



# **The Report of the Department of Defense on Base Realignment and Closure**

April 1998

Required by Section 2824 of the National Defense Authorization  
Act for Fiscal Year 1998, Public Law 105-85



THE SECRETARY OF DEFENSE  
WASHINGTON, DC 20301

## SECRETARY'S MESSAGE ON BRAC

The Quadrennial Defense Review established three key elements of our defense strategy. The U.S. military must *shape* the international security environment day-to-day, *respond* to crises across the full spectrum of operations, and *prepare now* to meet future threats. This is the right strategy, but it is not free. It requires continuous investment in the people, weapons systems, and technology that will ensure our battlefield dominance today and in the future.

To finance these investments within a level of defense spending that is likely to remain constant, DoD needs to change the way it does business. The Defense Reform Initiative set out the agenda for that revolution: reengineer business processes, consolidate organizations, compete commercial activities, and eliminate excess infrastructure. Central to this effort are two additional rounds of base realignment and closure (BRAC) beginning in 2001. Without the billions of dollars in annual savings we are now reaping from past base closures, our forces would be unable to carry out their mission today. We must have two more BRAC rounds if tomorrow's forces are to be able to carry out their mission.

There are five key points I would like to highlight about the attached report, which documents the need for BRAC legislation to be enacted this year:

**Excess base structure.** Even after four previous rounds of BRAC, we still have more infrastructure than we need to support our forces. In 1989, for example, the Army had almost 15 million square feet of classroom space in its training command serving about 350,000 students, staff, and faculty. By 2003, the Army will have reduced the personnel at these bases by 43 percent, but it will have reduced its classroom space by just 7 percent. Overall, the report estimates that the Department's excess infrastructure is of a magnitude sufficient to justify two additional rounds of base closure.

**Real savings.** Operating and maintaining facilities that we do not need for either today's or tomorrow's military wastes resources better spent on modernization and readiness. The past four rounds of BRAC already are generating substantial savings—\$3.7 billion in the 1999 budget, \$25 billion through 2003, and \$5.6 billion each and every year thereafter. Additional rounds of BRAC in 2001 and 2005 will yield \$21 billion in the years 2008-2015, the period covered by the QDR, and \$3 billion every year thereafter.

**Sound strategy.** BRAC is critical to the success of our defense strategy. Without BRAC, we will not have the resources needed to maintain high readiness and buy the next generation of equipment needed to ensure our dominance in future conflicts. In addition, failure to recapitalize the systems in the field today would put at risk our ability to sustain our force structure. Because



it takes a decade or longer to develop weapon systems, which will remain in the force for decades, the decisions we make today will determine the quality of our military well into the 21<sup>st</sup> century.

To put the value of BRAC in perspective, two new rounds of base closure would yield about \$20 billion in savings by 2015. What is the value of \$20 billion? In the Air Force, \$20 billion would buy about 450 Joint Strike Fighter aircraft (two-thirds of the Air Force's total JSF procurement planned through 2015). In the Navy, \$20 billion would buy both of the CVX next-generation aircraft carriers and 12 of the 32 new surface combatants planned for procurement by 2015. In the Army, \$20 billion would cover the entire procurement in this period of two systems needed to create a digitized force: the Comanche helicopter and the Crusader artillery system. Finally, in the Marine Corps, \$20 billion would provide for almost all of the Joint Strike Fighters planned for procurement during this period and all of the Advanced Amphibious Assault Vehicles.

**Economic growth and development.** As a former mayor and senator who represented a city and state that had bases closed, I am well aware of the concerns that base closure can create. But since the last time Congress voted to give DoD BRAC authority, the Administration and Congress together developed a number of initiatives to assist communities in economic development. These measures include new property disposal mechanisms to promote job creation, larger planning grants for communities, and greater assistance for worker retraining and economic development. The effects of our efforts are clear. Already, across the country 45,000 new jobs have been created. At bases closed for at least two years, more than 75 percent of civilian jobs have already been replaced. Success stories are emerging from Charleston, South Carolina, to Merced County, California—from Alexandria, Louisiana, to Portsmouth, New Hampshire. More jobs and more successes are being created every day.

**An urgent imperative.** Some have argued that the time for BRAC is not yet right, that we should wait yet another year. I do not agree. There will never be a "right time" to take up base closures. But now is when we must plan for defense in the 21<sup>st</sup> century. Over the next three years, the Department will make important decisions regarding the procurement of many systems critical to our future military capabilities, including: the F-22 fighter, the Joint Air-to-Surface Stand-off Munition, the Crusader field artillery system, the Joint Strike Fighter, the Comanche helicopter, and the Advanced Amphibious Assault Vehicle. Without the certainty of BRAC today, we will have to adjust our plans for modernization, force structure, and quality of life.

Closing bases is hard. But BRAC is a fair, open, and orderly process. No better approach has been found to reduce DoD's excess base structure. Moreover, the alternatives to base closure, I believe, are worse. More than any other initiative we can take today, BRAC will shape the quality and strength of the forces protecting America in the 21<sup>st</sup> century.

William J. 



**CHAIRMAN OF THE JOINT CHIEFS OF STAFF**

**WASHINGTON, D.C. 20318-9999**

**CM-153-98**

**31 March 1998**

**MEMORANDUM FOR THE SECRETARY OF DEFENSE**

**Subject: Report to Congress on Base Realignment and Closure**

1. The Joint Chiefs of Staff are of the unanimous view that additional base closures are a necessity if we are to transform the Armed Forces to achieve Joint Vision 2010 and to implement the QDR strategy.

2. We must convey both the need and the urgency for two additional base closure rounds to Congress and the report performs that task very well. Transforming our forces to those most capable of achieving dominance across the range of military operations requires a stable commitment of resources. Additional base closures in concert with those already completed will provide additional resources necessary to successfully implement the transformation strategy.

3. Further base closures are necessary to posture our force to best meet future challenges. These closures will bring our infrastructure closer in line with force structure and will allow us to capitalize on improved efficiencies and capabilities. I strongly support additional base closures. Without them we will not leave our successors the warfighting dominance of today's force.

  
HENRY H. SHELTON  
Chairman  
of the Joint Chiefs of Staff



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HENRY H. SHELTON  
Chairman  
of the Joint Chiefs of Staff

# Executive Summary

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## BACKGROUND

### Why This Report?

The Department of Defense (DoD) is providing this report to explain how the new legal authorities for base realignment and closure requested in conjunction with the Department's Defense Reform Initiative and the fiscal year 1999 budget will

- ◆ cut waste,
- ◆ generate savings for readiness and modernization, and
- ◆ adapt the base structure to the dynamic security challenges of the 21st Century.

DoD is also providing this report in response to Section 2824 of the National Defense Authorization Act for Fiscal Year 1998. Section 2824 requires DoD to report to the Congress the cost and savings from previously approved domestic military base closures and realignments, certain information related to its proposal for additional closures and realignments, and other information related to installations.

### Why New BRAC Rounds?

The need for additional BRAC rounds is clear and compelling. Even after DoD completes implementation of the four prior BRAC rounds in 2001, the Department will still have more bases than are needed to support our nation's military forces. Retaining and operating a static base structure that is larger than necessary has broad consequences for the Department. These consequences fall into two categories:

- ◆ *Strategic.* New BRAC rounds are integral to our defense strategy. Future BRAC rounds will provide funding for readiness, modernization, and quality of life and ensure that our base structure facilitates, rather than impedes, the transformation of our military as it prepares to meet the threats of the next century.
- ◆ *Financial.* DoD wastes money operating and maintaining bases that are not essential to national defense. BRAC will also help eliminate the additional excess capacity created as DoD reengineers business practices and consolidates organizations.

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## Why Now?

