



DEPARTMENT OF THE NAVY
THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)
WASHINGTON, D.C. 20360-5100

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December 21, 1993

Gen. John R. Dailey, USMC (Ret.)
Associate Deputy Administrator
National Aeronautics and Space Administration
Code AF
NASA Headquarters
Washington, DC 20546-0001

Dear Gen. Dailey: *JMC*

I understand the transfer of Moffett Field is going smoothly although we still must deal with the question of reimbursement. My staff and I have given considerable thought to this issue within the context of (a) the interagency discussions which took place almost two years ago, (b) this Department's recommendations to the Secretary of Defense and the Base Closure and Realignment Commission, and (c) that body's decision as it is reflected in the Report to the President.

The unanimous opinion here of everyone who has been intimately involved in the policy and process of closing and turning Moffett Field over to your Administration is that only a no-cost transfer will allow the government to achieve the considerable savings that were anticipated by this action.

It was clear from the outset that the Commission's recommendation to transfer Moffett Field to NASA to maintain as a federal entity, would not be feasible if fair market value were required. Moreover, anything but a no-cost transfer would be unworkable. The "legislative history" of the Moffett Field recommendation establishes that a no-cost transfer was always contemplated.

Indeed, overall, the Department of Defense policy regarding transfers has changed substantially and there is no longer an absolute requirement for fair market value consideration. The new Defense conveyance authority embodied in the FY 94 DOD Authorization Act provides even further authority to support this recommendation.

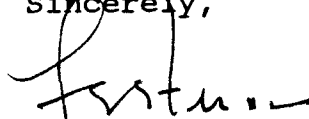
It is obvious, therefore, that the conventional rules for dealing with reimbursement waivers are inapplicable to this case. Unless you see a reason to do otherwise, I recommend we wrap up the final details of the transfer and consider the reimbursement question resolved.

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We are prepared to transfer immediately upon closure of
Moffett Field which is currently estimated to be July 1, 1994.

WARM REGARDS —

Sincerely,


F. S. STERNS
Acting

JAN 26 1994

Mr. F. S. Sterns
Department of the Navy
Acting Assistant Secretary of the Navy
(Installations and Environment)
2211 Jefferson-Davis Highway
Arlington, VA 22244

Dear Mr. Sterns:

Thank you for your letter of December 21, 1993, regarding the transfer of Moffett Field. NASA is prepared to proceed with the transfer of Moffett Field on a no-cost basis.

I share the conclusions outlined in your letter that a no-cost transfer was contemplated throughout the review and decision process. We will continue to work with you to complete the transfer on schedule.

Sincerely,

Original Signed by:
J. R. Dailey

J. R. Dailey
Associate Deputy Administrator

bcc:
ARC/Director
G/General Counsel
B/Chief, Financial Officer/Comptroller
J/Associate Administrator of Management Systems & Facilities
L/Associate Administrator of Legislative Affairs
R/Associate Administrator for Aeronautics
ACC/A-9302514
RI/Mr. Reeves
R/Chron
RI/Chron
bcc:RReeves:kla:01/05/93/x4719

CONCUR	CODE	➔							
	INITIALS	➔							
	DATE	➔							