing system." This suggestion goes on to say:

> The proposal would contemplate the use of the new C 5A Jumbo Jets with a Vertical Takeoff and Landing air van collection and dispersal system. Justification would consider both military and civilian needs inasmuch as produced answers would help solve the military logistic problems of brush fire wars and also alter the rural to urban migration pattern which is causing so much civil strife in the nation.

I cite this just as one example of the ideas from throughout the Nation that have been stimulated by this project.

In essence, in my view, the legislation before this committee represents an opportunity for the Nation to experiment with a concept. The experiment is simple in nature and complex in potential. Basically, we are faced with the alternative of having this facility designed on behalf of, operated for and paid by the Nation's taxpayers become the largest, most modern and expensive ghost town in the history of the Nation. Present statutes and past policies and precedence provide no solution. The Department of Defense has told the Montana congressional delegation and has indicated in previous testimony that this base closure is the most complicated and difficult of any they have ever faced.

I suggest to my distinguished colleagues that we have before us an experimental opportunity to test whether or not we can combine public and private sector, resources, needs, know-how and ingenuity and provide the taxpayers of the Nation with a potential opportunity to recover a substantially larger share of their investment than is the case with existing statutes.

Now let me make one thing clear. I cannot guarantee the experiment will succeed; but, from every indication I have had—including discussions with manufacturers, bankers, public officials at the local, State and Federal level and all business people concerned—this legislation provides the greatest hope for the greatest number to achieve the most benefit from the defense resources now no longer needed.

Mr. Chairman, I wish to thank you and your committee along with my esteemed colleague in the Montana delegation, Representa-

tive Jim Battin, along with the distinguished Majority Leader Senator Mike Mansfield and junior Senator from Montana Lee Metcalf who have worked as one on a bipartisan basis on this important and potentially historymaking legislation.

Let me say one other thing. We were really kind of feeling hopeless on what would happen to this Air Force base that was to be abandoned and is being abandoned by the Air Force when this man, Dr. Strickler, came to Senator Metcalf's office on loan from the Federal Aviation Agency as—what do you call that program?

Dr. STRICKLER. Mr. Chairman, I was one of the fortunate Federal employees who had the benefit of the Civil Service Commission—American Political Science Association-Congressional Fellowship program. I was a congressional fellow.

Mr. OLSEN. That is right. I have to brag on him a little bit. He said to Senator Metcalf, "I want a job that is impossible." That is what he asked for. Senator Metcalf said, "I will give you an impossible job. What are we going to do with Glasgow Air Force Base?"

This man, Dr. Strickler, went to work on it, I think that he has come up with a marvelous, wonderful, progressive challenge.

Rather than waste, rather than cannibalize this $125 million investment, I think we ought to take this recommendation that now, of course, is a Senate bill over here in the House and accept the challenge and try to reach the goal of attracting private enterprise to this base.

In my statement in detail I have set forth several examples of inquiries that are concrete where people really want to go in there and use this facility both for private enterprise and for training.

The CHAIRMAN. What is to prevent them from going in now?

Mr. OLSEN. We have to have some kind of legal entity to bring them in there to use the facility.

The CHAIRMAN. Why? Why must you have that? We are developing the Brooklyn Navy Yard without this kind of help, without a corporation of this sort. Industry is going in there in New York, setting up plants and putting in installations without the existence of a Federal corporation. Why is there a need for this?

You have these applicants who want to put up their plants in this area, in the Glasgow Air Base.

Mr. OLSEN. We need a coordinator. We need a unit coordinator. That is one of the reasons for the Federal corporation.

The CHAIRMAN. I still don't see why you need a Federal corporation if you say that these applicants are waiting to go in there. Why do you need a corporation? What is so occult or majestic about a corporation?

Mr. OLSEN. It is just too much redtape to deal with the Department of Defense.

Dr. STRICKLER. Mr. Chairman, if I may add to this. I think Secretary Morris, who will be testifying later, will probably touch on this. Let me say that the reasons for the legislation stem from careful examination of the existing statutes, surplus property, and the existing laws which indicate that unless there is a means of being able to deal, for example, with profitmaking corporations, the existing statutes would not permit making this base available without having some financial arrangement that simply has not been economically feasible.

So I can say in all fairness, based on the analysis that I am aware of and consultation with the legislative people and the economic people, that this legislation seems to be the best attempt to make the best uses of the resources.

The regular statutes and regular procedures, such as do apply in your area, don't apply because this is not in the metropolitan area. This is not in a location that is conducive to industry normally moving in without extra incentives. That is the reason.

Mr. Chairman, could I take 45 seconds, in a combination of humility and honesty, to add to what the distinguished Congressman from Montana said? I have only been a catalyst in this effort. I would be pleased to take more credit than is due but I am just a catalyst in this. There have been many, many fine people working on this. It would be unfair for me to accept all the credit that the Honorable Congressman Olsen has tried to bestow on me. I would like to have the record reflect that.

The CHAIRMAN. Does that complete your testimony?

Mr. OLSEN. I think that we ought to thank you very much for all the time that you have given us. Thank you very much, Mr. Chairman.

The CHAIRMAN. Any questions? Thank you, Congressman Olsen, and you, Dr. Strickler, for your testimony.

(No response.)

The CHAIRMAN. Secretary Morris, will you come forward?

STATEMENT OF THOMAS D. MORRIS, ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS), ACCOMPANIED BY DONALD F. BRADFORD, DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT; ALLAN KERR, DIRECTOR, BASE UTILIZATION; AND JAMES M. WARNOCK, FAMILY HOUSING OFFICER

Mr. MORRIS. Thank you, Mr. Chairman.

The CHAIRMAN. State your name and that of your assistants for the record.

Mr. MORRIS. Yes, Mr. Chairman.

I am Thomas D. Morris, Assistant Secretary of Defense (Installations and Logistics). I am accompanied today on my left by Mr. Allan Kerr of our Base Utilization Division, and on my right, by Mr. Donald Bradford, who directs our Office of Economic Adjustment. We also have Mr. James Warnock present, our specialist in family housing.

I have a brief prepared statement, Mr. Chairman, if you would permit me to present it.

The CHAIRMAN. Go right ahead.

Mr. MORRIS. Mr. Chairman and members of the committee, the Department of Defense appreciates this opportunity to appear in support of S. 1602, a bill to create a Northwest Regional Services Corporation to provide a central location for various training centers and programs and for other purposes.

I would like in this statement to outline for you (1) the reasons for our interest in this bill, (2) why we support the unusual concept of a Federal corporation as a unique experiment, and (3) certain suggestions to clarify the bill from the Defense Department point of vie r.

The CHAIRMAN. May I ask at this point: Have you shown any interest of the type that you are showing here now in Glasgow with reference to any other base declared obsolete?

Mr. MORRIS. Sir, we have had since 1961 a full-time program of assistance in the utilization of our excess facilities. We have, in fact, worked in some 55 different communities, on bases that were being closed out, to provide special assistance. We have been successful in almost all of those situations except Glasgow.

The CHAIRMAN. Does this program envisage or provide for the establishment of a corporation similar to the one envisaged in S. 1602?

Mr. MORRIS. It does not. This is unique. This is the first time this kind of solution has seemed necessary or worthy of consideration.

