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THE WHITE HOUSE  
WASHINGTON

June 19, 1975

MEMORANDUM TO: JACK MARSH  
FROM: BOB WOLTHUIS

I talked to Admiral Bill Flanigan, head of the Navy Liaison, and he believes that the Stennis question is as follows:

- 1) The House has authorized a DLGN 42 which is a nuclear ship without the Aegis weapon system capability. The Senate does not wish to put Aegis on this ship.
- 2) An option facing the Conference is for the Navy to build a mix of conventional-nuclear ships. The conventional ships could be the DD963 variant armed with the Aegis.

In order for the Navy to build a conventional ship and arm it with Aegis requires a change in title 8 of a past DOD authorization bill which calls for an all nuclear navy. It would also require a budget amendment. It is my understanding that the President and Jim Schlesinger have been talking today about this matter because for the Congress to authorize a conventional ship without a change in title 8 would require Presidential certification.

In summary, I believe what Stennis is talking about is that the House has already authorized the nuclear DLGN 42 and the Senate has not. He supports the nuclear conventional mix. He is probably anxious to have the Presidential certification for the non-nuclear ships which could be built in Mississippi. I think we should be very careful in attributing this to Stennis, but as I understand the problem, this is what it boils down to.

Determined to be an  
Administrative Marking

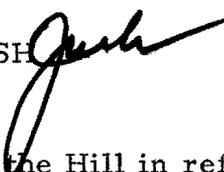
THE WHITE HOUSE  
WASHINGTON

SD NARA, Date 2/11/74

June 20, 1975

CLASSIFIED/CLOSE HOLD

MEMORANDUM TO: THE PRESIDENT

FROM: JACK MARSH 

I have had several discussions today on the Hill in reference to the question of the nuclear power in Navy ship construction. One of the persons with whom I talked was Charlie Bennett, who is playing an active part in the conference. Bob Wilson was in San Diego. There is considerable confusion over the situation generally, but it appears to point down to three main points:

- 1) Your taking a position for nuclear power on new construction of major ships without regard to any particular vessel. This is reflected in the letters of Thurmond, Pastore and several others, who urge you not to waive the nuclear power requirement. This issue is indirectly involved in the conference.
- 2) That you decide to place the Aegis missile system on a nuclear ship as opposed to placing it on a conventional ship such as the DD963 Variant. Stennis might like to put the Aegis on the 963.
- 3) The question of your position on the \$60 million item for the nuclear missile cruiser, which was in the House bill, but not in the Senate bill. This raises two questions, one whether you want to leave it in the bill and secondly, whether you want it to be nuclear powered.

To add to the complexity and confusion of the above three points, there seems to be different views on these subjects by Navy and DOD of which the respective Committees are aware.

Bennett wants to see you personally about the missile cruiser. He is strongly in favor of it remaining in the bill, and that it be nuclear powered. In fact he is threatening not to sign the Conference Report if the Senate

attempts to drop it from the bill. He wants you to come out with a statement favoring its retention and urging nuclear power as a symbol of your desire to build a modern Navy. He would like to see publicity attached to your position, and I gather if he came to the White House he would want this publicized.

Bennett also feels that the Aegis decision is not as important as the cruiser decision, but he would urge that the Aegis be placed on the nuclear powered Long Beach.

The conference will reconvene at 2:30 on Monday, and he would like to have some indication of your views before that. I pointed out to Charlie that although you have not made a firm decision you were not objecting to the conference leaving the cruiser in the bill. I also indicated generally your views on a nuclear Navy, and I thought you probably leaned at this time to nuclear power on the cruiser, but you had made no final decision.

I tried to discourage him from a meeting because I felt your views were close to his. However, he was very insistent, and I am not sure that I was able to completely dissuade him, but I will follow up.

cc: BScowcroft  
MFriedersdorf

CLOSE HOLD

THE WHITE HOUSE  
WASHINGTON

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June 25, 1975

MEMO FOR: JACK MARSH

FROM: RUSS ROURKE

Bob Wolthuis has the nuclear strike cruiser well in hand. The attached paper has presumably cleared the White House and, upon Presidential signature, the letter to the Speaker will be delivered this afternoon.

NAVSEA / NAVSEC

[April 1975]

Collection



RATIONALE IN SUPPORT OF RELOCATING  
NAVAL SHIP ENGINEERING CENTER (NAVSEC)

1. Purpose. To provide more effective utilization of the NAVSEA and NAVSEC decreasing manpower by locating NAVSEC engineers closer to NAVSEA program and project managers and by taking advantage of combined administrative services.

2. Background: NAVSEC is a field activity of the Naval Sea Systems Command (NAVSEA) charged with acting as NAVSEA's principal ship engineering activity. In this capacity NAVSEC prepares integrated ship designs for ship acquisition and modernization, thus supporting the Naval Electronic, Air, and Supply Systems Commands as well as NAVSEA. The separation of NAVSEC from these activities hampers effective operations in this and other areas. Collocation with NAVSEA and these other systems commands at Crystal City is considered essential to continuing effectiveness in the face of diminishing manpower resources. The following figures for fiscal years 69 and 75 serve to illustrate the trends of increasing workload and decreasing personnel strength which have continued over the past several years:

FY 69 Actual and FY 75 Authorized Total Obligational Authority

for SCN in unadjusted dollars

<u>FY 69</u>	<u>FY 75</u>	<u>% increase</u>
\$1.2B	\$3.1B	151%

Civilian Personnel Strength

	<u>End 69</u>	<u>End 75</u>	<u>% reduction</u>	<u>Billets</u>
NAVSEA	3,689	3,144	15%	545
NAVSEC (Hyattsville)	<u>1,911</u>	<u>1,665</u>	13%	246
TOTAL	5,600	4,809	14%	791

3. Office space savings:

a. Office space requirements by the end of fiscal year 1975 are:

	<u>National Center Bldgs 1, 2, &amp; 3</u>	<u>Prince Georges Center Bldg.</u>
Civilian	3,054	1,665
Military	274	58
Others (approximation of non-payroll personnel requiring office space)	<u>867</u>	<u>61</u>
	<u>4,195</u>	<u>1,784</u>
		5,979-65=5,914

b. Current Office space in use is:

Space occupied by NAVSEA	654,000 sq. ft.
Prince Georges Center Bldg.	<u>301,000</u>
Total	955,000 sq. ft.

c. Proposed space requirement

Existing Crystal City space	654,000
Requested new space in Crystal City area	<u>86,000</u>
Total	740,000

d. Reduced office space of 215,000 sq. ft. reflects past and proposed personnel reductions as well as space savings resulting from the elimination of redundant facilities necessitated by separate locations.