It is important for the Congress to enact BRAC legislation this year. For every year that DoD delays the start of a new BRAC process, the Department delays the realization of billions of dollars in needed savings. The Department does not believe that there are benefits associated with taking a pause from the first four rounds of BRAC before the consideration of new BRAC authority. The closures and realignments authorized by the prior BRAC rounds will be complete by 2001. Moreover, Congressional approval of BRAC rounds in 2001 and 2005 is of critical importance to our planning efforts *today*. This year, DoD is already developing budget plans through 2005. With new BRAC authority, the Department will be able to plan better for a smaller, but better supported base structure, a more robust modernization program, and continued high levels of readiness.

## ELIMINATING EXCESS CAPACITY IS INTEGRAL TO DoD'S TRANSFORMATION STRATEGY

### BRAC Savings Will Support the Revolution in Military Affairs

BRAC savings will contribute to the success of the Revolution in Military Affairs. The reason is straightforward. Joint Vision 2010, the Quadrennial Defense Review, and the National Defense Panel's report outline the need for a sweeping transformation of our forces. That transformation is enabled principally by rapid advances in communications and other technologies, improved operational concepts, and streamlined support functions. The billions of dollars in savings resulting from new BRAC rounds are required to implement these strategic changes and ensure the ongoing superiority of U.S. fighting forces. Additional BRAC rounds will also permit the Department to align its base structure to support the military's changing mission requirements and support operations. The QDR and the National Defense Panel's report support the need for additional base closures.

### Prior BRAC Rounds Had a Positive Effect on Military Capabilities

The Department expects future BRAC rounds, like the prior BRAC rounds, to benefit military capabilities. *The Joint Staff assessed the previous BRAC rounds and concluded that they had an overall positive effect on military capabilities and the ability to fulfill the national military strategy.* The assessment also highlighted the important role that future BRAC rounds play in DoD's strategy. It states: *"While past BRAC rounds had a net positive effect upon military capabilities—additional base closures will assist DoD in meeting the Shape, Respond, and Prepare Now aspects of the National Military Strategy."*

## BRAC Is Essential for the Revolution in Business Affairs

BRAC is also essential for the success of the Department's Revolution in Business Affairs. Concurrent with changing force support requirements is a massive change in the way many support functions are being provided in the business world, changes that DoD must incorporate into its business practices. Collectively, these reforms have the potential to reduce installation requirements substantially. With congressional authorization for additional BRAC rounds, the Department can tailor the base structure to match streamlined business practices and generate needed savings through defense reform.

## EXCESS BASE CAPACITY WARRANTS NEW BRAC ROUNDS

### DoD Has More Bases than It Needs

The QDR, the DRI, and the National Defense Panel report all concluded that even after implementation of the prior BRAC rounds is complete, the base structure will be larger than required by the QDR force structure and strategy. The finding that DoD has excess bases is not new. In 1995, Secretary of Defense William Perry, Chairman of the Joint Chiefs of Staff General John Shalikashvili, and the independent Defense Base Closure and Realignment Commission all recommended additional closures and realignments beyond those already approved.

### Analysis Finds 23 Percent Excess Base Capacity

The need for more base closures and realignments is amply supported by analyses of changes in force structure and infrastructure. For this report, DoD conducted an analysis of capacity by type of base for each Military Department and the Defense Logistics Agency (see Table ES-1). The method gathered data on three dozen categories of installations across all the Military Services to determine the extent to which reductions in base structure since 1989 have kept pace with reductions in the force and its supporting services. The analysis focused on 259 bases that the Military Departments identified as major installations for determining capacity in these categories.<sup>1</sup> Through this analysis, DoD estimates that it has about 23 percent excess base capacity.

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<sup>1</sup> The 259 major installations are distributed among the Armed Forces as follows: 74 for the Army; 103 for the Navy and Marine Corps; 76 for the Air Force; and 6 for the Defense Logistics Agency.

*Table ES-1. Results of Excess Capacity Analysis*

Armed Force	Change in Capacity Relative to Force Structure Since 1989 (as a percentage of 2003 capacity)
Army	20–28
Navy	21–22
Air Force	20–24
DLA	35
All DoD	23

## TWO NEW BRAC ROUNDS WILL SAVE \$3 BILLION PER YEAR

Two new BRAC rounds, each roughly the size of BRAC 93 or BRAC 95, will generate annual savings of about \$3 billion after they are fully implemented. If the Congress does not provide new BRAC authorities, the Department will have to make painful adjustments to its plans for executing the defense strategy over the next 20 years. In the absence of new BRAC authority, the Department would need to decide whether to postpone needed modernization, delay quality of life programs, or reduce force structure.

## PRIOR BRAC PROCESSES ARE A GOOD MODEL FOR FUTURE BRAC ROUNDS

The BRAC process is a proven, effective tool to make difficult decisions that impact both national security and local communities. The current authorizing statute (The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended), provides an excellent basis for future adjustments to the DoD base structure. Therefore, the Department proposes that BRAC rounds in 2001 and 2005 use essentially the same procedures that were used in the 1995 BRAC round. The BRAC process offers the Department, the Congress, and local communities affected by realignments and closures substantial advantages over alternative approaches.

## ACTUAL BRAC COSTS REFLECT BUDGET ESTIMATES

Actual one-time implementation costs for the prior BRAC rounds are close to or less than DoD's initial budget estimates. For BRAC 88 and BRAC 93, actual DoD-wide costs from 1990 through 1997 are substantially less than DoD's original budget estimates. For BRAC 91 and BRAC 95, actual costs are essentially

equal to initial estimates. Planned spending has varied, however, on a year-by-year basis.

## BRAC Overstates Costs for Environmental Restoration

The BRAC process causes the Department to incur environmental restoration costs at some bases sooner than might otherwise have been the case, but does not always impose significant *new* environmental costs. Because a closure generates updated and more inclusive statements of environmental restoration requirements, some incorrectly assume that the restoration costs are necessarily a direct result of the closure. Acceleration of costs often results from the BRAC decision, and acceleration, while increasing near-term costs, might actually reduce overall cleanup costs. (For example, acceleration might prevent contamination from spreading, and thereby reduce cleanup costs and fines.)

## One-Time Costs Indirectly Associated with BRAC Are Also Relatively Small

Some have questioned whether DoD minimizes its BRAC costs by ignoring costs that BRAC might impose on other government programs, such as those administered by DoD's Office of Economic Adjustment, the Department of Labor, Department of Commerce, and the Federal Aviation Administration, and those for unemployment compensation, early retirement, separation incentives, and military health care. The Department found that the costs for these programs are relatively small in comparison to other BRAC costs. The costs (and savings) associated with changes in military health care are included in the Department's BRAC budget estimates. However, the lack of available data prevents the Department from separating these health care costs from other BRAC costs in many instances.

## BRACs 88–95 ARE SAVING BILLIONS

The four prior BRAC rounds, taken in aggregate, are saving DoD billions of dollars annually. DoD's estimates indicate that 1998 is a landmark year for the BRAC process. This year, the cumulative savings of the four prior BRAC rounds will completely offset the cumulative costs to date. DoD estimates that net cumulative savings will total about \$14 billion through 2001, and projects annual savings of \$5.6 billion in 2002 and each year thereafter. This dramatic level of savings will permit the Department to increase spending on the modernization and transformation of our forces, while sustaining high levels of readiness and quality of life.

By their very nature, estimates of savings are subject to some uncertainty. The Department reallocates expected BRAC savings through numerous decisions made as part of the normal process of planning, programming, and budgeting. No audit trail, single document, or budget account exists for tracking the end use of

each dollar saved through BRAC. The Department is committed to improving its estimates of costs and savings in future BRAC rounds.