The CHAIRMAN. Is it conceivable, then, that all these other communities that ever asked for aid might likewise ask for similar cooperation like the one envisaged in S. 1602?

Mr. MORRIS. We do not think so. In most of the cases our bases have been located in or near growing metropolitan communities which have been able to acquire the property from the Federal Government and to foster the development of the resources of the property.

The CHAIRMAN. In those communities that you just mentioned, there has been cooperation by the local authorities and, I take it, by the States, also?

Mr. MORRIS. That is correct.

The CHAIRMAN. That is absent in this case?

Mr. MORRIS. In this case there has been cooperation but the resources available have not been such as to make it possible for the local community or the State to help finance the initiation of the kinds of developmental opportunities that were shown on the film.

The CHAIRMAN. Why can't the State of Montana help in this regard?

Mr. MORRIS. Because its resources are not adequate for that purpose, as I understand it, Mr. Chairman.

The CHAIRMAN. What are the financial requirements?

Mr. MORRIS. As I will bring this out in my testimony, if I may proceed with it, Mr. Chairman——

The CHAIRMAN. Go ahead.

REASONS FOR DOD'S INTEREST IN S. 1602

Mr. MORRIS. Under S. 1602 the Secretary of Defense would be directed to transfer to the Northwest Regional Services Corporation the entire interest of the United States in the property, both real and personal, of Glasgow Air Force Base, except for "combat-mission-oriented equipment and supplies."

Glasgow Air Force Base was originally activated in 1955 as an air defense (F–101) base, and later enlarged to serve as a B–52 base. However, by 1964 it had become apparent that a realinement of our strategic bomber bases was necessary, and that certain bases, including Glasgow, would not be required in the future, including all-out mobilization requirements. Closure of Glasgow was thus determined to be necessary by June 30, 1968. Among the reasons for discontinuing Glasgow is the fact that relocation of the B–52 fleet to more southerly locations offers significant military advantages, including longer warning time. Such bases were coming available as a result of other changes in the Air Force inventory. Furthermore, the full introduction of jet tankers had reduced the former requirement for northerly bases,

which were originally required to provide a location nearer the target area. Thirdly, closure of the base will effect operating savings of $12.6 million annually, and release several thousands of military personnel for other assignments.

The decision to close Glasgow Air Force Base was publicly announced on November 19, 1964. The decision has recently been thoroughly reviewed and revalidated by the Secretary of Defense and the Secretary of the Air Force.

The base is a diversified facility, in excellent condition. Its original acquisition cost was over $90 million. On its 6,800 acres are major runway and hangar facilities, industrial shops, dormitories with a capacity for 1,900 men, 1,227 family housing units, three schools, a hospital, a chapel, and other normal support facilities.

WHY WE SUPPORT A NORTHWEST REGIONAL SERVICES CORPORATION

Since the initiation of our base realinement and closure program in 1961, every effort has been made to assist both employees and local communities affected by these actions. Our goal is to turn the misfortune of losing a military payroll into an economic benefit by using the facilities released for long-term civilian purposes. This program of economic adjustment, and conversion of surplus facilities from defense to nondefense uses, has been eminently successful. In most cases, a surplus defense facility is located in or near a metropolitan area which has growing requirements for schools, recreational areas, or industrial expansion—and, in such cases, the community has taken the initiative to utilize the facility. Glasgow Air Force Base, however, presents a unique problem. Since December 1964, my office, plus experts from other Federal agencies and special consultants, have energetically searched for opportunities to put this fine facility to other Federal or to self-supporting civilian uses. These efforts to date have not succeeded, and the base ceased to be operational on June 30.

The reason for this lack of success is the absence of two key factors which have caused successes in dozens of other communities:

First is the absence today of State and local resources available to exploit the potential of the facility for community and industrial purposes.

Second is the absence of a trained labor force to support industrial growth. Hence, such uses of the facilities will require the importing and development of such a force.

Despite these obstacles, our studies indicate that with patience, imagination, and time, it should be possible to exploit the potentials of Glasgow Air Force Base. Its present facilities are constructed and arranged to support an educational program of up to 2,000 or more students; together with an industrial enterprise, or group of enterprises, with up to 1,000 employees and their families. The presence of the airbase facilities themselves will further enhance both types of projects by affording modern transportation support as well as tourist and commercial traffic in the area. The problem is that after sponsors have been found, several years will be required in each case to make such undertakings self-supporting—and that during this transition period special arrangements will be required. Hence, there is a need for a full-time management group such as this Corporation, which would have authority to make flexible arrangements with prospective

users; to supervise maintenance and upkeep; and to seek special financing from all possible sources—private, local, State, and Federal.

The Department of Defense is not an effective agency to carry out directly this type of project, although we will give every assistance to it and will leave as much of the property intact as possible to facilitate such programs.

GSA also is not staffed to undertake this kind of program, since its mission is to dispose of surplus properties.

Hence, we have concluded that the concept of a special purpose Federal corporation, with adequate operating funds, and the exclusive mission of developing the full potential of the base, is an imaginative approach to coping with this unique problem. While we realize that such an untried approach makes it difficult to draft a perfect bill, we support passage of S. 1602, as discussed below, so that the Corporation can become operative as quickly as possible.

Finally, I would like to discuss certain clarifying amendments to S. 1602.

Mr. Chairman, we would like to invite your attention to certain features of the bill which are of concern to the Department of Defense, or on which our special knowledge may be helpful. Our observations on these points and suggested amendments are set forth in more detail in our report to you of January 17, 1968. A copy of this letter appears at the end of my statement:

1. In subsection 4(a) of the bill, only "combat-mission-oriented equipment and supplies" are exempt from mandatory transfer to the Corporation. We believe that this section is too narrowly drawn since it would prevent DOD from retaining other equipment, furnishings, and supplies for which there are valid military requirements, but which do not meet the strict definition of "combat-mission-oriented." Furthermore, the exemption cited is not broad enough to permit personal property, purchased with nonappropriated funds, to remain the property of the purchasing organizations. Nor does it allow the 200 units of relocatable housing to be relocated to other military installations, in accordance with section 506, Public Law 89–188.

In proposing the broadening of this section, we do not mean to imply any intent to strip the base of equipment and supplies. At Glasgow, as in other base closure situations, we have made and will continue to make a special effort to leave as much of the equipment in place as possible in order to provide maximum support to potential civilian uses.

2. The 960 units of Capehart housing at the base will be subject to an aggregate mortgage debt, as of July 1, 1968, of approximately $13 million. It is our view that the bill should provide either (1) that the Corporation is to assume responsibility for this mortgage indebtedness, or (2) alternatively, that it is the intention of Congress, notwithstanding the transfer of the housing to the Corporation at no cost, that the Department of Defense should continue to fund the indebtedness. If the second alternative is adopted, we would further recommend that the bill provide that to the extent mortgaged assets are sold by the Corporation, the debt then outstanding, if any, would be satisfied so far as possible by the sale price of the encumbered housing.

3. Four thousand and thirty-nine acres of the base property in the heart of the base are not currently owned by the Federal Government.

This acreage can, however, be transferred to Federal ownership by a land swap arrangement, which has been agreed upon between the State of Montana, the General Services Administration, and the Bureau of Land Management of the Department of the Interior. Another 922 acres of federally owned property at the base are used by the Air Force under a permit from the Bureau of Land Management. Since we understand the intent of the bill is to transfer all of this acreage to the Corporation, subsection 4(a) should be amended to clearly so provide.