4. Intangible benefits. Collocation of NAVSEC with NAVSEA would help in solving the following current problems:

a. A most vexing problem arises in any tasks involving a whole ship since many NAVSEC offices are involved and they must work to a common list of assumptions. Developments of common assumptions requires much correspondence and many meetings. Full participation is almost impossible when NAVSEA and NAVSEC are separated by an hour's journey. Collocation of NAVSEA and NAVSEC eliminates the loss of productive work because of transit time.

b. The most crucial problem is those contacts which never take place, but which should. The cost to the Navy of poor or inadequate communication is in terms of more costly ships, with inadequate technical guidance given to contractors. Collocation will offer an opportunity to make necessary contacts.

c. Control over cost escalation is vital to the Navy obtaining the desired number and type of ships for the future fleet. Unchecked cost escalation can effectively reduce the ship construction program in spite of the increased ship construction program of recent years. The SCN appropriation in FY 1975 is 23% of the total Naval Material Command total obligation authority, compared to 11% in FY 1969. Collocation of NAVSEA and NAVSEC will aid NAVSEA's efforts to control cost escalation.

d. Drastically increased claims against the Navy by contractors threaten to add huge increases to ship costs. The following shows increases in combined claims and appeals:

<u>1969</u>	<u>1973</u>
303.9M	1365.4M

vital to control of claims is the most effective use of technical personnel (i.e. NAVSEC engineers) to:

- (1) Prepare original ship specifications so that "loopholes"



are plugged, and engineering problems accurately foreseen;

(2) Participate with Ship Acquisition Project Manager (SHAPM) personnel in technical conferences at which key decisions are made which affect the interaction and operability of systems/equipments and in which ship costs are determined.

Collocation will foster closer working relationships and more frequent consultation thereby providing a potential for better specifications and better decisions, which should at the very least result in a halt of claims escalation.



FACT AND JUSTIFICATION (F&J) FORM

1. Name and location of Activity

Naval Ship Engineering Center  
Center Building  
Prince George's Center  
Hyattsville, Maryland 20782

2. Background

a. In 1968, CHNAVMAT submitted NAVSEC as a possible candidate for relocation within the Metropolitan Washington area to alleviate overcrowding at Main Navy/Munitions. NAVSEC was selected because it was a field activity; because of its large size, and because its move would be less disruptive to NMC business than to relocate one of the SYSCOM headquarters. The move was in line with the long-range relocation plan which was developed by the Chief of Naval Material and Administrative Office and approved by ASN(I&L). This plan called for the 15,000 occupants of Main Navy/Munitions, upon its demolition, to be relocated in two buildings: 10,000 in the future Bolling Building and 5,000 in a building near Bolling. Bolling was to house NAVMAT, the headquarters of the hardware Systems Commands (AIR, ORD, ELEX and SHIPS), ASN(I&L), and AO. A nearby building, to be requested after Bolling/Anacostia had been built, was to house all the remaining Naval Material Command components in Washington, including NAVSEC. The availability of such a government building was planned so far in the future as to warrant that GSA obtain a long-term lease for NAVSEC at P.G. Plaza. However, eventually under the plan NAVSEC was to move close to the hardware systems commands it services. In the winter of 1969-1970 the White House ordered the remaining occupants of Main Navy/Munitions to move so that the buildings could be demolished by December 1970. GSA found space for CNM and five Systems Command headquarters in the Crystal City area in Arlington. Neither the demolition schedule for Main Navy/Munitions nor the relocation to Virginia of the Systems Commands was known or predicted in 1968, when NAVSEC moved. The original plan called for a move to Bolling no earlier than 1972.

b. The approximate 15 mile separation between NAVSEC at Prince George's Plaza and the SYSCOM headquarters on the Jefferson Davis Corridor impairs NAVSEC effectiveness in serving the SYSCOMS; requires duplicate administrative services, management and personnel staffs; necessitates excessive travel time between the two locations; and reduces the daily face-to-face contact of engineering personnel so important in acquiring totally integrated ship systems. Thus, the physical separation of NAVSEC from these activities decreases overall effectiveness and causes inefficient utilization of manpower. This



compounds an increasing imbalance between diminishing manpower available to perform a significantly increased workload, as shown by the following statistics. The total obligational authority for NAVORD and NAVSHIPS (predecessors of NAVSEA), (actual O&M,N, O&M,N-R, RDT&E,N, SCN PAM,N, and OPN) for Fiscal Year 1969 was \$4.1 billion whereas projected total obligational authority for FY 1975 is \$6.6 billion - an increase of 61%. Civilian manpower physically available in the National Capital Region to the combined commands and NAVSEC (Hyattsville only) totalled 5600 at the end of Fiscal Year 1969 and is programmed to be 4809 by the end of FY 1975 - a decrease of 14%. Combining the NAVSEA and NAVSEC manpower in one location will greatly facilitate handling this increased workload more effectively.

### 3. Mission

The Naval Ship Engineering Center is the principal ship engineering activity for NAVSEA. In this capacity, NAVSEC is primarily responsible for preparation of ship designs in connection with ship acquisition programs and ship maintenance and modernization engineering in support of the active fleet. This work requires very close contact with Ship Acquisition Project Managers (SHAPMs) and other Headquarters Project Managers. In addition, NAVSEC has a close working relationship with all other Navy systems commands in the Crystal City area that are concerned with acquisition and support of shipboard subsystems.

### 4. Nature of Action

a. The planned action is the relocation of NAVSEC Hyattsville, located at Prince George's Center to Crystal City in Arlington, in order to accomplish collocation with the NAVSEA Headquarters there.

b. It is proposed to relocate NAVSEC as soon as possible, commencing in FY-75 and completing the collocation during FY-76.

### 5. Reasons for the Action

The collocation of NAVSEC with NAVSEA must be carried out if we are to maintain our technical capability in this acquisition and fleet support in the face of continuing manpower reductions. Collocation will provide substantial quantitative savings in manpower by permitting more effective utilization of the NAVSEA/NAVSEC workforce. Specific savings are as follows:

a. Administrative cost savings:

Eliminate certain administrative costs such as transportation, message center, files, equipment, and office services.

SAVINGS  
\$ .3M



b. Leased space savings:

Current rental:	955,000 sq. ft. x \$7.10=	
	\$6,780,500	\$1.5M
Expected rental:	740,000 sq. ft. x \$7.10=	
	\$5,254,000	
Savings:	215,000 sq. ft. x \$7.10=	
	\$1,526,000	

c. Salary cost savings:

Eliminate 65 billets	\$1.5M
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d. Total Direct Savings	\$3.3M
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e. One-time cost of move	\$2.6M
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f. First year savings	\$ .7M
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g. Annual savings thereafter	\$3.3M
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Note: The elapsed time required to amortize the cost of the move will be less than one year from the date the move is completed.

6. Impact of the Action

Personnel and physical installation impacts resulting from this collocation are as follows:

a. A physical move of duty stations involving approximately 1800 civilian and military personnel from the NAVSEC Hyattsville complex to the Crystal City corridor - a fair distance but within the commuting area - will be affected. All operations will continue as before except that an effective consolidation of overhead and support functions, the elimination of coordinating and liaison positions in the two present organizations, and the elimination of related travel between these organizations, will result in a reduction of 65 billets. It should be noted that this reduction will be effected through attrition rather than by Reduction in Force.

b. The projected additions to the Crystal City corridor population resulting from this move, and on the related transportation and parking resources should have minimal impact on the present Crystal City environment since the overall population after this move will be no greater than the total population was in 1970 due to the overall NMC reductions that have taken place since that time.

c. Any loss of payroll from the Prince George's Plaza (PGP) complex as a result of this move is expected to be offset by similar payrolls from one or more agencies relocating into the PGP. The above information has been provided on an informal basis by GSA.

d. Modifications to National Center Buildings 1, 2 & 3, including requirements for new secure areas, additional telephone installations, and new office arrangements to compress existing spaces to make work stations and office spaces available for the expanded population, will have to be accomplished before the move can be completed. It is estimated that the cost to accomplish these modifications is \$1.5M. It should be noted that this cost is included in paragraph 5.e. entitled "one-time cost to move".