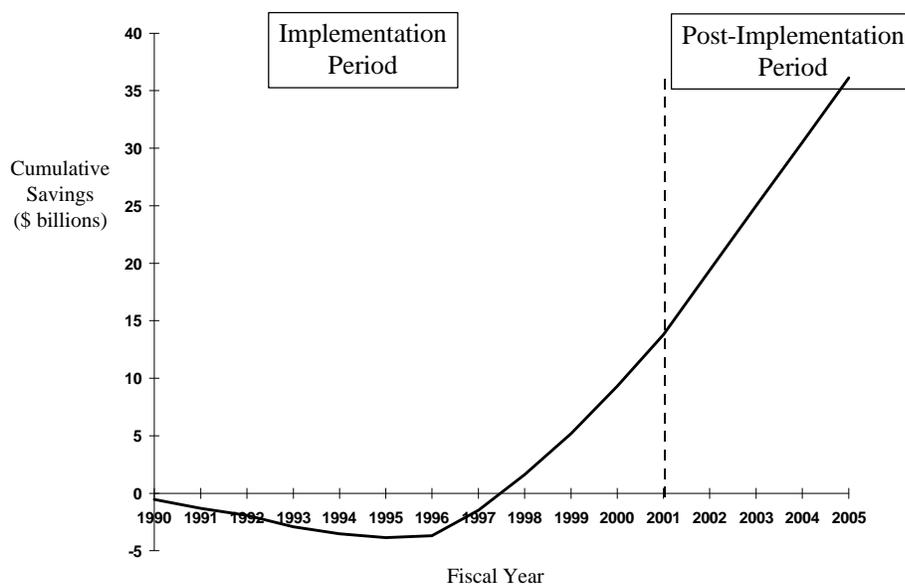
## Confirmation of DoD's BRAC Savings Estimates

DoD conducted a new analysis to validate its estimate of \$5.6 billion in recurring annual savings. The new analysis validates this general level of savings and suggests that savings may actually be greater.

The Department of Defense Inspector General (DoDIG) also audited BRAC 93 and BRAC 95 costs and savings. For BRAC 93, the DoDIG found that savings were 29 percent greater than DoD estimated over the six-year implementation period. The DoDIG found that for BRAC 95, audited savings were within 1 percent of DoD estimates.

This report's finding of substantial BRAC savings is generally consistent with those of the General Accounting Office and the Congressional Budget Office, which both confirmed that BRAC savings are substantial, but subject to some uncertainty. Figure ES-1 illustrates cumulative net savings from the first four BRAC rounds.

*Figure ES-1. Cumulative BRAC Savings, 1990 to 2005*



## DoD WORKS TO HELP BRAC COMMUNITIES

DoD has a strong track record of helping communities affected by BRAC. In many cases, communities affected by BRAC have a stronger, more diverse economic base than they did before BRAC. The Department recognizes that the BRAC process is difficult for the communities that have intimate ties with our

installations. The Department would not undertake such a disruptive process if the stakes were not so high in meeting national security objectives within finite resources.



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# Chapter 1

## Introduction

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### *Highlights—Why New BRAC Rounds?*

- ◆ DoD has substantial excess capacity in its base infrastructure.
- ◆ Excess capacity wastes resources.
- ◆ DoD needs these resources to sustain high readiness and robust modernization.
- ◆ Dynamic security challenges require changes in our base structure.
- ◆ DoD must prepare now to adjust the base structure.

## WHY THIS REPORT?

The Department of Defense (DoD) is providing this report to explain how the new legal authorities for base realignment and closure requested in conjunction with the Department's Defense Reform Initiative and the fiscal year 1999 budget will

- ◆ cut waste
- ◆ generate savings needed to sustain readiness and accelerate modernization
- ◆ adapt the base structure to the dynamic security challenges of the 21st Century.

DoD is also providing this report in response to Section 2824 of the National Defense Authorization Act for Fiscal Year 1998. Section 2824 requires DoD to report to the Congress the cost and savings from previously approved domestic military base closures and realignments, certain information related to its proposal for additional closures and realignments, and other information related to installations. The text of Section 2824 is reproduced in Appendix A.

## PRIOR BRAC ROUNDS

Since just before the end of the Cold War, the Congress provided DoD with the authority to conduct four base realignment and closure (BRAC) rounds: in 1988,

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1991, 1993, and 1995. The Congress approved these authorities in large part because of the limitations of DoD's standing authority to close and realign bases. That authority (10 U.S.C. 2687) effectively prevents the Department from taking the actions needed to adjust the base structure with the military's changing size and composition. (Appendix B discusses the history of the prior base closure rounds.)

In the 1988 round, an independent commission selected bases for closure and realignment, which were subsequently reviewed and approved by the Secretary of Defense and the Congress. In the 1991, 1993, and 1995 rounds, DoD developed recommendations, an independent commission reviewed the DoD recommendations and submitted its final recommendations for approval by the President and the Congress. In all four rounds, the President and the Congress approved the Commission's recommendations. DoD will complete implementation of the 97 approved major closures and hundreds of smaller closures and realignments by 2001.

## WHY NEW BRAC ROUNDS?

The need for additional BRAC rounds is clear and compelling. Even after DoD completes implementation of the four prior BRAC rounds, the Department will still have more bases than are needed to support our nation's military forces. Retaining and operating a static base structure that is larger than necessary has broad consequences for the Department. These consequences fall into two categories:

- ◆ *Strategic.* New BRAC rounds are of fundamental importance to our defense strategy. Without new BRAC rounds, DoD will not be able to implement the strategy outlined in the Quadrennial Defense Review. In the absence of BRAC, DoD will have to decide whether to reduce force structure, delay the introduction of more modern weapons for our troops, or reduce funding for quality of life.
- ◆ *Financial.* The resources DoD needs to increase procurement spending and transform our forces must come from efficiencies achieved within the Department. The Department's Defense Reform Initiative report provides a blueprint for incorporating profound changes in business practices that are the foundation for the efficiencies the Department must achieve. Future BRAC rounds will enable the Department to generate savings by eliminating existing excess capacity and use those resources to maintain readiness and modernize our forces. BRAC will also help eliminate the *additional* excess capacity created as DoD reengineers business practices and consolidates organizations.

For these reasons, in February 1998, DoD submitted to Congress draft legislation to authorize two additional BRAC rounds, one in 2001 and one in 2005. DoD's proposed legislation is reproduced in Appendix C.

## WHY NOW?

It is important for the Congress to enact BRAC legislation this year. DoD has excess base capacity today. For every year that we delay the start of a new BRAC process, we not only delay the realization of billions of dollars in savings that we need to ensure readiness and fund the required modernization and transformation of our forces, but we also delay the changes in our infrastructure that will turn the Revolution in Military Affairs and the Revolution in Business Affairs to our strategic advantage.

The Department does not believe that there are benefits associated with a “BRAC pause.” DoD has completed three-quarters of the major closures from the prior BRAC rounds and will close the rest by 2001. The Department recognizes that the BRAC process is difficult for the communities that have intimate ties with our installations. The Department would not undertake this process if the stakes were not so high in meeting national security objectives within finite resources.

Congressional approval of BRAC rounds in 2001 and 2005 is of critical importance to our planning efforts *today*. This year, DoD is already developing budget plans through 2005. With new BRAC authority, the Department will plan for a

### ***What Is BRAC?***

From the end of Vietnam until the late 1980s, congressional concern about the potential loss of jobs in local communities resulted in very few bases being studied or recommended for closure or realignment. These circumstances prevented DoD from adapting its base structure to significant changes in forces, technologies, organizational structures, and military doctrine. The end of the Cold War—and the associated reductions in the size of the military—increased the number of installations that were candidates for closure and realignment.

To address this problem, Congress created the BRAC process, which works as follows: DoD carefully evaluates and ranks each base according to a published plan for the size of future military forces and to published criteria, adopted through a rule-making process prior to each round, starting with the 1991 round. The criteria have been the same for each round and have included military value, return on investment, environmental impact, and economic impact on the surrounding communities. The Secretary of Defense then recommends to an independent BRAC Commission bases for closure and realignment. The Commission, aided by the General Accounting Office, performs a parallel, public review of these recommendations to ensure that they are, indeed, consistent with the Department’s force structure plan and selection criteria. It then submits its recommendations to the President. The President and the Congress must either accept these recommendations in total or reject the entire package.

