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NEWS

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Opening Statement **The Honorable Herbert Bateman** **Chairman, Subcommittee on Military Readiness**

This afternoon, the Subcommittee on Military Readiness is meeting to get a better understanding of the issues surrounding the disposition of 49 acres of excess land located at the Soldier's and Airman's Retirement Home in Washington, DC. For those of you here today who may be unfamiliar with this issues, I will briefly summarize the events that have led to this hearing.

In the National Defense Authorization Act for fiscal year 1995, Congress directed the Chairman of the Armed Forces Retirement Home Board to carry out a study to identify and evaluate alternatives for the modernization and long term viability of the retirement homes. The Board contracted with Coopers & Lybrand to conduct this study and reported the results to Congress in April of 1996. One of the recommendations of the Coopers & Lybrand study was to sell a 49 acre parcel of excess land located at the Soldiers and Airman's Home. The Board subsequently requested legislation that would authorize the sale of this excess property and, in the National Defense Authorization Act for fiscal year 1997, that authorization was provided.

It came to my attention early last year, that the Board was proceeding with a commercial development plan for the 49 acres rather than proceeding with the sale. In the Board's view, the language authorizing the disposal of the land also authorized the development of the land. This was not the intention or contemplation of the Congress when it passed the disposal authorization. Because there was disagreement or a misunderstanding of the original Congressional intent of the disposal language, the committee and the House passed a provision last year that merely restated the requirement to sell the property. In the conference committee between the House and Senate on the authorization bill, a proposal was put forward that reaffirmed the sale of the property for the fair market value of the property based on its highest and best use as determined by the Retirement Home Board based on an independent appraisal. The provision also directed that the sale could only be made to a neighboring non-profit organization from whose extensive educational and charitable services the public benefits and has

benefited from for more than 100 years. The House accepted this proposal because it ensured the Home received the highest and best value for the land and it addressed the concerns of the neighboring entities.

Since enactment of this provision, what would seem to be a simple land sale effort has received extraordinary attention in the media, veteran's groups, and various Members of Congress. I am aware of many of the issues concerning the operations and long term viability of the Armed Forces Retirement Homes – they are important and deserve our attention. However, today's hearing is specifically focused on the disposal of 49 acres of excess land that the Retirement Home Board asked Congress for authority to sell. The primary purpose of the hearing today is fully inform the members of the committee on this issue and to allow those most interested in the disposal of this property a chance to present their views.

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