7. Personnel Data

<u>Location</u>	<u>Civilian Ceiling</u>		<u>OB</u>	<u>Est. Sal.*</u>	<u>Predicted Reduction</u>	<u>Mil Allow</u>	<u>Est. Sal.**</u>	<u>Predicted Reduction</u>	<u>Non-Payroll Personnel</u>
NAVSEA HQ	3054	3180		\$66,780K		274	\$5,480K		867
NAVSEC	1665	1704		35,784K		58	1,160K		61
TOTAL	4719	4884		102,564K	65	332	6,640K	0	928

\* Based on 21K average annual salary (Excluding Fringe Benefits)

\*\* Based on 20K average annual salary (Excluding Fringe Benefits)



8. Installation Data (assuming collocation 1 July 1975)

- a. Land area in acres and acquisition cost NA
- b. Plant Account Value NA
- c. Land Value NA\*
- d. Equipment Value \$3M
- e. Building Value NA\*
- f. Material Inventory NA
- g. Lease Costs

955,000 ft. <sup>2</sup>	955,000 ft. <sup>2</sup>	740,000 ft.
<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
6.8m	6.8m	5.3m

- h. Building (type const. and duration) Concrete & permanent
- i. Property Disposition 500 desks & related furniture

\*Non-Government owned

9. Assistance to Affected Civilians

a. Since the relocation of NAVSEC Hyattsville to the Crystal City corridor is within the National Capital Region and within easy commuting distance, employees should not be adversely affected by this action. However, for those employees who do not wish to relocate, every effort will be made to assist such employees in finding gainful employment in other government agencies and/or industry in close proximity to their residences. Additionally, for those employees accepting appointments and who also desire to relocate their residence, housing assistance and referrals will be provided to the maximum extent possible.



10. Administrative and Management Information Requirements:

a. Abbreviated Name of Activities

(1) NAVSEA

(2) NAVSEC

b. Mailing Address

(1) Naval Sea Systems Command (Existing)  
Washington, D.C. 20362

(2) Naval Ship Engineering Center  
Washington, D.C. 20363 (Proposed)

c. Status of Activity

(1) NAVSEA - Fully Operational

(2) NAVSEC - Fully Operational

d. Effective Date

Collocate NAVSEC with NAVSEA in FY 1975

e. Title of Military Head of the Activity

(1) NAVSEA - Commander, Naval Sea Systems Command

(2) NAVSEC - Commander, Naval Ship Engineering Center

f. Echelon of Command

(1) NAVSEA - Echelon 3 (CNM)

(2) NAVSEC - Echelon 4 (NAVSEA)

g. Unit Identification Code

(1) NAVSEA - 00024

(2) NAVSEC - 65197



ECONOMIC ANALYSIS OF THE PROPOSED RELOCATION OF NAVSEC

1. Major cost benefits to the Navy, which more than cover the one-time costs of the move are:

a. Administrative cost savings:

Eliminate certain administrative costs such as transportation, message center, files, equipment, and office services.

SAVINGS  
\$ .3M

b. Leased space savings:

Current rental:	955,000 sq. ft. x \$7.10=	6,780,500	\$1.5M
Expected rental:	740,000 sq. ft. x \$7.10=	<u>5,254,000</u>	
Savings		=1,526,500	

c. Salary cost savings:

Eliminate 65 civilian ceiling points \$1.5M

d. Total Direct Savings \$3.3M

2. One-time cost of move \$2.6M

3. First year savings \$0.7M

4. Annual savings thereafter \$3.3M



Enclosure (2)

EXPANDED ENVIRONMENTAL IMPACT ASSESSMENT  
COLLOCATION OF THE NAVAL SHIP ENGINEERING CENTER (NAVSEC) WITH THE  
NAVAL SEA SYSTEMS COMMAND HEADQUARTERS (NAVSEA)

1. Proposed Collocation: It is proposed to move NAVSEC from Prince Georges Center (PGC), Hyattsville, Md. to Crystal City, Arlington, Va. to collocate it with Command Headquarters and other closely interfacing elements of the Naval Material Command. The purpose of the collocation is to maintain the Navy's technical capability in ship acquisition and Fleet support in the face of continuing manpower reductions by enabling more effective utilization of the combined NAVSEC/NAVSEA workforce. The collocation is considered to be essential because of the expanding shipbuilding program NAVSEA must carry out with very substantial support from NAVSEC.

2. Background: In 1968, CHNAVMAT submitted NAVSEC as a possible candidate for relocation within the Metropolitan Washington area to alleviate overcrowding at Main Navy/Munitions. NAVSEC was selected because it was a field activity, because of its large size, and because its move would be less disruptive to NMC business than to relocate one of the SYSCOM headquarters. The move was in line with the long-range relocation plan which was developed by the Chief of Naval Material and Navy Administrative Officer and approved by ASN(I&L). This plan called for the 15,000 occupants of Main Navy/Munitions, upon its demolition to be relocated in two buildings: 10,000 in the future Bolling Building and 5,000 in a building near Bolling. Bolling was to house NAVMAT, the headquarters of the hardware Systems Commands (AIR, ORD, ELEX and SHIPS), ASN(I&L), and AO. A nearby building to be requested, after Bolling/Anacostia had been built, was to house all the remaining Naval Material Command components in Washington, including NAVSEC. The availability of such a government building was planned so far in the future as to warrant that GSA obtain a long-term lease for NAVSEC at P.G. Plaza. However, eventually under the plan NAVSEC was to move close to the hardware systems commands it services. In the winter of 1969-1970 the White House ordered the remaining occupants of Main Navy/Munitions to move so that the buildings could be demolished by December 1970. GSA found space for CNM and five Systems Command headquarters in the Crystal City area in Arlington. Neither the demolition schedule for Main Navy/Munitions or the relocation to Virginia of the Systems Commands was known or predicted in 1968, when NAVSEC moved. The original plan called for a move to Bolling no earlier than 1972.

3. Total Impact of the Proposed Collocation. The proposed collocation will result in some changes in environmental impact in the total Washington Metropolitan area. These changes will have potential impact in terms of initial higher-density highway usage in the Crystal City area (which will be equally true if someone other than NAVSEC occupies the space becoming available in Crystal City) and political, social and economic aspects of both areas concerned. METRO construction is expected to alleviate highway congestion and other impacts are expected to be minimized by reduced



**ENCLOSURE(1)**

NAVSEA/NAVSEC total office space and reducing total personnel. It should be noted, however, that the Crystal City population upon completion of this move will be no greater than the total population that was envisioned by the Arlington County Government's long range plan for the Jefferson Davis Corridor. In view of this, possible adverse impact upon the environment is not considered to be significant.