Through its attributes of transparency, auditability, and independence, the BRAC process has permitted both the Congress and the President to support important but politically painful adjustments in DoD’s base structure, changes that have made the nation’s military more effective and efficient.

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smaller, but better supported base structure, a more robust modernization program, and continued high levels of readiness. Today's plans have decisive effects on our forces tomorrow. As the National Defense Panel stated,

It is important to begin the transformation process now, since decisions made in the short term will influence the shape of the military over the long term. The Defense Department should accord the highest priority to executing a transformation strategy. Taking the wrong transformation course (or failing to transform) opens the nation to both strategic and technological surprise.<sup>1</sup>

In sum, the case for congressional authorization this year for BRAC rounds in 2001 and 2005 is clear and compelling. More BRAC rounds are in the best interest of our Armed Forces and national defense.

## REPORT ORGANIZATION

This report is organized as follows:

- ◆ Chapter 2 describes the important role that future BRAC rounds play in DoD's defense transformation strategy.
- ◆ Chapter 3 demonstrates that DoD has enough excess base capacity to warrant two additional BRAC rounds.
- ◆ Chapter 4 explains that two new BRAC rounds will generate about \$3 billion in annual recurring savings.
- ◆ Chapter 5 explains that DoD would use essentially the same process in future BRAC rounds as it did in the previous rounds.
- ◆ Chapter 6 concludes that the actual costs of the prior BRAC rounds are fully consistent with budget estimates provided to the Congress.
- ◆ Chapter 7 validates savings from the prior BRAC rounds and finds that long-term savings are probably even greater than current DoD estimates.
- ◆ Chapter 8 discusses how DoD helps communities affected by base closures.

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<sup>1</sup> National Defense Panel, *Transforming Defense: National Security in the 21st Century*, Washington, DC: National Defense Panel, December 1997, p. iv.

## Chapter 2

# Eliminating Excess Capacity Is Required to Implement DoD's Military Strategy

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### *Highlights—DoD's Military Strategy*

- ◆ DoD forces must undergo a radical, sustained transformation in order to modernize and leverage technology to meet changing threats.
- ◆ Additional BRAC rounds are an integral part of the Department's defense strategy. They will eliminate waste and enable DoD to ensure readiness and accelerate modernization. Without new BRAC authorities, DoD will not be able to implement the strategy outlined in the QDR.

## BRAC IS AN INTEGRAL PART OF THE DEPARTMENT'S TRANSFORMATION STRATEGY

Additional BRAC rounds are an integral part of DoD's defense strategy. Base closures and realignments are often viewed simply as a response to one variable, the reduction in force size. But BRAC actions are critical to ensure that the Department is able to maintain its force structure, provide the troops with the best weapons available, and support a high quality of life.

## BRAC IS CRITICAL TO THE TRANSFORMATION OF U.S. FORCES

BRAC savings will contribute to the success of the Revolution in Military Affairs. The reason is straightforward. Joint Vision 2010, the QDR, and the National Defense Panel's report outline the need for a sweeping transformation of our forces. That transformation is enabled principally by rapid advances in communications and other technologies, improved operational concepts, and streamlined support functions. The billions of dollars in savings resulting from new BRAC rounds are required to implement these strategic changes and ensure the ongoing superiority of U.S. fighting forces.

Additional BRAC rounds will also permit the Department to align its base structure to support the military's changing mission requirements and support opera-

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tions. The QDR and the National Defense Panel's report both support the need for additional base closures. Eliminating excess infrastructure and consolidating functions will permit DoD to maintain core capabilities and will facilitate the transformation to a military force most capable of meeting the challenges of tomorrow.

As Chairman of the Joint Chiefs of Staff Henry H. Shelton wrote in his February 1998 *Posture Statement*,

Realizing the true potential of the Revolution in Military Affairs must therefore be accompanied by a corresponding Revolution in Business Affairs within the Department of Defense. We know that significant savings can be achieved by streamlining our business practices and realigning defense activities. I urge the Congress to support the Secretary's QDR recommendations in this vital area, particularly his calls for additional base closures to eliminate unneeded facilities and installations.<sup>1</sup>

Joint Vision 2010 highlights four operational concepts that will transform our military:

- ◆ Dominant maneuver—the multidimensional application of information, engagement, and mobility capabilities to position and employ widely dispersed joint air, land, sea, and space forces to accomplish the assigned operational tasks
- ◆ Precision engagement—a system of systems that enables our forces to locate the objective or target, provide responsive command and control, generate the desired effect, assess our level of success, and retain the flexibility to reengage with precision when required
- ◆ Full-dimensional protection—the control of the battle space to ensure our forces can maintain freedom of action during deployment, maneuver, and engagement, while providing multilayered defenses for our forces and facilities at all levels
- ◆ Focused logistics—the fusion of information, logistics, and transportation technologies to provide rapid crisis response, to track and shift assets even while en route, and to deliver logistics tailored packages and sustainment directly at the strategic, operational, and tactical levels of operations

Together, these concepts describe military forces that are fast and lean. They will dominate the battlefield with new capabilities made possible through advances in information technologies, decisive speed to outpace and outmaneuver the enemy, and precision weapons.

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<sup>1</sup> Posture Statement by General Henry H. Shelton, Chairman of the Joint Chiefs of Staff, before the 105th Congress, Senate Armed Services Committee, United States Senate, February 3, 1998, pp. 30–31.

The QDR analyzed the threats, risks, and opportunities for U.S. national security. From that analysis, and building upon the President's National Security Strategy and Joint Vision 2010, the Department developed an overarching defense strategy to "deal with the world today and tomorrow, identify required military capabilities, and define the programs and policies needed to support them."<sup>2</sup> Our strategy is to:

- ◆ *shape* the strategic environment to advance U.S. interests
- ◆ maintain the capability to *respond* to the full spectrum of threats
- ◆ *prepare* now for the threats and dangers of tomorrow and beyond

This strategy responds to the significant security challenges that the United States will face in the coming years. These challenges include:

- ◆ a variety of regional dangers
- ◆ the flow of sensitive information and spread of advanced technologies that could be used by hostile forces
- ◆ a variety of transnational dangers, such as terrorism and international organized crime
- ◆ external threats to the U.S. homeland
- ◆ "wild card" scenarios that could seriously challenge U.S. interests, such as the unanticipated emergence of new technological threats, the loss of U.S. access to critical facilities and lines of communication in key regions, and the takeover of friendly regimes by hostile parties

The QDR defined a path that balances the need to maintain high levels of readiness in the near term with the need to transform our military radically to prepare for the future. DoD is now beginning to implement this strategy, anchoring its implementation in the fundamentals of military power today and in the future: quality people; ready forces; and superior organization, doctrine, and technology.

Many of the National Defense Panel's recommendations reinforce the courses of action set forth in Joint Vision 2010 and the QDR. The Department strongly endorses the Panel's key recommendation, namely, that the changing security environment and rapid advances in information technologies require the accelerated transformation of our military capabilities.

Implementing the Department's military strategy requires substantial investment. BRAC savings are an important source of the needed investment funds. In addi-

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<sup>2</sup> QDR, p. iv.

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tion, additional BRAC authorities themselves will contribute to the Department's strategy. For example:

- ◆ Joint Vision 2010's concept of focused logistics may enable greater flexibility and agility in the formulation of future infrastructure plans. Joint Vision 2010 describes forces that will benefit from mission specific support and that will deploy with a highly tailored, right-sized logistics footprint. Adopting best practices and reengineering critical support functions will enhance DoD's ability to explore innovative basing and logistics options. The availability of future BRAC authority would enable the Department to eliminate any excess infrastructure identified by those parallel processes.
- ◆ Joint Vision 2010, the QDR, and the National Defense Panel all place an increased emphasis on joint Service operations. The NDP explicitly noted the connection between joint Service operations and the Department's infrastructure requirements. The NDP found that increasing the joint Service use of some installations would create even more excess capacity than exists today. Restructuring opportunities would permit us to operate more efficiently by eliminating the excess capacity created through increasing joint Service use of some installations.

