

Congress of the United States
House of Representatives
Washington, DC 20515-0530

HENRY A. WAXMAN
30TH DISTRICT, CALIFORNIA
May 26, 2006

The Honorable Francis J. Harvey
Secretary of the Army
101 Army Pentagon
Washington, D.C. 20310-0101

Major General Paul E. Mock
63D Regional Readiness Command
4235 Yorktown Avenue
Los Alamitos, California 90720-5002

Colonel Danny Nobles
Director, Army Reserve Division
2551 Jefferson Davis Hwy
Room 9632
Arlington, Virginia 22202-3259

Dear Secretary Harvey, Major General Mock and Colonel Nobles:

I am writing to express concerns about the real property exchange being proposed for the U.S. Army Reserve Center located at 1250 Federal Avenue in Los Angeles. The Center is located in my congressional district and the project has generated many questions from community members and veterans in the area. At a recent rally opposing the real property exchange, approximately 150 veterans and community members joined local elected officials to express their objections.

I concur with the issues raised by our local Los Angeles County Board of Supervisors representative, Zev Yaroslavsky, in the county's letter to you dated May 4, 2006. In addition, I want to highlight some of the areas of most concern to me.

I understand this is the first time the Army has elected to use an on-line auction to conduct a real property exchange. While I appreciate the need for the Army to have a streamlined process for modernizing its facilities, I have reservations about the challenges an on-line auction will present. For example, many community members and veterans have asked my office for more information about the on-line auction real property exchange process, including the specifications for the proposed facilities, estimated building costs, fair market value, definition of cash equalization payments and information about potential bidders for the project.

As I understand it, potential bidders will be provided additional information about the project only after they pre-pay \$139,250 in administrative costs. The lack of information that will be available to the public and my office raises questions about the transparency of the process.

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I also understand the deciding factor in selecting the successful bidder will be the amount of cash equalization payment offered by the highest bidder. If the successful bidder offers an amount that exceeds the fair market value of the property, this appears to be a violation of the intended use of cash equalization payments.

Typically, in a significant disposal of federal property, a full and fair public process is required. I am concerned that the public has not been afforded a community education session or public hearing. I further understand that there will not be a public comment period. Finally, as Supervisor Yaroslavsky has pointed out, there will be no NEPA process until after completion of the transaction.

The lack of public process and lack of transparency in this proposal effectively lock out the public from the process. The on-line auction process also eliminates the opportunity for a healthy community discussion on the potentially significant impacts this real property exchange will have on surrounding residents. As you know, the community and veterans have raised serious concerns about the cumulative impact of this project, the GSA proposal to expand the FBI's presence at 11000 Wilshire and the CARES process for the West L.A. VA.

I also want to express concerns raised with me by veterans in the local area. As you know, the location of the Army Reserve Unit at 1250 Federal Avenue was part of an original donation to the National Home for Disabled Volunteer Soldiers to permanently maintain a branch of the National Home. In considering whether to move forward on this project, I believe the Army should discuss the future use of the land with the Department of Veterans Affairs.

I urge you to discontinue the use of an on-line auction for the real property exchange until it can be determined whether the process is practical for this site. A project of this magnitude calls for a full environmental review, adequate notice to the public and an opportunity to provide meaningful input for this significant proposal.

With kind regards, I am

Sincerely,



HENRY A. WAXMAN
Member of Congress