The Department of Defense defers to the General Services Administration, which has responsibility for disposal of surplus real property under the Federal Property and Administrative Services Act; and to the Department of Health, Education, and Welfare and other cognizant agencies, for comments as to the validity and feasibility of the many programs listed in the bill.

Mr. Chairman, this concludes our statement. We would be pleased to answer your questions.

(The attachment to Mr. Morris' statement follows:)

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., January 19, 1968.

HON. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on S. 1602, 90th Congress, a bill "To create a Northwest Regional Services Corporation to provide a central location for various training centers and programs, and for other purposes."

S. 1602, as passed by the Senate, would establish a Federal corporation, the Northwest Regional Services Corporation, to have existence through December 31, 1972, unless sooner dissolved by Act of Congress. The Secretary of Defense would be directed to transfer the entire interest of the United States in the property, real and personal, of Glasgow Air Force Base (except combat-mission-oriented equipment and supplies) to the Corporation when he determines that the Base is no longer needed for military purposes.

The Corporation would be authorized and encouraged to establish, using present facilities to the extent possible, various training centers and programs enumerated in the bill and intended "to enhance the social, cultural, and economic well-being of all the people of the United States, in particular the Northwest." For the establishment of the training centers and programs, the Corporation could enter into agreements with departments and agencies of the U.S. Government authorized to conduct such training centers and programs. The Corporation would be authorized also to enter into agreements with private individuals, associations, corporations, foundations and other organizations, and with State and local governments and to charge for the use of property and for services provided.

There would be an authorization for appropriations of $1 million for each fiscal year 1968, 1969, and 1970. In addition, the Corporation would be authorized to issue notes, debentures or other obligations not to exceed $25 million outstanding at any one time. None of the debt financing would be an obligation of the United States nor would principal or interest be guaranteed by the United States.

Notwithstanding that S. 1602 reflects several amendments recommended by the Senate Committee on Government Operations to meet Executive department and agency objections previously raised to the bill in its original form (Report No. 689, 90th Congress, 1st Session, October 26, 1967), certain features continue to be of critical concern to the Department of Defense. The following discussion summarizes these concerns:

(1) As provided by section 4(a), with the exception of "combat-mission-oriented equipment and supplies," all personal property located at Glasgow Air Force Base would be subject to mandatory transfer to the Corporation upon determination of the Secretary of Defense that the Base itself is no longer needed for military purposes. Equipment, furnishings and supplies now located at Glasgow Air Force Base, but not within that limited category, ought not be subjected to a mandatory requirement to transfer without regard to continuing

Department of Defense needs. Retention of equipment, furnishings and supplies for which there are valid military service requirements is essential in order to avoid the burden of delay and duplicate costs which would be necessitated by purchasing substitutes including, in particular, mission-oriented personal property. In this connection, the exception in 4(a) from otherwise mandatory transfer fails to take into account the vastly broader category of materiel which does not meet the definition of tactical use apparently intended by the term "combat-mission-oriented." Objection to such a narrow exception does not, however, imply an intent to strip the property of equipment and supplies. Rather, we would seek to retain as many items of equipment and furnishings as possible with the Glasgow facilities in order to support future civilian, industrial, educational, medical, or administrative purposes for which the base may be used. On the other hand, personal property purchased by nonappropriated funds ought also to be kept available for the benefit of those organizations which have invested in them.

(2) We are unable to identify in S. 1602, as passed by the Senate, any provision whereby the 200 units of relocatable housing at Glasgow Air Force Base would be excepted from transfer to the Corporation. The Department of Defense remains committed to the intent, already expressed in Section 506, Public Law 89–188, that these units be relocated "to other military installations where there are housing shortages * * *".

(3) There are 960 military family housing units constructed at Glasgow under the Capehart Housing Act and subject to an aggregate mortgage debt, as of July 1, 1968, of approximately $13 million. The debt service for Fiscal Year 1968, $1,062,425.70 includes $21,281.58 for the mortgage insurance premium. The latter figure, which is reduced by approximately $2,000 per year, is the only portion of the annual debt service which is not constant. As suggested in testimony on S. 1602 and at page 8 of Senate Report No. 689, the Congress had been asked this year to provide authority whereby proceeds from the sale of surplus military family housing could be made available for application to reduce mortgage indebtedness on encumbered surplus military family housing. Although such authority has been enacted (Section 606, P.L. 90–110, approved October 21, 1967), there is no basis for a confident prediction that the anticipated proceeds from the sale, over the next eight years, of surplus housing, encumbered and unencumbered, at installations announced for closure to date will approach the present aggregate debt of approximately $107 million on military family housing at such installations. It is our view that the bill ought to clearly provide either that the Corporation will take over the obligation of the Department of Defense to fund the Glasgow debt in the future or, if that is not intended, should make clear that it is the intention of Congress, notwithstanding the mandatory requirement for transfer at no cost to the Corporation, that the Department of Defense, and not the Corporation, should continue to fund the indebtedness. Except for authority to sell property located within an industrial complex at fair market value, S. 1602 is unclear as to whether the Corporation would have authority to dispose of real property assets transferred to it. To the extent that mortgaged assets might be disposed of by the Corporation, the bill should provide that the debt then outstanding, if any, be satisfied so far as possible from the sales price attributable to the encumbered housing.

The following recommended amendments reflect the foregoing discussion concerning personal property and the relocatable housing units and would provide also that the Corporation would be required to reimburse the Department of Defense for debt service on the encumbered housing during the period of corporate control of those assets (including, however, a provision whereby flexibility in the timetable for reimbursement could be agreed upon between the Department of Defense and the Corporation as an assist to the Corporation in its efforts to get started):

In lieu of subsection 4(a), as it now reads, substitute the following:

"Sec. 4. (a) Upon determination of the Secretary of Defense that Glasgow Air Force Base, Glasgow, Montana, is no longer needed for military purposes, he is authorized and directed to transfer to the Corporation all right, title, and interest of the United States in and to the property (real, personal, and mixed) of such Air Force base, except ~~combat mission oriented equipment and supplies~~ *(1) 200 units of relocatable housing, authorized to be relocated by section 506 of Public Law 89–188 (79 Stat. 793, 814), (2) personal property purchased with nonappropriated funds, and (3) equipment and supplies which the Secretary of Defense determines need to be retained for military purposes.*" (New text *underlined*, deleted text struck through.) Additional subsection (c) to be added to section 4:

"(c) During its corporate existence the Corporation shall pay to the Department of Defense amounts equal to the debt interest and principal upon the family housing units located at Glasgow Air Force Base which were constructed pursuant to Title VIII of the National Housing Act (Public Law 479, 73rd Congress, 48 Stat. 1246), as amended. The Secretary of Defense and the Corporation shall arrange for such payments to be made in an orderly and regular manner, which may, however, taking into consideration the purposes for which the Corporation is created, permit payments to be postponed during the initial 18 months of corporate existence. In event of disposal of said family housing units by the Corporation, any part of the mortgage debt then being unpaid, the Corporation shall pay or otherwise make available for payment on the debt so much of the sales price thereof as may be required to extinguish the debt."