Changes in strategy, technology, and operational doctrine require changes in base structure. For example, changes in the strategic early warning system used to guard the United States against attack from the air clearly affected installation requirements. Improvements in technology permitted DoD to reduce the number of search radar sites from 240 in 1958 to 96 in 1961 under the SAGE (semiautomatic ground environment) system. Subsequently, this mission was reengineered and sites were consolidated and then integrated with Federal Aviation Administration facilities to produce 39 joint surveillance sites.

The Revolution in Military Affairs is certain to have important implications for the Department's requirement for installations. Future BRAC rounds would help ensure the success of the Revolution in Military Affairs not only by freeing billions of dollars for readiness and modernization, but also by enabling the base structure to meet the changing operational needs of our fighting forces.

Consider, for example, the interplay in our air forces among operational needs, readiness, and BRAC. In order to meet the QDR force structure goal of four air defense squadrons in the Guard, the Air Force needs to convert two air defense squadrons to F-16 general purpose squadrons. In addition, the Air Force seeks to increase general purpose squadrons to 15 primary assigned aircraft. F-16s are not available unless the Air Force takes down an active wing of F-16s and provides the aircraft to the Guard. Also, the Air Force is considering consolidation of like aircraft at fewer bases, a recommendation also set forth by the General Accounting Office. Consolidations have the potential to lower the cost of overhead, particularly for support staff, lower inventory spares requirements, which would

improve mission capable rates, and allow the Air Force to reduce staffs and return pilots to cockpits, thereby reducing some of the current pilot shortage. These changes require the Air Force to realign and/or close bases.

## PRIOR BRAC ROUNDS HAD A POSITIVE EFFECT ON MILITARY CAPABILITIES

The Department expects future BRAC rounds, like the prior BRAC rounds, to benefit military capabilities. The Joint Staff assessed the previous BRAC rounds and concluded that they had an overall positive effect on military capabilities and the ability to fulfill the national military strategy:

- ◆ Qualitative evidence demonstrates that consolidation and regionalization activities, which resulted from BRAC efforts, have benefited DoD. These positive benefits are manifested through the elimination of redundancies, enhanced interoperability, increased information sharing, and reduction in deteriorated infrastructure.
- ◆ Reductions in infrastructure have improved the U.S. forces' ability to adapt to a dynamic international security environment. Infrastructure reductions allowed the Services to eliminate excess base structure and assisted the Services in their efforts to consolidate base support activities. Resources, which prior to BRAC would have been used for unneeded infrastructure, are now available to support other critical requirements.
- ◆ Input from the commanders in chief of the unified and specified commands substantiate the fact that base closures have had a net overall positive impact upon the Armed Forces' ability to meet the national military strategy.
- ◆ Since 1990, the Armed Forces have successfully responded to more than 220 smaller-scale contingencies. During this scope of operations, no BRAC-induced military capability deficiencies have arisen.

The assessment also highlighted the important role that future BRAC rounds play in DoD's strategy:

While past BRAC rounds had a net positive effect upon military capabilities—additional base closures will assist DoD in meeting the *Shape, Respond, and Prepare Now* aspects of the National Military Strategy.

The entire Joint Staff assessment is provided as Appendix D.

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## BRAC IS ESSENTIAL FOR THE REVOLUTION IN BUSINESS AFFAIRS

The QDR strategy calls for DoD to support its forces with a Department that is as lean, agile, and focused as our warfighters. The Defense Reform Initiative will ignite a Revolution in Business Affairs that will bring to DoD management techniques and business practices that have restored American corporations to leadership in the marketplace. To carry out the Department's defense strategy for the 21st Century, DoD must achieve fundamental reform in how it conducts business.

The DRI report emphasizes four major thrusts for the future:

- ◆ *Reengineer* by adopting the best private-sector business practices in defense support activities
- ◆ *Consolidate* organizations to remove redundancy and move program management out of headquarters and back to the field
- ◆ *Compete* many more functions now being performed in-house, which will improve quality, cut costs, and make the Department more responsive
- ◆ *Eliminate* excess infrastructure.

Eliminating excess capacity through new BRAC rounds is a key element of the DRI. As Chapter 3 of this report demonstrates, DoD is encumbered with facilities that it no longer needs. These facilities drain resources that could otherwise be spent on modernization, readiness, and quality of life. To this end, the Department developed a three-pronged strategy to eliminate excess infrastructure: close excess infrastructure, consolidate or restructure the operation of support activities, and demolish old buildings. Additional base closures and realignments are an integral part of DoD's reform plans.

Further, some DRI actions may increase the amount of excess base capacity above current levels. The following are examples of the likely facility impacts from reengineered business practices:

- ◆ By reengineering business processes to expand use of the IMPAC purchase card, establish electronic catalogs, and increase prime vendor contracts, the Department plans to reduce the value of retail-level (i.e., base-level) inventories by almost 30 percent, from \$14 billion in FY96 to \$10 billion in FY01. That reduction in inventory will create excess capacity in warehouses and distribution systems. BRAC will allow the Department to eliminate that excess and to maximize its financial return on these reengineering initiatives.

- ◆ The DRI report calls for substantial permanent reductions in the staffing of
  - Defense Agencies (21 percent over the next five years)
  - DoD field activities and other operating organizations reporting to OSD (36 percent over the next two years)
  - all other headquarters elements, including the headquarters of the Military Departments and their major commands (10 percent by the end of 2003)

These staffing reductions will permit DoD to reduce its installation requirements because the Department will not need to maintain facilities for the positions that it has eliminated. Moreover, reductions of this magnitude may also affect the requirement for related support facilities. Personnel reductions, when combined with other management initiatives, will almost certainly generate excess facilities at military bases. This excess, when aggregated, could create consolidation and closure opportunities that the Department can implement efficiently only through future BRAC rounds.

In sum, congressional authorization of more BRAC rounds is a key component of the Department's plans for defense reform. Collectively, these reforms have the potential to reduce installation requirements substantially. With congressional authorization for additional BRAC rounds, the Department can tailor the base structure to match streamlined business practices, generate additional savings through defense reform, and realize the full benefit of the Department's reform efforts. Without congressional authorization for more BRAC rounds, many defense reform efforts will fail to achieve their full potential, and DoD will miss opportunities to channel potential savings to higher priorities.

## SUMMARY

BRAC is an integral part of the Department's defense strategy. Congressional approval of new BRAC authorities will enhance DoD's ability to carry out the military strategy outlined in the QDR. In the absence of future BRAC rounds, DoD could fail to fully support the operational concepts that are central to the Revolution in Military Affairs and fail to make the best of the opportunities created by the Revolution in Business Affairs.



## Chapter 3

# Excess Base Capacity Warrants New BRAC Authority

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### *Highlights—Excess Base Capacity*

- ◆ DoD has enough excess base capacity to warrant authorization of new BRAC authority.
- ◆ Excess capacity varies by Military Department and by the type of installation that each Military Department operates.
- ◆ Streamlined support processes are likely to generate even more excess capacity in the future.

## DoD HAS MORE BASES THAN IT NEEDS

Without two additional BRAC rounds, the Department will continue to have more bases than it needs to implement the QDR strategy and to support its future military forces. Even after implementation of the prior BRAC rounds is complete, the base structure will be larger than the force structure requires.

Three key assessments of our military's future that have been conducted over the past year have all found that DoD has significantly more bases than can be justified by mission needs. In May 1997, the Department's Quadrennial Defense Review concluded that the Department had enough excess base capacity to justify two new BRAC rounds. In November of that year, building on the QDR, the Department's Defense Reform Initiative report reached the same conclusion. Finally, in December 1997, the Congressionally chartered National Defense Panel validated the current need for more base closures and realignments, and went further to conclude that increasing joint Service use of some installations will result in the identification of even more over-capacity.