4. Summary of Impact

a. Highway Usage. The approximately 1800 people at PGC will start commuting to Crystal City upon collocation. It is expected that some unknown percentage of these people will commute by private automobile. In this regard the overall traffic pattern, even though increased automobile usage is expected, will be within the established limits of Arlington County's Long Range Plan for the Jefferson Davis Corridor. Metro service to the Crystal City Corridor is expected to start May, 1976, which will reduce the highway load by making the use of public transportation more attractive. Further alleviation of the problem should result from the construction of Shirley Highway to the Potomac River and to Jefferson Davis Highway, now underway and scheduled for completion by August 1975.

b. Transportation. Carpool and bus plans hold promise for improved transportation. The automobile routes that would be used in traveling to Crystal City from Prince Georges County and Montgomery County are varied, considering the size of those two counties. For the most part the routes are not limited access roadways, and many people would drive through the District of Columbia. Main access roads to Crystal City itself are GW Parkway, I-95 and US-1. Roundtrip Metro bus service is presently available from the Prince George's area to Crystal City at a cost of 80 cents one way. Though there are as yet no direct round trip bus routes from Hyattsville to Crystal City, the Planning Department of WMATA has indicated that the possibility exists for the same. This would be based on the proposed routing, the number of people projected that would utilize the service and their hours of employment. When such factors have been determined, and upon submittal of such a justification to the WMATA Planning Department, a proposal would be developed by that department and based on its findings, necessarily establish new direct bus routes. In this regard, such analyses and planning will be actively pursued by NAVSEA.

Many NAVSEC employees who are accustomed to driving their own cars will find that they should form carpools wherever possible. Such employees transferring to National Center are encouraged to use the carpool locator service for NC #1, 2 and 3. This service may be computerized and expanded to include all of Crystal City. The Northern Virginia Transit Commission (NVTC) is also considering the potentialities of "buspools" in which local governments finance special buses to pick up employees and take them to major employment areas, of which Crystal City is one. Special charter buses will also be considered. A Volunteer Bus Pool-Car Pool encouragement program called COMPUTERIDE was inaugurated by ADM Kidd on 13 September 1973. Presently, NAVSEA and NAVSEC are jointly exchanging SELECTOPOOL duplicate card applications.



**ENCLOSURE(1)**

c. Political, Social, and Economic Impact. One facet of this impact is in terms of NAVSEC employees who now live in Maryland and would move from Maryland in order to be closer to their work-place. The following table gives the geographical (residence) composition of NAVSEC employees:

	<u>VIRGINIA</u>	<u>D.C.</u>	<u>MARYLAND</u>
GS-1-6	4%	17%	79%
7-9	11%	25%	64%
11-13	27%	8%	65%
14-up	39%	5%	56%
Officers	24%	3%	73%
TOTAL	23%	11%	66%

Breaking down the above figures, 47% of NAVSEC employees live in Prince Georges Co. and 19% in Montgomery Co. (or adjacent counties). Twenty-six per cent (26%) of NAVSEA's employees now live in Maryland. Past experience has shown that in such moves a great portion of the clerical force remains behind seeking employment of their highly saleable skills elsewhere so that little impact is expected with regard to GS 1 through 6 employees. It is the opinion of this Command that such employment opportunities for those in these grade levels, who do not wish to relocate, are as great in the Prince Georges area as they are in the Crystal City area. Further, while experience shows there will be a gradual shift from Maryland, most of the shift can be expected to result from new employees locating near their workplace, rather than from moves of existing employees. Many other considerations bear on individual employee decisions on home location in this large metropolitan area; in this regard it would be an error to assume that because an employee lives in Virginia that he necessarily lives closer to Crystal City than the Maryland resident; there is a common fallacy to the effect that Crystal City employees living in Virginia live in Crystal City and the PGC employees living in Maryland live immediately adjacent to PGC. Even so, NAVSEA is figuring on an absolute maximum of 25% of NAVSEC employees considering moving as a result of the collocation. If this percentage of NAVSEC employees moved from Maryland, the political impact should be mitigated by an equal number moving into Maryland when PGC is occupied by other Government employees. Actually, movement from one community to another of 25% of payroll personnel is generally thought to be a very high estimate, based upon experience; it has been used primarily to estimate the outside liability for reimbursement of moving expenses. Experience indicates, however, that transfer of workplace from one point to another within the Washington Metropolitan area does not in itself prompt employees to give up existing community ties, with schools and familiar shopping, particularly when employees at both points are already commuting from all parts of the area. This prompts the possible increased gasoline consumption that may result from those employees who will be commuting additional miles from their residence to their new duty station in the Crystal City Complex. National policy of long-standing has been working in the direction of efficient, relatively pollution free, mass transportation for large metropolitan areas. Currently, emphasis is being placed upon energy conservation and, therefore, the widest possible



**ENCLOSURE(1)**

use of public transportation and carpooling is encouraged. Less than ideal public transportation facilities make parking and carpooling a key to moving an employment population in a suburban location. Encouraging carpool participation on the part of NAVSEC employees will contribute to the conservation of energy resources by increasing the vehicle/passenger ratio from the present passengers per vehicle to two or more passengers per vehicle and thus, possibly effect an overall gasoline savings, rather than an increase in gasoline consumption.

Another facet - attitude - is more difficult to assess because it relates to inter-personal relationships at the workplace, the employees' immediate surroundings, and the general environment such as parking, eating, and shopping facilities. Attitude sampling indicates that many NAVSEC employees want to move to Crystal City in order to facilitate working contact with NAVSEA, NAVAIR, NAVELEX, and NAVMAT employees. Probably social contact figures in this attitude too, because these employees formerly worked together with all these organizations in the Main Navy-Munitions complex before NAVSEC's move to PGC. Some employees who oppose the move feel that commuting, parking, lunching, and shopping are better and cheaper at PGC. Parking at Crystal City is adequate, although slightly more expensive than at PGC where parking is better than adequate. Shopping convenience in Crystal City cannot compare with PGC, which borders Prince Georges Plaza. Lunch facilities near PGC are popularly considered better and cheaper than those near Crystal City, although facts indicate that Crystal City employees have access to a much larger variety and number of eating places with a full range of quality and price competitive with others in the Washington area. The negative attitude impact can and must be mitigated by fully publicizing facts to dispel exaggerated contrasts between Crystal City and PGC and to let it be known that the disparity is narrowing; to emphasize the improved career and professional development opportunities because of closer contacts in NAVAIR and NAVELEX as well as NAVSEA; to emphasize the psychological advantage to NAVSEC employees who now feel cut off from information and from the opportunity to get their inputs into management decisions; to emphasize that there is a better chance of keeping jobs during reduction; and to assure that there will be no detrimental effect upon "Equal Employment Opportunities" since both NAVSEA and NAVSEC operate under the same EEO policy.

