

sources criticized the Interim Final Rule for not giving redevelopment authorities sufficient control over redevelopment and disposal planning. Their comments focused on the timing for the screening of property with federal agencies and homeless assistance providers and the need for coordination between applicants for property and redevelopment authorities.

RESPONSE: As part of DoD's response to the public comments, the Department worked with other federal agencies to assist the Congress in enacting the Base Closure Community Redevelopment and Homeless Assistance Act of 1994. This law (Pub. L. 103-421) significantly altered the screening process. The changes stemming from this legislation will be implemented in a publication by the Departments of Defense and Housing and Urban Development.

Local Redevelopment Planning

The public comments regarding the local redevelopment plan section of the Interim Final Rule were primarily editorial, reflecting concern that this section of the regulation was unclear.

RESPONSE: DoD responded to those comments by clarifying the process in the section on economic development conveyances. DoD also published the "Community Guide to Base Reuse," an Office of Economic Adjustment booklet that contains an overview of the reuse planning process. To obtain a copy, contact the Office of Economic Adjustment, 400 Army Navy Drive, Suite 200, Arlington, VA 22202-2884; (703) 604-6131; email: base_reuse@acq.osd.mil.

Leasing of Real Property

The public comments concerning the Interim Final Rule on the leasing of real property focused primarily on five areas:

- *Clarify the term of interim leases.*

RESPONSE: The Department responded to these concerns by specifying that a lease may be for up to five years, including options to renew, when it is entered into prior to completion of final disposal decisions under the National Environmental Policy Act (NEPA) process. DoD also specified that the term of a lease entered into after completion of the final disposal decisions under the NEPA process (a lease in furtherance of conveyance) may be longer than five years. In addition, the Military Departments have historically included a termination-at-will clause in lease documents that would allow the Military Department to terminate the lease if the property was ever needed for

military purposes. This practice is no longer required.

- *Reconcile differing leasing practices* among the Military Departments. Comments in this area expressed the concern that the differing practices led to inconsistent and unequal treatment. Examples of inconsistencies cited included the lack of standard procedures, differing termination provisions, and inconsistent policies on obtaining insurance for the property.

RESPONSE: The Department of Defense responded to these concerns by developing a uniform policy for the Military Departments to follow. Thus, the DoD Base Reuse Implementation Manual, intended primarily for Service implementors, includes a sample lease application package, and a sample review checklist. Model lease provisions, which will generally be used by the Military Departments, are also included in this manual. DoD believes that these improvements will foster a more consistent approach and quicker response to lease applicants.

- *Clarify the consideration required for interim leases.*

RESPONSE: In response to the comments about consideration, DoD reiterated in the rule that property could be leased for less than fair market value if the Secretary of the Military Department determines that a public interest is served as a result of the lease and the fair market value of the lease is either unobtainable or not compatible with the public benefit that would be served.

- *Clarify the policy on subleasing.*

RESPONSE: DoD revised the rule to specify that if the property is leased for less than fair market value and the lease permits the property to be sublet, the rents from the subleases must be applied to the protection, maintenance, repair, improvement, and costs related to the property.

- *Improve the leasing process,* shortening the time it takes to conclude a lease agreement. Comments in this area suggested that DoD should expedite its environmental review process, establish deadlines for the Military Departments to respond to leasing requests, and delegate authority to grant interim leases to relatively low levels of authority within the Departments.

RESPONSE: DoD is convinced that all of the improvements mentioned above will improve and accelerate the leasing process. Additionally, DoD will continue to seek other ways to improve the process. For example, DoD continues to review its environmental review procedures to hasten that process while ensuring compliance with all pertinent laws and regulations. Also,

DoD has created a tri-Service team to identify additional opportunities for improvement of the leasing process. In the meantime, the Military Departments will be encouraged to delegate leasing authority to the level that can best respond to local needs and still ensure compliance with statutory and regulatory requirements.

Personal Property

The public comments concerning the personal property section of the Interim Final Rule concentrated on six areas. Procedures for trading emission reduction credits are not addressed in this rule. A discussion on this subject is contained in the DoD Base Reuse Implementation Manual.

- *Provide the LRA with a complete inventory.* From the comments, DoD recognized that providing the redevelopment authority with an incomplete inventory list left the impression that the Military Departments were trying to hide property from the community.

RESPONSE: To counter that impression and promote trust and confidence between the Military Departments and Local Redevelopment Authorities, DoD revised the rule to require the Military Departments to provide a complete inventory list to the redevelopment authority.

- *Deadlines.* DoD recognized from the comments that the strict deadlines for removing equipment could leave the communities with the impression that Military Departments would be insensitive to the special needs of the community.

RESPONSE: DoD revised the rule to require the Military Departments to consult with the redevelopment authority before establishing deadlines for removing equipment from the closing base.

- *Redistribution.* Comments in this area criticized DoD for giving the Military Departments and the federal government priority for the personal property over the Local Redevelopment Authority, especially for those items that were not uniquely military. These submissions contended that if the communities needed the personal property for redevelopment purposes, they should have priority for it, since the Department's base closures created the need for redevelopment.

On the other hand, others contended that the Military Departments' authority to redistribute property had been unduly restricted. They asked that the Military Departments be given top priority for non-military items needed at another installation.