The conclusion that DoD needs additional base closures is not new. Indeed, even when the Department was presenting its 1995 BRAC recommendations, then-Secretary of Defense William Perry told the Base Closure Commission that barring changes in strategic circumstances, "there is no doubt in my mind that the

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Department will need future base closure rounds.”<sup>1</sup> Then-Chairman of the Joint Chiefs of Staff General John Shalikashvili agreed with Secretary Perry on the need for additional base closing authority in the future.<sup>2</sup> After completing its independent review of the Department’s base structure, the 1995 Base Closure Commission also concurred with these assessments, stating that “the Commission recommends that the Congress authorize another Base Closure Commission for the year 2001 similar to the 1991, 1993, and 1995 Commissions.”<sup>3</sup>

The need for more base closures and realignments is amply supported by analyses of changes in force structure and infrastructure. At the start of deliberations for prior BRAC rounds, DoD compared reductions in U.S.-based forces with reductions in the U.S. base structure.<sup>4</sup> The goal was to determine whether reductions in the U.S. base structure since the end of the Cold War have kept pace with reductions in U.S.-based forces. DoD used the results of these analyses to determine, in broad terms, the size and composition of its excess base capacity.

DoD conducted a similar analysis of excess base capacity for this report. Appendix E provides a detailed explanation of the methodology. The major findings are presented below.

By itself, this type of analysis is not appropriate for selecting individual bases for realignment or closure. To select these bases, the Department would need to use detailed base-by-base analyses that address the myriad factors considered in the BRAC process. These factors include the military value of different installations (which is accorded the highest priority), operational factors, environmental and other local considerations, and distribution of excess capacity among existing installations, to name a few.

## DoD HAS ENOUGH EXCESS CAPACITY TO WARRANT TWO NEW BRAC ROUNDS

### Methodology

The capacity analysis DoD conducted for this study clearly indicates that the Department has enough excess capacity for two new BRAC rounds. The base capacity analysis examined different categories of bases. The analysis focused on 259

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<sup>1</sup> Statement of the Honorable William J. Perry, Secretary of Defense, Before the Defense Base Closure and Realignment Commission, March 1, 1995, p. 6.

<sup>2</sup> Statement of General John Shalikashvili, Chairman of the Joint Chiefs of Staff, Before the Defense Base Closure and Realignment Commission, March 1, 1995, p. 14.

<sup>3</sup> Defense Base Closure and Realignment Commission, *1995 Report to the President*, July 1, 1995, p. 3-2.

<sup>4</sup> For the purpose of this report, *U.S. base structure* refers to the bases in the United States and its possessions, which is the definition used in the prior BRAC rounds.

bases that the Military Departments identified as major installations for determining capacity in these categories.<sup>5</sup>

For each base category, DoD defined a metric or a family of metrics. Each metric is a ratio of an indicator of capacity (maneuver base acres, facility square feet, etc.) with a relevant measure of U.S.-based force structure (maneuver brigades, personnel spaces assigned, etc.) in 1989.

For some installation types, this analysis examined more than one indicator of capacity. In these cases, DoD established an upper and lower estimate of excess capacity, based on the different indicator values.

Next, DoD estimated future capacity needs by multiplying the 1989 metric value by the post-QDR force structure measure for 2003. In essence, the result of the multiplication is the amount of capacity required for future force structure, keeping constant the ratio of capacity to force structure that existed in 1989. Finally, DoD estimated the increase in excess capacity by subtracting this estimate of capacity requirements from the amount of capacity that will exist after BRAC 95.

This analysis uses 1989 as a benchmark and measures the increase in excess capacity that will occur by 2003. The analysis assumes that then-current facilities were adequate to support missions. In fact, because the overwhelming majority of closures and realignments from the previous BRAC rounds were implemented after 1989, many categories of bases clearly had excess capacity in that year.

The results indicate that the amount of excess capacity is sufficiently large to justify authorization of new BRAC rounds. The method's results, however, cannot predict the exact number of potential closures or realignments in each category of installation, since it does not compare base capacity with absolute *requirements* for that capacity. Nor, as noted previously, does it assess particular characteristics of specific bases, which are critical to any specific decision. For example, this analysis assigned each base to only one installation category. In fact, most bases support more than one mission category. As a consequence, all categories of installations would be considered in subsequent BRAC rounds.

## Results by Installation Type

The results of the analysis of excess base capacity are displayed by installation type for each Military Service and the Defense Logistics Agency in Tables 3-1 through 3-4.

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<sup>5</sup> The 259 major installations are distributed among the Armed Forces as follows: 74 for the Army; 103 for the Navy and Marine Corps; 76 for the Air Force; and 6 for the Defense Logistics Agency.

*Table 3-1. Results of Excess Capacity Analysis for the Army*

Installation category	Change in Capacity Relative to Force Structure Since 1989 (as a percentage of 2003 capacity)
Maneuver	2–14
Major Training, Active	22
Major Training, Reserve	1
Depots	no increase
Administration	no increase–19
Industrial	38
Schools	38–39
Test & Evaluation and Labs	39–62
Army Total	20–28

*Table 3-2. Results of Excess Capacity Analysis for the Department of the Navy*

Installation category	Change in Capacity Relative to Force Structure Since 1989 (as a percentage of 2003 capacity)
Bases	
Navy	34
Marine Corps <sup>a</sup>	16–29
Air Stations <sup>b</sup>	13
Ordnance Stations	16–26
Training	23–53
Training Air Stations	21
Supply Installations	44
Aviation Depots <sup>b</sup>	no increase
Shipyards <sup>b</sup>	6
USMC Logistics Bases	no increase
Test & Evaluation and Labs	18
Construction Battalion Centers	no increase
Navy Inventory Control Points	48
Administrative Activities	15
Navy and Marine Corps Total	21–22

<sup>a</sup> In this category, the Marine Corps acquired additional acreage since 1989 to address documented shortfalls, thereby improving support for operational and training area requirements. This measure therefore overstates actual excess capacity.

<sup>b</sup> Because the method used to identify excess capacity uses a 1989 baseline as its benchmark, it does not account for the excess capacity that already existed in these categories in that year.

Table 3-3. Results of Excess Capacity Analysis for the Air Force

Installation category	Change in Capacity Relative to Force Structure Since 1989 (as a percentage of 2003 capacity)
Administration	21
Air Force Reserve <sup>a</sup>	69
Air National Guard	no increase
Depots	no increase
Education and Training	no increase–28
Missiles and Large Aircraft	17–18
Small Aircraft	28–42
Space Operations	no increase
Product Centers, Labs, and Test and Evaluation	24–38
Air Force Total	20–24

<sup>a</sup> The Air Force Reserve Command (AFRC) metric measures apron area at the bases in this category and Total Aircraft Inventory within the command. The increase in AFRC apron area is the result of the realignment of March, Grissom and Homestead AFBs from active duty bases to AFRC installations.

Table 3-4. Results of Excess Capacity Analysis for the Defense Logistics Agency

Installation category	Change in Capacity Relative to Force Structure Since 1989 (as a percentage of 2003 capacity)
Distribution Depots	38
Supply Centers	29
DLA Total	35

## Results for All DoD

DoD developed an estimate of excess capacity for all DoD by weighting the estimates of excess capacity by Armed Force by the number of bases for each Armed Force. Through this analysis, DoD estimates that it has about 23 percent excess base capacity.

## SUMMARY

DoD will continue to have excess base capacity after implementing all approved BRAC actions from the prior rounds and the force structure reductions from the QDR. An analysis of the Department’s enduring bases and future forces suggests

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that the amount of excess base capacity today is sufficient to justify two new BRAC rounds similar in size to BRAC 93 and BRAC 95.

## Chapter 4

# New BRAC Rounds Will Save Billions

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### *Highlights—Savings from New BRAC Rounds*

- ◆ New BRAC rounds will eliminate waste.
- ◆ DoD needs BRAC savings to maintain readiness and increase modernization.
- ◆ Two new BRAC rounds will produce additional savings of about \$3 billion a year after implementation.
- ◆ BRAC savings complement other savings from reengineering, consolidations, and competition. Without anticipated BRAC savings, DoD will be unable to fulfill the QDR's strategy for force structure, modernization, and quality of life.