It may be noted that the land underlying a substantial portion of the Base (i.e., 4039 of 6837 acres), including the airfield facilities and appropriated fund housing, but excluding the Capehart housing, belongs to the State of Montana. The Air Force holds a lease, renewable annually until the year 2005 at the option of the Air Force. The Secretary of Defense can convey at best a leasehold interest in this essential portion of the property, and since it is not absolutely certain, as a matter of local law, that the lease-hold interest is assignable, it would appear necessary for the Corporation to negotiate with the state for an appropriate acquisition of land interests.

It also appears that other portions of the Base are currently used by the Air Force under Public Land Orders of the Bureau of Land Management (922 acres). In order to make effective the direction to transfer the Government's interest in the Base it would be appropriate to consider broadening out the transfer direction (subsection 4(a)) so as to include any accountable Federal agency and not just the Department of Defense.

The Department of Defense defers for further comment to the General Services Administration, which has responsibility for disposal of surplus real property under the Federal Property and Administrative Services Act, and to the Department of Health, Education and Welfare and other cognizant agencies as to the validity and feasibility of the many programs listed in the bill.

It is impossible to determine the budgetary effects of enactment of S. 1602.

The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

The CHAIRMAN. I would like to ask one or two questions.

On page 4 of your statement, at the top of the page, you say "Despite these obstacles, our studies indicate that with patience, imagination and time,"—how long would it take, do you think, before this could be a reality?

Mr. MORRIS. Sir, of course, it is difficult to predict with any accuracy, but we have seen a number of proposals which have been studied that would indicate that within 5 years major utilization of the base should become feasible and self-supporting. It may be possible to do this in less time.

The CHAIRMAN. You speak of, in the middle of the page, "Sponsors, the problem of sponsors being found." Have there been any sponsors found thus far?

Mr. MORRIS. There have been some seven proposals received in writing, each of which would require Federal assistance from grant-in-aid or other type funds. The availability of such funding assistance is——

The CHAIRMAN. Do you care to give us any names?

Mr. MORRIS. Yes, sir; I would be pleased to do this, to review some of these proposals, if you would wish.

The CHAIRMAN. I don't wish it if it is inappropriate. I don't know whether it is proper.

Mr. MORRIS. No; I don't think it is inappropriate for us to do this, sir. We would be glad to give you illustrations now and submit others for the record.

The CHAIRMAN. You might supply that to me as chairman. I will let the rest of the members of the subcommittee have the information.

Mr. MORRIS. Fine, sir.

The CHAIRMAN. Apparently, the Federal Government owns a number of—200 units of relocatable housing. They are to be relocated at other military installations. In the picture that you show us, I presume it shows a number of these housing units; am I correct?

Mr. MORRIS. There are presently at the base over 1,400 family housing units, of which 1,227 would remain. They are fixed installations. There are 200 relocatable housing units which, by law, we are expected, when we close a base, to transport and erect at another location where we have a housing need.

The CHAIRMAN. You ask, as indicated on page 6 in the amendment, that the Corporation assume the mortgage indebtedness of $15 million, I think.

Mr. MORRIS. $13 million, sir.

The CHAIRMAN. I notice in the bill we have a provision for the issuance of bonds. On page 9 of the bill itself it says the Corporation is authorized to issue such notes, debentures, or other obligations as it determines to be necessary to finance training centers and programs under section 5 of the act. It says further that obligations issued hereunder shall not exceed $25 million.

Now, if there is an assumption for mortgage indebtedness of $13 million, you won't have very much left of the $25 million of bonds or securities which you are going to issue, will you?

Mr. MORRIS. I think the sale of bonds or of obligations provided in the bill contemplates the use of such funds to develop the base and to make viable some of these industrial development or educational opportunities—not for the payment of the mortgage. I would assume if the Corporation assumed the mortgage it would attempt to generate revenues through the rental or sale of the houses themselves in order to pay off that mortgage.

The CHAIRMAN. Wouldn't it be necessary to increase the amount of obligations that the Corporation could issue, to assume, beyond the $25 million? If it is necessary, would you put a limit on it? Would it be unlimited?

Mr. MORRIS. Sir, these are matters which the committee might wish to consider. We did not draft the bill. As I understand this provision, it permits no more than $25 million of indebtedness to be outstanding at any one time for the purposes envisioned.

The CHAIRMAN. Would these obligations be marketable? Could they be salable? What interest would they bear? Has that all been canvassed?

Mr. MORRIS. Not by us, sir. This is not the field of our expertise. The drafters of the bill considered this to be a wise provision.

The CHAIRMAN. Would the Federal Government be called upon to bond the indebtedness of a corporation?

Mr. MORRIS. Sir, as I understand the bill as drawn, the Federal Government would not guarantee the obligations of the Corporation.

The CHAIRMAN. Would not guarantee them?

Mr. MORRIS. No, sir.

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The CHAIRMAN. I don't see anything in the bill itself to indicate that.

Mr. MORRIS. I believe that is explicit in the bill, sir.

Mr. CHAIRMAN. Yes, on page 9, commencing on line 16, "Such obligations shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States,"—period. You do exempt the United States in that regard.

Mr. MORRIS. The bill, as drawn, does, sir. I should stress that we did not propose the legislation. We are supporting the concept fully, however.

The CHAIRMAN. Is that language strong enough to make the Federal Government immune from any obligation, do you think?

Mr. MORRIS. Sir, I am not a legal expert and I do not believe it would be appropriate for me to comment. As a layman, it would certainly seem to be.

The CHAIRMAN. On page 7 you speak of acreage that is not owned by the Federal Government. I take it it is owned by the State of Montana?

Mr. MORRIS. Right, sir.

The CHAIRMAN. Has Montana asked for any kind of a consideration for the transfer of that land? You speak of a swap between the State and the Federal Governments.

Mr. MORRIS. That has now been fully arranged, sir, and is in the process of being executed at the present time. So that the land will all be federally owned on the base proper, in exchange for the lands being provided to the State.

The CHAIRMAN. If Montana owns that land, why couldn't Montana donate that land instead of asking for quid pro quo for it?

Mr. MORRIS. Again, sir, these are matters that are not our responsibility, but I think it is quite fortunate that the base is now an intact property, or will be with the completion of the land swap, so that the title vests fully in one owner.

The CHAIRMAN. Mr. MacGregor.

Mr. MACGREGOR. Mr. Morris, I would like to pursue for just a moment a line of inquiry initiated by Chairman Celler. In that connection, I call your attention to your statement, specifically page 4. Mr. Celler emphasized, and I do also, your sentence reading, and I quote:

> Despite these obstacles, our studies indicate that with patience, imagination and time, it should be possible to exploit the potentials of Glasgow Air Force Base.

And for the further purposes of some questions I would like to ask you, I call your attention to page 15 of S. 1602 and specifically to section 18. This section contemplates the expenditure from the general revenue funds of the United States an expenditure of not to exceed $1 million a year for a 3-year period.

Here is my first question. It seems to this member of the committee that what the Congress is asked to do is to gamble $1 million of the taxpayers' money over each of the next 3 years to try and salvage, if we can, for the general public good of the United States, an initial expenditure of somewhere in excess of $90 million and that we are not at all certain that the gamble will be successful. But the question before us is: Is it a reasonable gamble? Would you agree that is not

an inappropriate way to put the question that presents itself to this committee?