The economic impact upon business places near PGC should be offset by trade from new occupants of PGC. Also, to the extent that business and taxes from Maryland resident NAVSEC employees is lost, they should be replaced by the new occupants of PGC who become Maryland residents. A more realistic approach to this assessment proceeds from the fact that no part of the Washington Metropolitan area is free from housing shortages and as long as this is true there can be no economic impact upon NAVSEC employees' residential areas. In this regard, housing statistics in and around the Crystal City Complex which may come to bear in the decision process on the part of NAVSEC employees contemplating moving, are as follows:



**ENCLOSURE(1)**

Low-income Housing Near Crystal City

(1) Arlington County and the City of Alexandria have approximately 65,000 apartment rental units ranging from efficiencies to two bedroom units. Prices are from \$85 per month for efficiencies to \$260 for two bedroom units. Vacancy rates average about 5% in Alexandria and 1½% in Arlington. Annual turnover in tenants in both areas is about 30%.

(2) There are no federally funded housing projects within a three mile radius of Crystal City. However, an Arlington County Fair Housing Ordinance specifies that all new housing facilities have at least 10% moderate income housing. The definition of moderate income is that salary be under \$8,000 and rent under \$160 per month. A limited number of these units are added annually to the Arlington County master list for assignment.

Other Apartment Units

(1) Approximately 3,000 three bedroom apartments are located within Arlington County and the City of Alexandria. Prices range from \$251 to over \$500 per month.

Houses Near Crystal City

(1) Rental houses near Crystal City are in the \$275 to \$425 monthly range depending upon size and location. Only a relatively small number of adequate single dwelling units are available for rent.

(2) Within a 5 mile radius of Crystal City, houses are available from \$25,000 up to \$150,000. The average sales price in this area runs \$52,500. There are presently a number of houses in this category on the market.

5. Alternatives

a. Move NAVSEA to PGC. Collocation of NAVSEA and NAVSEC at Prince Georges Center rather than at Crystal City has been seriously proposed more than once. This plan would fall far short of satisfying the objectives of the collocation because NAVAIR, NAVELEX, NAVSUP, and NAVMAT, all of which are located in Crystal City, have important roles in the shipbuilding and Fleet maintenance processes. NAVSEC has a key integrating position in these processes and must maintain frequent and continuing contact with these other Commands. In recognition of this fact, all of these Commands have designated representatives to participate as required in ship design at PGC and have also participated vigorously in a Joint Interface Management Task Force set up to resolve procedural problems ensuing from their high degree of interdependence. Also, NAVSEA personnel, who make frequent trips to the Pentagon, which is close to Crystal City, would no longer be able to maintain face-to-face communication with personnel in the Pentagon without serious loss of time enroute from PGC. From the point of view of environmental impact, this proposal for the most part would have a far greater



**ENCLOSURE(1)**

effect than the collocation under consideration. It would increase the burden on highways and parking in the immediate vicinity of PGC. It would require construction of facilities to accommodate the NAVSEA population of over 4200 people or require displacing tenants in other office space in the PGC vicinity. This approach amounts to the concept of spending a dollar to save a dime; in other words, highly inefficient.

b. Move NAVSEA and NAVSEC to another city. Serious offers have been made by city and state governments to have NAVSEA and NAVSEC collocated in cities outside the Washington area. These proposals would fall even further short of the objectives of collocation because of the increased difficulty in maintaining relationships with other commands involved in the shipbuilding and Fleet maintenance processes. It would also become very expensive in terms of household moving costs and undoubtedly cripple NAVSEA/NAVSEC for years to come because of loss of professional personnel who would find other jobs rather than leave the Washington area. The political, social, and economic impact upon the Washington area and upon over six thousand NAVSEA/NAVSEC employees and their families would be significant. It should also be pointed out that movement of NMC components out of the Washington metropolitan area has been under consideration, by congressional committees, since 1966, and to date, the findings indicate that such movement would be prohibitive from a cost, environmental and continued capability point of view.

## 6. Conclusions

In view of the foregoing, it is concluded that:

- a. The proposed action is vitally necessary under the basic precept.
- b. The proposed action is the most cost-feasible means of attaining the objectives.
- c. There is no significant environmental impact involved in carrying out the proposed action.



THE WHITE HOUSE

WASHINGTON

January 28, 1975

Jack --

Brent Scowcroft advises:

DoD has sent to the White House only the first portion of a comprehensive review of sea power. That initial material is presently under study by the NSC. There will be additional sections of the aforementioned review going to the NSC from DoD in the near future.

Russ



Washington

January 28, 1975

NEEDED - A PRESIDENTIAL COMMISSION ON SEA POWER

PUBLIC OPINION VACUUM ON SEA POWER FOR AMERICA

With our recent disengagement in Viet Nam, the national preoccupation with Watergate and the inflation/recession crisis now upon us, there is a public opinion vacuum on the question of Sea Power for America.

This has resulted in a wide divergence of opinion in the Congress on the Sea Power question, and of consequence on the size and makeup of the United States Navy. In the past four years our Congress has reduced our defense budgets by two billion, three billion, five billion and three and one half billion, respectively.

In contrast we have Russia over the past several years having thrust herself into the position of a major Sea Power for the first time in her history, and into a Sea Power position superior to that of the United States in the opinion of some of the experts.

The situation is very similar to that of President Roosevelt in the late thirties when he observed the danger signs but could not enlist the interest and support needed for a Navy buildup.

UNITED STATES SEA POWER VS RUSSIAN SEA POWER

Various shades of opinion can be found, even in the military, on the question of U. S. vs Russian Sea Power.

It cannot be controverted, however, that in the past ten years Russia has built a Navy that is stronger in the overall than ours, and that only in Aircraft carriers, surface nuclear powered vessels and certain technology do we outclass them.



No Naval fleet comparison will be made in this memo, since DOD is up-to-date on this.

Probably the most meaningful distillation of the subject is in the following colloquy between Senator Strom Thurmond and Norman Polmar, U. S. Editor of Jane's Fighting Ships, world's most accredited authority on the navies of the world. Mr. Polmar's grandparents and father were born in Russia and he has visited in Russia frequently and extensively, and has been privileged to have frank discussions with the Russians concerning their Navy and Merchant Marine in very recent years. This colloquy took place on August 3, 1973, during a hearing before the Senate Committee on Armed Services:

Senator Thurmond: "Mr. Polmar, in your view what is motivating the Soviet naval maritime buildup that we have witnessed in the past ten years?"

Mr. Polmar: "A recognition that man is going to use the sea more and more, and that people that can use the sea, and in some circumstances control the sea, can control economics and politics in other areas. I think, looking at their leadership, and their shipyard investment, and their investment in these ships, we are talking about a very calculated and carefully planned program to build up naval and maritime forces to gain control--that is a bad word--let's say to influence economics and politics in the world.

Senator Thurmond: "Mr. Polmar, what significance do you attach to the great strides made in the maritime forces of the Soviets in the past few years?"

Mr. Polmar: "They are reducing our ability to operate in certain political and military scenarios, and increasing their capability of deterring us from interfering politically or economically at any level less than our willingness to commit ourselves to a nuclear war."



While DOD is also up-to-date on the comparative merchant fleets, a few observations are of interest.

Enclosure A - Overall, their dry cargo fleet already surpasses ours. We still lead in vessels over 10,000 DWT (5,409,877 U. S. vs 4,815,670 USSR). But (Enclosure B) their rate of building far outstrips ours and hence they will overtake us soon.