## NEW BRAC ROUNDS WILL ELIMINATE WASTE

New BRAC rounds will enable DoD to save resources now being spent to operate bases that are no longer required for our nation's defense. However, the cost of operating excess bases is not simply financial. It also diverts the attention of our military leaders (more senior commanders must spend time managing bases rather than forces) and dilutes their ability to focus on priority missions and core competencies. The Department also wastes money when it is forced to operate inefficiently because it is prevented from undertaking realignments that would improve efficiency and reduce costs.

BRAC rounds are a proven way to eliminate wasteful spending. The Department cannot eliminate waste in the base structure effectively unless the Congress provides the authority for new BRAC rounds.

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## NEW BRAC ROUNDS ARE NEEDED TO MAINTAIN READINESS AND FUND A ROBUST MODERNIZATION PROGRAM

The Department needs the billions of dollars of recurring annual savings that new BRAC rounds will create to maintain readiness and ensure a robust modernization program in the coming years.

BRAC savings will help the Department maintain the readiness of U.S. forces, a key element of the Department's defense strategy. Ready forces provide the flexibility needed to shape the global environment, to deter potential foes, and, if required, to rapidly respond to a broad spectrum of threats. Readiness is inextricably linked to the quality of our military personnel. To attract and retain the personnel of the highest caliber, DoD must provide sufficient resources in key quality of life areas. Without additional rounds of BRAC, DoD will divert funds from other priorities to sustain readiness. Conversely, savings from future BRAC rounds will help ensure adequate funding for readiness and quality of life programs.

BRAC savings will also ensure a robust modernization program. Joint Vision 2010, the QDR, and the National Defense Panel report emphasize the importance of modernizing equipment and transforming our forces to prepare for the uncertain threats of the next century by retaining superior military capabilities and by exploiting emerging technologies. For example, the QDR states:

Today, the Department is witnessing a gradual aging of the overall force. Many weapons systems and platforms that were purchased in the 1970s and 1980s will reach the end of their useful service lives over the next decade or so. It is essential that the Department increase procurement spending now so that we can ensure tomorrow's forces are every bit as modern and capable as today's. Sustained, adequate spending on the modernization of the U.S. forces will be essential to ensuring that tomorrow's forces continue to dominate across the full spectrum of military operations.<sup>1</sup>

Looking beyond equipment replacement to foreseeable military threats, the National Defense Panel stressed the importance of new technologies and equipment responding to a changing security environment.

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<sup>1</sup> William S. Cohen, Secretary of Defense, *Report of the Quadrennial Defense Review*, Washington, DC: Department of Defense, May 1997, p. 14.

The Panel recommended that:

the military services will have to tap into rapidly advancing technologies to develop new military systems that can be applied within the framework of new operational concepts executed by new kinds of military organizations.<sup>2</sup>

The Panel also noted that the transformation strategy that it advocates will take a “willingness to put money, resources, and structure behind a process to foster change.”<sup>3</sup> In sum, implementing the Department’s strategy will require additional funding for modernization.

New BRAC rounds are critical to increasing modernization funding in the next decade. The Department believes that the fiscal environment in the coming years will continue to support total DoD spending at roughly its current level, adjusted for inflation. Under these circumstances, the Department will have to create savings and efficiencies within its operations to achieve and sustain the planned increases in procurement.

The DRI report provides a comprehensive blueprint for achieving these savings and efficiencies. The DRI report states that success depends to a significant extent upon eliminating excess capacity through more BRAC rounds.

## TWO NEW BRAC ROUNDS WILL SAVE \$3 BILLION PER YEAR

Two new BRAC rounds will save the Department about \$3 billion a year after implementation.<sup>4</sup> This estimate is based on the level of costs and savings of BRAC 93 and BRAC 95.<sup>5</sup> (Appendix F contains a detailed description of how these savings were estimated.) The National Defense Panel found that an increased emphasis on joint Service basing initiatives offered the potential for even greater long-term BRAC savings.

Of course, future BRAC rounds will not pay for themselves immediately. They will generate some up-front costs—for military construction at receiving installa-

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<sup>2</sup> National Defense Panel, *Transforming Defense: National Security in the 21st Century*, Washington, DC: National Defense Panel, December 1997, p. 57.

<sup>3</sup> *Transforming Defense: National Security in the 21st Century*, p. 57.

<sup>4</sup> It is important to note that only additional BRAC rounds can create additional BRAC savings. DoD has already incorporated the savings from the prior BRAC rounds into its long-term spending plans. After each prior BRAC round’s recommendations became final, the Department identified estimated net BRAC savings in its long-term spending plans. The Department used those savings to reduce out-year budget levels in the accounts affected and to fund as much of the Department’s continuing requirements as possible.

<sup>5</sup> The analysis in Appendix F concludes that savings from two rounds roughly equal in size to BRAC 93 and BRAC 95 will ultimately save \$3.4 billion a year.

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tions, moving costs, severance pay, and the like—in the first few years of each round’s six-year implementation period. The current Future Years Defense Plan includes \$0.8 billion in FY02 and \$1.4 billion in FY03 to pay for the initial implementation costs for new BRAC rounds. These net costs are a necessary investment in our military’s future and will be more than offset by savings in the implementation period.

## WITHOUT NEW BRAC ROUNDS, DoD’S PROGRAM OF INTERNAL EFFICIENCIES WILL BE HAMSTRUNG

Without the authority to close and realign bases effectively, DoD will have to adjust its spending plans to accommodate the loss of anticipated BRAC savings. The Department can either reduce planned spending, attempt to wring greater efficiencies elsewhere, or a combination of the two.

Given the DRI’s aggressive efforts to create efficiencies, it is likely that the Department would have to absorb most of the shortfall by reducing planned spending. In light of this, the absence of new BRAC authority would likely force the Department to decide whether to postpone needed modernization, delay quality of life programs, or reduce force structure, and therefore would diminish DoD’s ability to carry out its transformation strategy. None of these are acceptable alternatives.

### SUMMARY

Savings from future BRAC rounds are a critical element of plans to provide adequate funding for the modernization and transformation of our forces and to sustain high levels of readiness well into the next century. Experience suggests that after implementation, two new BRAC rounds will generate annual savings of about \$3 billion. If the Congress does not provide new BRAC authorities, the Department will have to make painful adjustments to its spending plans to accommodate the loss of anticipated BRAC savings.

## Chapter 5

# Prior BRAC Processes Are a Good Model for Future BRAC Rounds

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### *Highlights—Proposed Process*

- ◆ BRAC rounds in 2001 and 2005 would use essentially the same procedures used in the prior BRAC rounds.
- ◆ DoD proposes to delay the start of each round by two months to provide more time for the incoming Administration and Congress to prepare.
- ◆ The BRAC process is superior to alternative approaches to managing the size and composition of the base structure.

## FUTURE BRAC PROCEDURES WOULD BE SIMILAR TO THOSE USED IN PRIOR ROUNDS

The BRAC process has proven to be the best tool to make difficult decisions that impact both national security and local communities. The current authorizing statute (The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended), provides an excellent basis for future adjustments to the DoD base structure. Therefore, the Department proposes that BRAC rounds in 2001 and 2005 use essentially the same procedures that were used in the 1995 BRAC round. The draft legislation that the Administration provided to the Congress in February 1998 included detailed procedures for carrying out future BRAC rounds (see Appendix C).

Experience implementing the prior BRAC rounds suggests that two new rounds, four years apart, will facilitate the quality of DoD's judgments about what to recommend to the BRAC Commission and the orderliness with which the Department can implement the actions the Commission, the President, and the Congress approve. Besides facilitating the formulation and implementation of BRAC recommendations, the four-year separation of time between two new rounds will give each of the two Presidential administrations that succeed the current one its own purview over the closures and realignments it will implement.