Mr. MORRIS. I think all who testified, as I read the testimony, prefaced their full support of this approach by admitting that this is an experiment, that we are in a very unusual, an unprecedented, a unique situation. We have seen a number of proposals that seem quite promising, if the initial funding arrangements can be provided over a startup period of 2, 3, 4, or 5 years. These offer promise of becoming self-supporting uses of this very fine complex. It seems to us that the investment is a prudent one to consider, especially when one considers the alternative. If no use is made of the base we then have a wasting asset. Just to keep it in standby status we estimate it will cost around $600,000 the first year. It could begin deteriorating even at that level of maintenance. So one must look at these trade-offs.

Mr. MACGREGOR. As one who has some general familiarity with the part of the country in which Glasgow Air Force Base is located and as one who has relatives living within 100 miles of the base, who have some personal interest perhaps in this situation, I have come to feel that the gamble, if such it may be, is a justified gamble. I am impressed with the quality of the physical properties of Glasgow Air Force Base. Contrary to many airbases, many other Defense facilities, this is a very new installation with new equipment and new housing and new schools and a new chapel in excellent state of repair. I must also say that the Montana Chamber of Commerce is very much in effect. Its presence is noted in the slides and in some of the overblown statements about what could be done with respect to this very, very remote location in terms of attracting people and labor, and so forth.

But if the taxpayers' expenditure is going to be strictly limited—and I join with the chairman in wanting to make sure that there is no general obligation of the Treasury for the $25 million in bonded indebtedness or for the assumption of the mortgage that you refer to in your statement—if there is to be an absolutely strict limitation of the taxpayers' obligation to a figure of perhaps $1 million a year, that we would be justified in this unusual situation, in taking this gamble. Obviously, that is your conclusion, sir, and conclusion of the gentlemen who accompany you.

Mr. MORRIS. That is correct, sir.

Mr. MACGREGOR. Let's assume that the United States of America scraps any further public commitment to the supersonic transport aircraft. What, in your judgment, would that mean in terms of the chances for the success of the gamble that we are considering?

Mr. MORRIS. Sir, I am not an expert on the supersonic transport and I don't know that there should be a relationship between these two propositions. From what we have seen, there are major opportunities for bringing to life a large educational operation on the base that could become self-supporting from its own tuition charges. There are a variety of training and industrial projects that would generate a labor force and make it possible for a profitmaking enterprise to productively employ that labor force and to show a profit and to be self-sustaining, quite apart from the air base facility itself.

The CHAIRMAN. Would the gentleman yield?

Mr. MACGREGOR. I yield.

The CHAIRMAN. An examination has been made of some testimony given in the hearings before this committee previously. Some of the organizations that indicate an interest are Packard-Bell Electronics Corp., the Litton Corp., RCA Service Co., and so forth. As we have glanced over their purposes, it would appear that they would use these facilities practically or almost exclusively for training purposes. Since that will be the case, I wonder whether or not you could deduce from that, since there could be the establishment of these vocational training and educational facilities, how you could expect to generate any revenue for this corporation.

Mr. MORRIS. Sir, there have been about seven or eight major proposals and revisions to proposals which a task force has been studying. On the industrial side, the most promising we have seen would actually generate an employed work force of between 1,000 and 1,200 people by a profitmaking enterprise. This is the type of thing which we feel should be pursued.

The CHAIRMAN. The Litton Corp. proposes recreational development, Indian family training program.

Mr. MORRIS. That would not be self-supporting.

The CHAIRMAN. That wouldn't develop any revenue.

Mr. MORRIS. No, sir. But I might describe one of the several projects which seem the most promising as an industrial project. It is one that was submitted—and I don't think there is any reason to withhold the name—by the Avco Corp. under which there would be a combination of vocational training conducted with initial Federal support that would in time employ a work force of 1,000 to 1,200 people.

Mr. MACGREGOR. If I may interrupt you, Mr. Secretary, we have had previous testimony before this committee pertaining to the AVCO proposal. So you are not disclosing anything that hasn't been entered into the record already.

Mr. MORRIS. I see. Fine, sir.

The CHAIRMAN. The Avco proposal indicated that they would expect to receive money from the Federal Government for conducting training and other adult and child care programs of interest to HEW, Labor, and OEO.

A good deal of the facilities, I gather, apparently would be used for these purposes.

Mr. MORRIS. Sir, their particular proposal as currently submitted would involve Government subsidies for 2 years in the aggregate total of about $8,600,000, following which they would expect to be self-supporting. All of the proposals envision initial Federal grant-in-aid-type support.

The CHAIRMAN. Mr. Biester.

Mr. BIESTER. Mr. Secretary, there is a base here which was first created in 1955, am I correct?

Mr. MORRIS. Yes, sir.

Mr. BIESTER. Its mission at that time, briefly, was what?

Mr. MORRIS. An air defense base.

Mr. BIESTER. What were the criteria that went into selecting this particular location?

Mr. MORRIS. Sir, as indicated on page 2 of my statement, during that era, and perhaps the planning began around 1950 or in the early 1950's, we were deliberately seeking far north locations for our air defense mission. I would have to do some research to get the de-

tailed criteria for the period. But this, along with a number of other bases, was chosen with that kind of an objective in mind. As the nature of our weaponry and the nature of the threat has changed, the need for locations such as this has changed.

Mr. BIESTER. You said the nature of the threat has changed. How is that?

Mr. MORRIS. I should rather say the nature of our posture in responding to the threat; I am sorry.

Mr. BIESTER. Was its remoteness in any sense a contributing factor?

Mr. MORRIS. I would not think so, but I can't be precisely sure of this. I think it was more its far north location.

Mr. BIESTER. When did the last additional capital improvement go into the Air Force base?

Mr. MORRIS. It would be several years ago, sir. The decision to close was reached late in calendar year 1964. So perhaps the last investment-type expenditures of any consequence would have been in 1963 and prior. There may have been small expenditures since simply to keep the base operational.

Mr. BIESTER. Are there assets on the base which are removable and of value to the Defense Department?

Mr. MORRIS. The 200 relocatable houses, definitely, yes, sir. Otherwise, the removable assets are supplies, vehicles, and equipment of various kinds.

Mr. BIESTER. What is the value of the removable equipment?

Mr. MORRIS. The original total value of the equipment, excluding aircraft, was around $15 million. The current asset value of the removable supplies and equipment is about $9.5 million.

Mr. BIESTER. What would happen to the removable equipment if we pass this bill? Would that remain at the base?

Mr. MORRIS. It is always our plan, sir, where we close a base to leave as much of the base operational equipment with the future users of the base as possible, unless we have a definite military need.

For example, we would hope to be able to leave in some of the dormitories the beds, and in the dining hall the dining hall and kitchen equipment, the things that make the facilities themselves useful facilities.

Mr. BIESTER. And what would happen to the X-ray equipment and other equipment in the hospitals?

Mr. MORRIS. The hospital we would hope to leave as a hospital.

Mr. BIESTER. So that if we pass this bill we would be leaving in the base movable items of some value to the Defense Department, perhaps $9 or $10 million?

Mr. MORRIS. No, sir. This will have to be finally worked out. We are deliberately holding at the base today all of the equipment that is not urgently needed for military requirements. We will finally work out the package of those things left as the possible uses for the base become firmer.

Mr. BIESTER. I don't want to pursue that too far but I am curious to know precisely what this gamble really is. Is it a gamble of $3 million or $90 million? Is it a gamble of perhaps forfeiting $6 million or $7 million in addition to the $3 million.