Of significance is the break bulk number (Enclosure A). USSR has 314 break bulk ships over 10,000 DWT, whereas we have only 157. Moreover, Russia is continuing to build them and we are not, except Ro/Ro.

DOD is alarmed at the almost total disappearance (scrapping) of our National Defense Reserve Fleet (Enclosure C) which contained the hundreds of break bulk Libery, Victory and C-4 types built in World War II.

And in the Ro/Ro class, considered by the military as the most versatile and thus one of the most valuable recent additions to the U. S. Fleet (U. S. has 4 in operation and 5 building) Russia has 22 under construction and is reportedly planning 24 more.

The significance is that until staging areas and sophisticated container terminals are set up - a lengthy process - a war cannot be fought with containerships, dependent upon shoreside facilities to load and discharge. We have 94, Russia 0 (Enclosure A). The break bulk ship is the pipe-line work horse of any war.



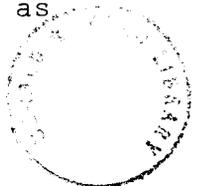
SUPPORT BACKGROUND FOR NAVY BUILDUP

Over the past ten years there have been several studies pointing to our Naval deficiency and urging that it be remedied. The Long Range Planning Section of the Navy, the Joint Chiefs of Staff and others have submitted status reports on this subject.

Currently there are three reports on the subject and one more in preparation. In December 1973/January 1974 the President's Foreign Intelligence Advisory Board (Vice President Rockefeller was a member) submitted to the White House a report which dealt with the subject. Recently, the Office of the Secretary of Defense prepared a report on Maritime Balance which is now in the National Security Council. Prior to becoming Vice President, Mr. Rockefeller established a Committee on Critical Choices for America. That body has in draft form a report which deals with this subject. The Center for Strategic and International Studies at George Washington University has a report scheduled for late spring, which will deal with the subject.

The necessary support exists in military circles, and among bodies outside the military. The reports of these bodies provide virtually all the necessary factual material.

There only remains to be found a means for communicating it to the public via a medium which will produce maximum credibility. Clearly this is a Presidential Commission (possibly followed by a Congressional Commission) made up of such broad representation as to produce an expression of the concensus of leadership in all pertinent areas of our society today.



PRESIDENTIAL COMMISSION ON SEA POWER FOR AMERICA

It has been recommended to the President that only his office can take the necessary steps to accomplish conceptual unity in this area, and that the most effective step he can take in this direction is to establish a Presidential Commission on Sea Power. The President has referred that recommendation (December 1974) to the National Security Council.

In 1947, President Truman appointed an Air Policy Commission (Finletter Commission) and the Congress appointed a Congressional Commission on the same subject the next year. As a result of the reports of those two bodies, the United States created an Air Force which has made this nation the supreme Air Power in the world, a position we have maintained to this day.

TIE-IN WITH COMPREHENSIVE EMPLOYMENT TRAINING ACT OF 1974

Several billion dollars are estimated to be funnelled into the economy through the CETA Program now under way, which provides funds for local communities to hire public service employees. An upper limit of \$10,000 to \$12,000 annual salary per employee is built into this program.

Shipbuilding costs are about evenly divided between material and labor.

We are now spending about \$4 billion per year on new naval construction.

It is estimated that we should be spending \$8 billion to be at the proper level.



This would provide \$4 billion more for Navy shipbuilding, one half of which, or \$2 billion, would be available for payroll.

One hour of productive shipbuilding labor costs about \$14 with basic wage, fringes, overhead, etc.

One man year is 2,080 hours x \$14 equals \$29,000. \$2 billion divided by \$29,000 equals 69,000 shipyard workers per year.

One shipyard job has a tertiary employment effect. 69,000 x 3 equals 207,000 employees.

Thus, the critical need for Sea Power buildup could be met by the use of a portion of these emergency employment funds.

This would be politically acceptable if properly communicated.

There are several Navy vessel types, fully engineered and susceptible of commencing building in a few to several months and adaptable to shipyards in various parts of the country.



## USSR/US FLEET COMPARISON

Enclosure A

## DRY CARGO

December 31, 1974

USSR\*US

LESS THAN 10,000 DWT    GREATER THAN 10,000 DWT

LESS THAN 10,000 DWT    GREATER THAN 10,000 DWT

	<u>NUMBER</u>	<u>TOTAL DWT</u>	<u>NUMBER</u>	<u>TOTAL DWT</u>
BREAKBULK	374	1,798,301	314	4,120,158
BULK	86	481,634	18	569,512
CONTAINER	10	62,450	-	-
RO/RO-CONT	1	4,000	-	-
RO/RO	-	-	-	-
REEFER	23	105,462	-	-
TIMBER CARRIER	368	1,660,240	9	126,000
PASSENGER/CARGO	7	9,070	-	-
CARGO/TRAINING	12	59,595	-	-
LASH/SEABEE	-	-	-	-
TOTAL	881	4,180,752	341	4,815,670

	<u>NUMBER</u>	<u>TOTAL DWT</u>	<u>NUMBER</u>	<u>TOTAL DWT</u>
	2	3,429	157	2,175,720
	-	-	27	618,666
	18	151,270	94	1,707,023
	2	4,380	5	76,956
	2	9,208	8	107,266
	1	6,877	-	-
	-	-	-	-
	4	33,107	-	-
	-	-	-	-
	-	-	23	724,246
	29	208,271	314	5,409,877