Mr. MORRIS. It is hard to assess this. I have asked the same question. I would guess—and Mr. Bradford is my expert— that we

are talking of something more like the $3 million as possible acquisition value of the hospital equipment, the dining hall equipment, dormitory equipment, and things of this type.

Mr. BIESTER. Do you believe that a corporation such as this is necessary for private industry and other charitable or nonprofit operations to work with rather than with the Defense Department directly?

Mr. MORRIS. The normal procedure, as Mr. Moody testified when he appeared, would be for us at this point to declare the base excess to Defense needs and the custody would then pass to GSA. They would take the remaining steps of redistribution or disposal. The Defense Department itself has no legal authority to deal directly with various possible beneficiaries of the base property. In the Government it would be GSA. It seems to both GSA and ourselves that we have this highly unique problem that will take a professional staff, such as the Corporation might have, some period of time, perhaps as much as 3 years. We are not staffed in Defense nor in GSA to undertake this kind of special developmental program. Hence, the concept of the Corporation is a novel, imaginative one that seems to us to make sense if the public good will be served by deliberately doing the best possible job to exploit the potential of this facility.

Mr. BIESTER. Now, we refer to this as a unique problem. Is it unique because the base is in a remote area?

Mr. MORRIS. And lacks a labor force.

Mr. BIESTER. And lacks a labor force and a present viable community effort. Are there other circumstances which are likely to approach us in the near future in which we are also going to find the same combination of circumstances?

Mr. MORRIS. I know of no other problem that we have ahead of us that is comparable to this. We would not consider this to be a precedent, in any sense.

Mr. BIESTER. What we say about whether we consider it a precedent often doesn't mean much later on. My concern is how likely is it that other similar circumstances are going to arise within the next 5 or 10 years?

Mr. MORRIS. I cannot conceive of one at this point.

Mr. MACGREGOR. Will the gentlemen yield?

Mr. BIESTER. Certainly

Mr. MACGREGOR. Mr. Secretary, correct me if I am wrong. I would like to go back to your answer to a previous question of Congressman Biester which had to do with the reasons for the establishment of Glasgow Air Force Base. It is my recollection that part of the defense strategy at the time this base was set up was to establish a string of bases similar to that of Glasgow Air Force Base along the northerly boundaries of the United States. I am not familiar with those that may have been established west of this particular location. But I am familiar with the bases in North Dakota, in the northern part of the State of Michigan, and others that were established. It is my further recollection that not all of these bases have been phased out. Some of them have been converted partially at least to other defense purposes. None of the others, to my knowledge, is located in an area anywhere near as remote as the location of Glasgow Air Force Base. My only purpose in asking the gentleman from Pennsylvania to yield is to indicate my belief, from a fairly limited knowledge

of the situation, that we are discussing here, namely, the defense requirements of the Department of Defense, it does indicate to me that the Glasgow Air Force Base situation is a unique situation with respect to this string of bases that were begun to be established in the mid-1950's. Am I substantially correct, sir?

Mr. MORRIS. You are substantially correct, sir.

Mr. MACGREGOR. Thank you, Mr. Biester.

Mr. BIESTER. I thank the gentleman for that contribution. I think that helps clarify some of my thinking on this.

The CHAIRMAN. Mr. Railsback.

Mr. RAILSBACK. Mr. Secretary, what would the Department of Defense do with the indebtedness that now is part of the Glasgow Air Force Base without this particular bill? What would happen?

Mr. MORRIS. The normal practice, sir—and we have had a number of such cases over the past several years—is that we excess the property, this moves the property to the custody of GSA but we retain the responsibility to pay off the mortgage indebtedness. Congress gave us a pecial authority about a year ago to set up a revolving fund so that the sale of those assets by GSA or others comes back into the fund, that helps us pay off the accumulated mortgage debt on such housing.

Mr. RAILSBACK. So what you are really suggesting in your statement is that either the Corporation take over this indebtedness, which I must say to me seems a little bit remote and probably unfair; but your second alternative is that if they dispose of some of these encumbered assets that the proceeds from the sale go to retire that indebtedness and in the meantime the Department of Defense would still fund the indebtedness.

Mr. MORRIS. Exactly, sir.

Mr. RAILSBACK. I will tell you one thing that has been bothering me as I have listened here. I have heard many agency witnesses, including a witness from the GSA, and I must say that I am concerned about the uncertainty and the indefiniteness of what property we are talking about as far as being retained on the base or being taken from the base. It seems to me the sensible thing to do would be for the Department of Defense to prepare a schedule or provide us with an inventory of the property which you have in mind that could not now be removed under the terms of this bill but which you think should be able to be removed, so that everybody concerned knows what we are talking about. Right now you have people who are concerned about what you want to take off. You talk about it in generalities but I would think if you could submit a list of exactly what property we are talking about it would be helpful to us in respect to your proposed amendment and in trying to see if we could reach some kind of an understanding with the other people.

Mr. MORRIS. I understand exactly what you are saying. We will endeavor to prepare for you a classification of the property and its approximate value and that which is eligible to be left on the base versus that which we feel it important we be able to remove from the base.

Mr. RAILSBACK. I think that would be very helpful. Then I take it that the Department of Defense has somebody that serves on this Presidential Commission to try to determine what to do with Glasgow.

Mr. MORRIS. Yes.

Mr. RAILSBACK. Do you happen to serve on that group?

Mr. MORRIS. The Secretary of Defense was named as Chairman and I am his representative in the management of the task force. Mr. Bradford, here with me, is the actual working member, along with 10 other agencies.

Mr. RAILSBACK. This is another thing that I have trouble understanding. Here the Congress is being asked, under the gun, to legislate. We have a Presidential Commission that has undertaken a thorough, comprehensive study. What do we have from them to consider? Maybe you can tell us. I don't know what the current status is.

Mr. MORRIS. I am glad you asked the question, sir. The task force's work is substantially complete. We don't think any new ideas of substance will arise. We consider these hearings a part of the total study effort of the whole Government in this area. One of the conclusions of the task force is that at this time the Corporation is the desirable next step. We are supporting it as a task force, so to speak. We strongly propose and recommend that this bill be given every consideration.

Mr. RAILSBACK. So then this morning you can appear before us, as members of this Judiciary Subcommittee, and you can say that this task force comprised of representatives of all of the agencies and you are now recommending this legislation to set up this Corporation with certain amendments.

Mr. MORRIS. Correct, sir. It was the judgment of the working task force that this is desirable. Officially, my agency, the Department of Defense, the General Services Administration, and others, have gone on record with Budget Bureau approval, as supporting the bill.

Mr. Railsback. In respect to the June 30 deadline, what is going to happen in respect to that deadline which we have passed? Is it my understanding that you are awaiting action by the Congress now and nothing will be done to interfere with the prospects of this legislation?

Mr. MORRIS. That is essentially correct, sir. The operational mission of the base has ceased to exist in accordance with a schedule. We, however, are deliberately leaving as much of the property at the base intact as possible, and we have been doing this on a planned basis for many months now. We still have a cadre of personnel at the base, about 1,200 at this time, which will be gradually phased down, by the fall, to 300. When it becomes a full standby situation there will only be about 60 people. We have not acted as yet to declare the base excess under the normal procedural requirement. This has to pass before the Armed Services Committees. So we are keeping a posture of fostering the possibilities of passage of this bill.

Mr. RAILSBACK. I yield to my colleague from Maryland.

Mr. MATHIAS. I just want to pursue this line of thought for one further moment.

I am very sympathetic to the statement that you have made that the goal of the Department is to turn a misfortune of losing a military capability to some economic advantage. I think this is a serious responsibility on the Government because enormous social and economic dislocations can take place.

You have set up Glasgow as a unique situation. I would like to pursue that thought just a little further because this could be a very expensive precedent if its uniqueness should turn out to be a fallacy.

Do you feel that this is truly a unique situation?

Mr. MORRIS. Sir, we do, in this sense: We have had about 55 problem bases in the past 6 years. We have actually taken over 900 base reduction or closure actions. We have been able, where our help is of any value, to assist communities in achieving the objectives stated in my statement of turning the misfortune into a benefit in case after case. That is because the local resources have been available, and a local labor force, et cetera. Those situations are not present here. This is the only problem case we have had of this type.

Mr. MATHIAS. This is the only problem case within the list of base closures recommended by the committee?

Mr. MORRIS. That is right.

Mr. MATHIAS. By your executive department committee?

Mr. MORRIS. Our Department.

Mr. MATHIAS. The executive branch committee.

Do you have any knowledge of other bases in remote areas that might in the foreseeable future come within this category?

The CHAIRMAN. Will the gentleman yield? I will give you one. I will go back to the Brooklyn Navy Yard.

Mr. MACGREGOR. A remote area?

The CHAIRMAN. It is in Brooklyn.

Mr. RAILSBACK. That is pretty remote.

Mr. MORRIS. Sir, we should never, of course, be absolute in trying to predict the future.

Mr. MATHIAS. I am only asking you for your reasonable judgment and we are only talking about the foreseeable future.

Mr. MORRIS. It is our judgment, and I would like Mr. Bradford to concur or not concur, that this is the most difficult situation that we face and warrants, therefore, unique consideration.

Mr. BRADFORD. Yes, sir.

Mr. MATHIAS. If the gentleman would yield further, I appreciate the suggestions made as to the amendments. I think they are prudent and thoughtful additions to the bill.

Thank you very much.

The CHAIRMAN. Will the gentleman yield?

Mr. RAILSBACK. I yield.

The CHAIRMAN. It strikes me that the giving of grants and moneys to be used for vocational training as contemplated in the proposals of a number of these firms must go through the States first and/or through OEO. Under the statutes, if I remember correctly, they cannot go directly to a corporation of this sort or to any private entity. Therefore, I think we may have to amend a number of existing statutes to permit this. I am going to ask counsel to check on that and see exactly how these statutes read, to see whether or not they must be amended to be able to carry out your purpose here.

Will counsel take note of that?

Furthermore, the closing has been in contemplation for 4 years, hasn't it?

Mr. MORRIS. Almost, sir.

The CHAIRMAN. During that period has there been any private business or private operation which has come in to you to actually operate as distinguished from corporations coming in to train people? Has any private entity come in for purposes of manufacturing anything?

Mr. MORRIS. There has been no proposal, sir, that we have seen that does not require initial Federal grant-in-aid-type support.

The CHAIRMAN. Thank you. Mr. Railsback.

Mr. RAILSBACK. Just one further comment. The savings that you testified would be realized by the closing of the base, as far as military personnel, can still be realized?

Mr. MORRIS. Oh, yes. They are being realized beginning right now, sir.

Mr. RAILSBACK. I know there has been a great deal of criticism and I want to say that I, for one, am glad to see that you are cooperating in trying to save the use of these facilities. I, for one, want to commend the Department of Defense for trying to economize, too, at the same time. I think you have been the subject of a lot of criticism.

Mr. MORRIS. These are difficult things to do, sir, but it might be interesting to note that since 1961, actions of this type are saving, this year, $1,500 million in operating costs.

Mr. RAILSBACK. I, for one, think that we should be supporting actions like this, even though some of them are going to affect my district. I am glad to see that you are trying to see that in this unique situation—and I agree with you it is a unique situation—that we don't lose the use of all of those facilities.

Mr. MORRIS. Thank you, sir.

The CHAIRMAN. Mr. Secretary, ordinarily we provide funds for training people who live in areas near the site of the training center. Now, you intend to move the trainees into this base area for purposes of training, is that correct?

Mr. MORRIS. In order to build a foundation for full use of this opportunity, it is necessary to create a labor force.

The CHAIRMAN. In other words, that is contrary to the practice that now prevails.

Mr. MORRIS. Again, this is a unique situation, sir.

The CHAIRMAN. Mr. Zelenko.

Mr. ZELENKO. Thank you, Mr. Chairman. I have just a few questions, Mr. Secretary.

The testimony here is that there has been 4 years' notice as to the closing of the base. What explains the delay, in your opinion, of private sponsors indicating an interest in the development of the facilities?

Mr. MORRIS. I think I would like to ask Mr. Bradford, who has lived with this since December of 1964, if he would like to comment.

Mr. BRADFORD. I think the basic reason for our problem up to this point is that, although there has been a tremendous effort made by the local people, the combined resources at the local and State levels have been inadequate. One of the normal mechanisms for assuring a labor force is the creation of a vocational technical school under the grant-in-aid system. The lack of resources at both the local and State level to participate in this has been the key factor in not having the ingredients to secure an incentive for industry going to this rural area. We have been able in many other locations to do just this.

Mr. ZELENKO. Why isn't a vocational technical school under grant-in-aid available or possible here?

Mr. BRADFORD. The State does not have the resources.

Mr. ZELENKO. The Federal agency reports to the committee indicate no present Federal interest in the development of these facilities. Do you know whether or not that attitude has changed?

Mr. MORRIS. No, sir. GSA actually conducted a Federal screening some time ago and this is the case.

Mr. ZELENKO. As of this date Federal agencies that might be interested in some of the projects which the corporation would be authorized to engage in, particularly in the aviation area—I am thinking of those projects that would come under the Department of Transportation's jurisdiction—are not interested so far as you know, Mr. Secretary.

Mr. MORRIS. I believe that to be the case, sir. The one most optimistic possibility on which you did receive testimony from Mr. Costin of HEW, is a proposed university.

Mr. ZELENKO. I wanted to ask some questions about that, as well.

Mr. Secretary, testimony to the subcommittee indicates that the following seven organizations have made proposals to use the facilities at Glasgow AFB. These include AVCO, RCA, the Technical Education Research Center, Packard-Bell Electronics Corp., Litton Industries, United States International University, and the American Institute for Medical Engineering Research. Are there any other private sponsors interested in the development of the base at this time?

Mr. MORRIS. I believe that is the full list, sir.

Mr. ZELENKO. Are the proposals of these seven organizations mutually exclusive? Could they all operate at the same time?

Mr. MORRIS. No, sir. Some of them would be rather duplicative of each other. I believe that our examination of the range of opportunities which have been presented suggests that the most likely package would be one involving the university project as it has been defined and one of these larger industrial vocational training projects.