## TANKERS

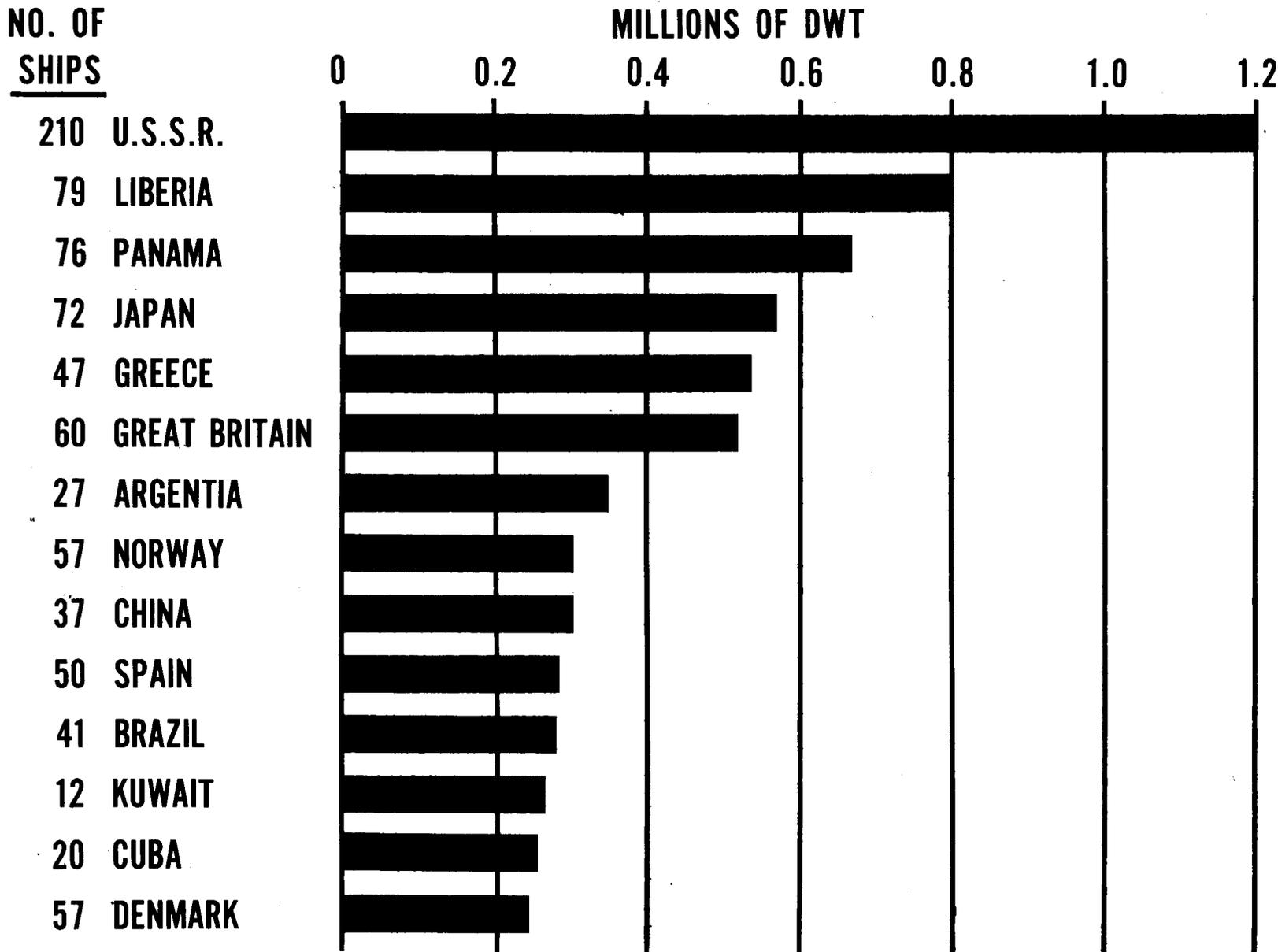
	<u>NUMBER</u>	<u>TOTAL DWT</u>
LESS THAN 50,000 DWT	247	3,959,385
50,000 to 100,000 DWT	11	557,364
GREATER THAN 100,000 DWT	1	150,000
TOTAL	259	4,666,749

	<u>NUMBER</u>	<u>TOTAL DWT</u>
	151	4,644,386
	30	2,018,366
	18	1,873,685
	199	8,536,437

\*Only ships of 1,000 gross rated tonnage and above included

\*Does not include Caspian Sea Fleet

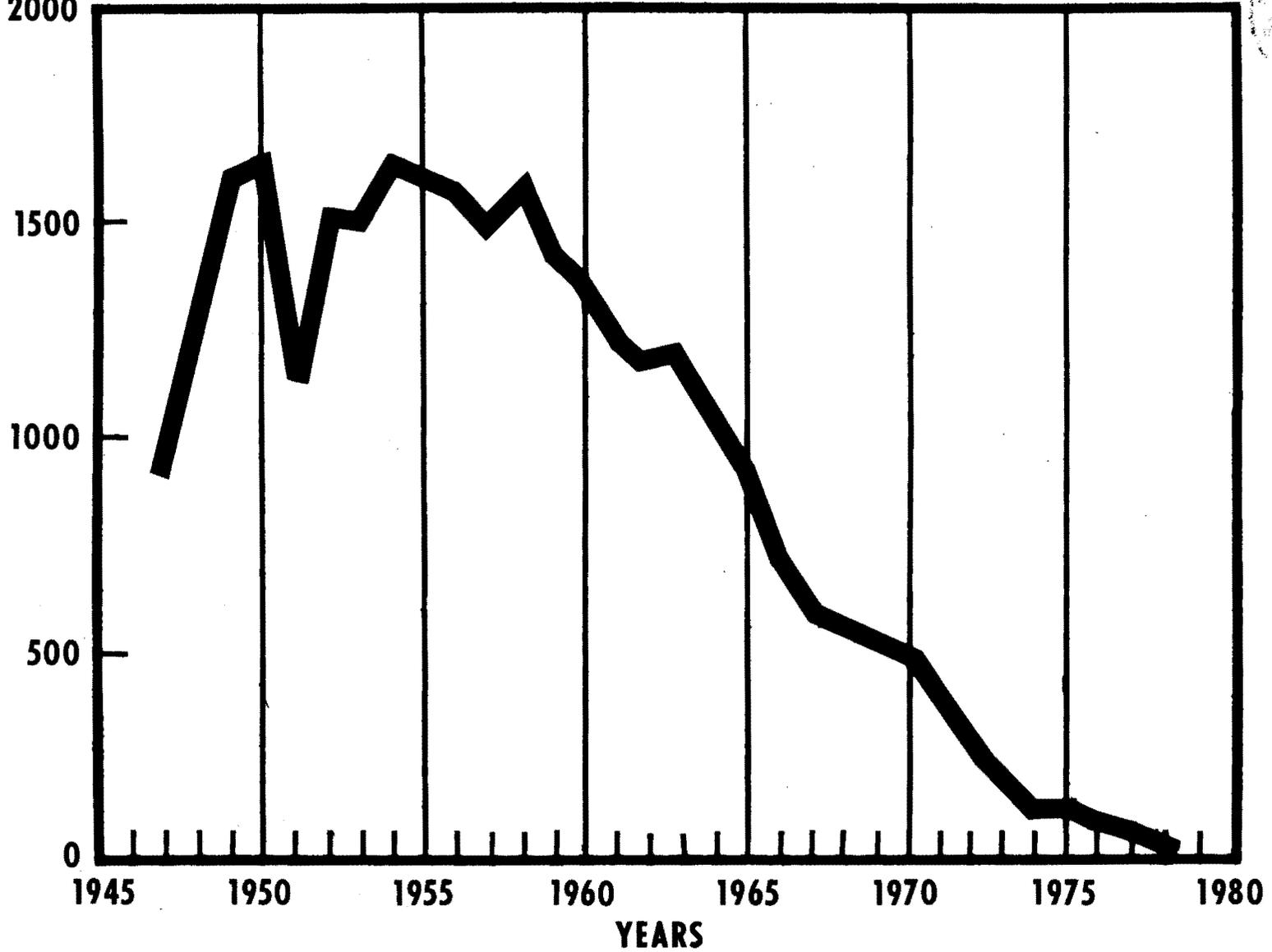
# DRY CARGO SHIPS ON ORDER BY FLAG\* . . . 1 NOV 1974 (EXCLUDING CONTAINERSHIPS)



\* FLAGS WITH LESS THAN 200,000 DWT ON ORDER NOT SHOWN

# GENERAL CARGO SHIPS IN THE NDRF

SHIPS  
2000



JAN 28 1974

THE WHITE HOUSE  
WASHINGTON

December 11, 1974

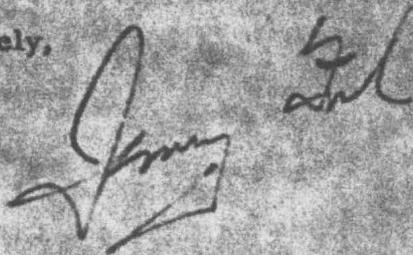
Dear Bob:

It was certainly good to hear from you, and I deeply appreciate your taking the time to write me a letter on what I agree is a matter of great concern. The importance of the sea and the relationship of sea power to our national well-being as well as international stability are questions of high priority.