Mr. ZELENKO. In that connection, I have examined materials descriptive of these various proposals that have been submitted to the subcommittee. For example, in the Packard-Bell letter, dated April 5, 1968, the statement is made that that sponsor would want first priority over all the dormitories available. I quote:

> As I indicated during our discussion, we are of the opinion that all of the dormitories should be reserved for Packard-Bell as a first priority over a university-type program,

In addition to problems of mutual exclusivity, in your opinion would any single one of these seven proposals fully exploit the resources of the base?

Mr. MORRIS. No, sir. I don't think that any one would be what could be called full exploitation. We have a diagram which you may wish to look at later that shows a full utilization possibility based upon selected projects which have been submitted.

Mr. ZELENKO. The data submitted to the subcommittee indicates further that these private sponsors will require considerable Federal financing to operate their projects. I gather your testimony is that you do not anticipate that that financing will come out of the $1 million authorization to the corporation?

Mr. MORRIS. It would hardly be sufficient, sir.

Mr. ZELENKO. What is that $1 million appropriation supposed to cover?

Mr. MORRIS. I would assume that would chiefly defray the cost of the corporation and the staff that it would need to carry on its work.

Mr. ZELENKO. That is one of the questions I think the subcommittee has been concerned with. Isn't it possible today under existing law for the Department of Defense to convey part or all of the facilities at the base to private interests who would want to develop them, or to a combination of private interests who would want to develop them? Haven't you done that in the past at other bases?

Mr. MORRIS. We have allowed on a permit basis some small uses of facilities at a base. But proper procedure for bases completely excess to our requirements, for which we have no further need, is to pass the entire facility to the General Services Administration who then, as Mr. Moody testified, have a series of steps that they take. After screening Federal potential uses they then give HEW and others who have public benefit-type authorities in their legislation an opportunity to examine utilization for educational, health, and other purposes.

Mr. ZELENKO. Is the establishment of this corporation a necessary precedent for any one of these private sponsors to obtain Federal financial assistance?

Mr. MORRIS. I don't think so, except to the extent that a corporation might succeed in raising its own financing through the sale of obligations.

Mr. ZELENKO. You have not made it clear to the committee how revenues would be generated to satisfy the obligations issued by the corporation. None of the proposals are profitmaking. Why would you suspect, Mr. Secretary, that these bonds would be marketable?

Mr. MORRIS. As I say, I am not an expert on the marketability of bonds. The AVCO project as presented, which is one of the lowest cost projects presented, would contemplate self-sufficiency in the third year.

Mr. ZELENKO. With an estimated cost of $8,500,000 to the Federal Government.

Mr. MORRIS. To reach that point. It is the lowest cost of all the industrial projects.

The CHAIRMAN. All the operations by this corporation would be tax-exempt, wouldn't they?

Mr. MORRIS. That is what the bill provides.

The CHAIRMAN. Are they exempt from State or Federal taxation?

Mr. MORRIS. Federal and State, sir.

Mr. ZELENKO. In your view, Mr. Secretary, is there any method under the law today that these private sponsors could implement their proposed projects without the formation of this corporation?

Mr. MORRIS. Yes. The individual pieces could be put together, piece by piece.

Mr. ZELENKO. Have you ever had any experience at other bases where this has been done?

Mr. MORRIS. It has been done at other bases, with GSA being the owner for the Federal Government and making the individual arrangements through other agencies, or direct.

Mr. ZELENKO. It is conceivable, then, that if this corporation were not formed, if this legislation were not enacted, that a consortium might be created to enable the transfer of properties. This could be undertaken under existing law.

Mr. MORRIS. Certainly this is conceivable. I think the important point again for us to stress, as Mr. Moody did, is we have an extremely complex long-term kind of matter to consider here, that is going to take a number of professional-type individuals to work out and plan and to negotiate over a period of time. Neither the resources of our agency nor of GSA are normally available for this type of problem.

Mr. ZELENKO. We have received testimony about the runway facilities at this base—that they are among the best in the country. Yet no interest has been expressed by public or private aviation interests in developing it. We received testimony from one witness who said a study was made of these facilities by the Airline Transportation Association. Can you tell the committee what the results of that study were?

Mr. MORRIS. We are not familiar with such studies, sir.

Mr. OLSEN. Could I interrupt?

The CHAIRMAN. Mr. Olsen.

Mr. OLSEN. I am not intimately familiar with that study, but with the people who participated, Frontier Airlines, Northwest Airlines. They say that they would normally want to have any kind of aviation facility of theirs to be at the center of their operation and not at the terminal, not at any terminal end of their operation but at the median of their operation. That is why the airlines don't see it as an economic opportunity.

Mr. ZELENKO. Is there any planned use of those runway facilities among the seven proposals that you have studied?

Mr. MORRIS. I am informed by Mr. Bradford that Packard-Bell did contemplate some utilization.

Mr. ZELENKO. There has been reference to the resources of the community. I understand the population of Glasgow, Mont., which is some miles away from the base, is almost 7,000.

Mr. MORRIS. About 6,500, I have heard.

Mr. ZELENKO. What of the population around the area, what is the total population?

Mr. MORRIS. The last figure I have seen is 17,000. Is that correct?

Mr. BRADFORD. Approximately.

Mr. ZELENKO. Is it your understanding that the proposals for vocational training would concentrate on the local population rather than recruit outside trainees?

Mr. MORRIS. There have been proposals to recruit and bring in personnel working with the State agencies and also to give particular attention to the Indian population in the local area.

Mr. ZELENKO. One of the seven proposals is for the establishment of a university, U.S. International University.

Mr. MORRIS. Yes.

Mr. ZELENKO. The HEW witness stated that it would require direct funding from HEW to launch that program for, among other reasons, the State of Montana was unwilling or was unable to allocate any funds for the establishment of that university; is that correct?

Mr. MORRIS. That is my understanding, sir, that out of the total start-up cost of about $27 million the university would require about $4,500,000 from Federal sources and 80 percent from private sources

Mr. ZELENKO. I have no further questions, Mr. Chairman.

The CHAIRMAN. The hearing will be adjourned, subject to the call of the Chair. In the interim, counsel is asked to communicate with the Treasury Department concerning these bonds that might be issued, and communicate with the Department of Interior concerning matters involving the Indians who are mentioned prominently in the applications of these entities who seek the facilities on the base, and therefore the meeting will now adjourn subject to the call of the Chair.

(Whereupon, at 11:59 a.m., the subcommittee adjourned, subject to the call of the Chair.)

(Subsequently the following communication was received:)

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, D.C., July 19, 1968.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Fowler has asked me to reply to your letter of July 15, 1968 in which you request comments on the marketability of obligations which would be issued by the Northwest Regional Services Corporation under S. 1602, as passed by the Senate, October 27, 1967, and the liability of the United States for such obligations.

Section 9 of S. 1602 provides that "Such obligations shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States, and such obligations shall clearly so indicate." Thus the marketability of the bonds would depend upon the assessment made by the prospective investor of the Corporation's ability to repay. We are unable to determine from S. 1602 or from other information available regarding the proposed Corporation whether the Corporation would be operated in such a manner as to assure the marketability of its obligations at reasonable rates of interest. However, the provision in section 3 for termination of the Corporation on December 31, 1972, unless sooner dissolved by Act of Congress, would appear to preclude the marketing of any obligations by the Corporation with maturity dates after December 31, 1972.

Sincerely yours,

FRANK W. SCHIFF,
Deputy Under Secretary for Monetary Affairs.

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