You suggested that I might consider the appointment of a Presidential Commission on Sea Power as a means of assuring that this is given the attention it deserves. In response to your request, I have asked that your letter be considered by the National Security Council to obtain the thoughts and suggestions of those having principal responsibility in this area.

Betty joins with me in wishing you and yours the very best holiday season.

Sincerely,



Mr. Robert E. Mayer  
Vice President  
States Line  
320 California Street  
San Francisco, California

Mr. Robert E. Mayer  
Vice President  
States Line  
320 California Street  
San Francisco, California 94104

DRAFT

MEMORANDUM FOR: SECRETARY KISSINGER  
FROM: THE PRESIDENT

Bob Mayer, the writer of the attached photostat, is a close personal friend.

You will note his observation and suggestion to sea power and his suggestion for a Presidential Commission on this subject. Accompanying is a copy of my response to him, and I would appreciate your having the NSC review this.

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December 3, 1974

The Honorable Gerald R. Ford  
President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

The purpose of this letter is to respectfully suggest that your office give consideration to the appointment of a Presidential Commission on Sea Power. My views on the subject, which I have held for over two years, are shared by many whose opinions and qualifications I respect, including high ranking military officials and others.

Because of the lack of a unified public view on the subject, there exists in the Congress today a wide divergence of opinion on the importance of Sea Power to America and on the size and makeup of the United States Navy.

The Cuban missile confrontation in 1962, in which Russia backed down because of superior U. S. nuclear weaponry and Sea Power, led the Soviets to the conclusion that never again would they be confronted with such a preponderance of power. Being a totalitarian state, free of the requirement to debate defense expenditures, that determination gave them strategic nuclear parity in a few years and more recently (in the view of some) a Sea Power superior to the United States, who held the lead in both of these areas since World War II.

In contrast, our Congress in the past four years has reduced our defense budgets by two billion, three billion, five billion and three and one half billion, respectively.

In relinquishing his command on June 30, 1974, the retiring Chief of Naval Operations told an audience which included yourself, then serving as Vice President, that the United States has lost its supremacy at sea. He added that, "... our Navy has reached a point where the odds are it can no longer guarantee free use of the ocean lifelines to U. S. and allied forces in the face of a new, powerful and still-growing Soviet fleet."

Continued. . . .

## STATES LINE

Hon. Gerald R. Ford

- 2 -

December 3, 1974

While not taking such a definitive stand on the question, our new Chief of Naval Operations, Admiral James L. Holloway, in a Washington, D. C. Navy League address on September 10, 1974, said, "I must conclude that we might be hard pressed to keep the sealanes open between the United States and Europe in a potential western European conflict."

It is essential to the welfare of the United States that we attain national unity of thought on the question of Sea Power for America.

In the words of a prominent U. S. publication, "Only if the American people and Congress become convinced that the danger is real will they do what is necessary to prevent the Soviets from displacing the U. S. as the world's No. 1 military power." The authors of this letter are of the view that our Sea Power must at least equal that of Russia, and that such an equality is equally important now that debate has been reached with the world's other leading power. Peace can be maintained only through strength.

We believe that only the Chief Executive can take the steps necessary to accomplish conceptual unity in this area, and that this can best be accomplished by your creating a Presidential Sea Power Commission, made up of such broad representation as to produce an expression of the consensus of leadership in all pertinent areas of our society today.

Whatever the tenor of that Commission's report to you, the people and the Congress would have the benefit of the closest thing possible to an enlightened, authoritative public policy on the subject. If the report convinces the people and the Congress that we should attain a Sea Power equal to the Soviet Russia, then we can set about it immediately, and we believe there is no time to spare. If the report convinces our nation that there is another way to go, then we can go down such a road with that national unity of purpose as essential to success.

I am fully aware that your people may be far ahead of me on this subject and that this communication may be somewhat superfluous. If so, please charge it simply to my desire to be of help.

Respectfully submitted,

STATES STEAMSHIP COMPANY



Robert E. Mayer  
Vice President

xiv Introduction

Such research developments have been essential for the comprehension of the contemporary Presidency. A further aspect of the Presidency, however, has seriously been ignored—the area of Presidential policy intelligence capabilities. Up to now, the many excellent studies of the Presidency have rarely explored in detail the functioning of Presidential policy processes, the substitutions within the Presidency, the formal and informal networks of advisers and support staffs which can facilitate or inhibit responsive Presidential policy leadership. There are obvious reasons why this has been the case. It is always difficult to analyze systematically an intangible such as personality and the way it affects or obscures essential policy outputs. It is even more difficult to trace and discuss the genesis of political and policy invention. Often, too, even the materials for such a study are unavailable. And, of course, it is only recently—within the last three administrations—that we have witnessed the burgeoning of specialists, advisers, task forces, commissions, and White House conferences, whose role it is to gather intelligence, organize it into coherent, manageable form, analyze it, and then try to translate it into recommendations for action programs for the President or his Cabinet.

Every President has had his entourage of formal and informal advisers, but the recent geometric increase in the number and functions of these advisers has been remarkable. Speaking of the 1964 effort to fashion Great Society programs, Stephen K. Bailey went so far as to suggest that:

Within a few weeks' time the President and White House staff organized the largest, most detailed, and most highly differentiated *ad hoc* mobilization of expertise in our country's history.<sup>2</sup>

Presidential contact with the universities, foundations, and other nongovernmental research institutions has received some considerable praise. Journalist Theodore White has observed that, "Never have ideas been sought more hungrily or tested against reality more quickly."<sup>3</sup> Political scientist Aaron Wildavsky substantially concurred when he asserted that:

In foreign affairs we may be approaching the stage where knowledge is power. There is a tremendous receptivity to good ideas in Washington. Most anyone who can present a convincing rationale for dealing with a hard world finds a ready audience. . . . The man who can build better foreign policies will find Presidents beating a path to his door.<sup>4</sup>

Emphasis," *Daedalus*, Summer, 1968, pp. 938-968 and James D. Barber, "Classifying and Predicting Presidential Styles: Two 'Weak' Presidents," *Journal of Social Issues*, vol. 24, July, 1968.

<sup>2</sup> Stephen K. Bailey, "A White House-Academia Dialogue" in Bertram M. Gross, ed., *A Great Society?*, New York, Basic Books, 1968. p. xii.

<sup>3</sup> Theodore H. White, "The Action Intellectuals," *Life*, June 9, 1967, p. 44.

<sup>4</sup> Aaron Wildavsky, "The Two Presidencies," *Transaction*, December, 1966, p. 14.

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Copies of past issues  
pages from  
"The Presidential  
Advisory System"  
1969 - Cronin & Mackay