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One of the most important aspects of the prior BRAC processes was the development of methodologies to assess the base structure and to develop recommendations for closure and realignment. In developing the BRAC authorities, Congress provided mechanisms to ensure that the process would be fair, objective, and open. The Department's internal procedures also required BRAC assessments to be fair, objective, and fully auditable.<sup>1</sup>

The prior BRAC processes required the Secretaries of the Military Departments and Directors of the Defense Agencies to

- ◆ develop recommendations based exclusively upon a published force structure plan and final selection criteria,
- ◆ consider all military installations inside the United States equally,
- ◆ analyze their base structure using like categories of bases,
- ◆ use objective measures for the selection criteria wherever possible, and
- ◆ allow for the exercise of military judgment in selecting bases for closure and realignment.

DoD believes that, in general, these methodologies worked extremely well. The Department plans to use similar criteria and methodologies in future BRAC rounds. Appendix G discusses details of the Department's proposed procedures.

The Department proposes one key change in the procedures for future BRAC rounds: delaying the start of the process by two months.<sup>2</sup> A two-month delay would benefit both the Administration and the Congress. January 2001 and 2005 mark the beginning of new Presidential administrations and new Congresses. Timing of events required by the prior BRAC laws would require a variety of important BRAC decisions just days or weeks after the new administration assumed office and the new session of Congress began. Delaying the process by about two months would give the new Administration and the new Congress more time to prepare for the BRAC process.

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<sup>1</sup> DoD's BRAC assessments were open to scrutiny after it forwarded its recommendations to the Commission.

<sup>2</sup> The Department proposes that the President nominate commissioners in March, instead of January; that the Department issue its recommendations in May, instead of March; and that the Commission transmit its final recommendations in September, instead of July.

## THE BRAC PROCESS IS SUPERIOR TO ALTERNATIVE APPROACHES

The BRAC process is superior to alternative methods of managing the size and composition of the Department's base structure. The principal alternative to BRAC is realigning and closing bases under Section 2687 of Title 10 of the United States Code.<sup>3</sup> The BRAC process offers the Department and the Congress substantial advantages over Section 2687.

In particular, the BRAC process ensures a consistent, fair, and equal treatment of all military installations:

- ◆ Data are certified to be accurate and complete.
- ◆ The Congress and the public are offered the opportunity to comment upon the criteria through which bases are selected for closure and realignment.
- ◆ Basing requirements are tied to a published force structure plan.
- ◆ Public hearings and fully independent reviews by the General Accounting Office, the Defense Base Closure and Realignment Commission, and the Congress are integral parts of the BRAC process.

Of course, in the absence of new BRAC authorities, DoD could develop closure and realignment recommendations on the basis of certified data, published criteria, and a common force structure plan. However, such recommendations would lack the strong independent review and validation provided under BRAC authorities.

In addition, closure and realignment decisions under the BRAC authority enjoy an exemption from the National Environmental Protection Act (NEPA), thus avoiding a lengthy and disruptive study period and the likelihood of litigation by potentially impacted parties. The reuse of a former base, however, is subject to the NEPA, as is the implementation of a relocation recommendation. DoD believes that this is both appropriate and useful.

Beyond the analysis and selection processes, the current BRAC authority includes special provisions for property disposal and base reuse that are of great benefit to the affected local communities. This program of community-friendly legal authorities applies only to government properties made surplus by BRAC actions.

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<sup>3</sup> Section 2687 applies to the closure of bases at which at least 300 civilian personnel are authorized to be employed and to any realignment involving a reduction of 1,000 civilian personnel authorizations, or of more than 50 percent of the civilian authorizations at such bases.

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In contrast, Section 2687 does not offer the same advantages as the BRAC process and has many drawbacks. To close and realign bases under Section 2687, the Department must notify Congress as part of its request for authorization of appropriations and must provide the Congress an evaluation of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of proposed closures and realignments. One of the most important drawbacks is the requirement to complete a full environmental study under the NEPA *before* a closure or realignment decision is made and sent to Congress. While such studies are under way, usually for a period of 12 to 18 months, litigation and other obstacles are likely to arise that will effectively derail all realignment and closure proposals. Finally, even if all the Section 2687 reports can be provided without disabling litigation, the individual actions can still be thwarted by withholding the appropriation of funds to execute a closure or realignment.

The limitations of Section 2687 are well recognized. Indeed, Congress authorized the BRAC 88, 91, 93, and 95 rounds in large part because it recognized that Section 2687 alone effectively prohibits the Department from making needed changes in its base structure.

The Department can take some actions to reduce base capacity outside of the BRAC process and Section 2687, and is planning to do so. For example, by 2003, DoD plans to demolish some 8,000 buildings, totaling 50 million square feet, that are no longer needed. DoD also plans to improve management and operations by undertaking reorganizations and consolidations that do not require BRAC actions or Congressional notification under Section 2687. However, since the threshold that triggers the 2687 reporting process is very low, i.e., closures of installations with 300 or more civilian personnel and realignments impacting 50 percent (or 1,000 civilian personnel), very few closures or realignments could be pursued outside the 2687 process.

New authority to pursue BRAC rounds would permit DoD to undertake realignments that would make important contributions to the Revolution in Military Affairs and the Revolution in Business Affairs. Improving military operations and business practices frequently requires consolidating or relocating functions. In the absence of new BRAC rounds, the impractical 2687 process would severely constrain the Department's ability to undertake needed realignments.

For the above reasons, the Department believes that new BRAC rounds are not only essential to advancing DoD priorities, but are also the best mechanism for protecting and balancing community needs and interests. While alternatives to BRAC exist, such as Section 2687, they are less advantageous for DoD, Congress, and local communities.

## SUMMARY

For future BRAC rounds, DoD proposes to use virtually the same procedures used in previous rounds to develop selection criteria, apply analytical methodologies, recommend bases for realignment and closure, and provide for independent reviews. After considering the alternatives, the Department continues to believe that BRAC authorities provide a proven and superior method for managing the size and composition of the base structure.



## Chapter 6

# Actual Costs of Earlier BRAC Rounds Reflect Budget Estimates

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### *Highlights—Costs of Earlier Rounds*

- ◆ To date, the *total* one-time costs of implementing BRAC actions are less than or roughly equal to the initial budget estimates.
- ◆ Spending for individual fiscal years and revenue from land sales have varied from initial budget plans. These variations do not materially affect long-term savings.
- ◆ Overall one-time costs of implementing the prior BRAC rounds are consistent with recent budget estimates that DoD has provided to the Congress.
- ◆ Costs funded outside of the BRAC accounts represent a small percentage of BRAC costs. These costs are generally not additive to other federal programs. They also produce a number of benefits for individuals and communities.

## INTRODUCTION

Section 2824 requires that the Department provide Congress with detailed data on BRAC costs, to the extent information is available, displayed by BRAC round, Military Service, type of installation, and fiscal year, for the following categories:

- ◆ Operation and maintenance
- ◆ Military construction
- ◆ Environmental restoration
- ◆ Economic assistance
- ◆ Unemployment compensation
- ◆ Health care.

This chapter addresses these costs to the extent information is available. Detailed tables that display these costs and compare them to previous submissions to the

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Congress and the Base Closure Commission are contained in separate volumes of this report. The lack of available information prevented DoD from developing comprehensive costs for health care.

Because the subject of BRAC costs is complex, this chapter begins with an overview that discusses

- ◆ what constitutes a BRAC cost,
- ◆ the time period during which BRAC costs are incurred, and
- ◆ the role that costs play in selecting bases for closure and realignment.

After the overview, this chapter explains why estimates of BRAC costs change over time and why *actual* costs match recent budget estimates. It then discusses environmental restoration costs. The final section of this chapter discusses costs indirectly related to BRAC, such as economic assistance costs. These costs, a small percentage of total costs, are conceptually different from BRAC implementation costs themselves and produce a number of significant benefits.

## OVERVIEW OF BRAC IMPLEMENTATION COSTS

### Definition of BRAC Implementation Costs

BRAC implementation costs consist of the one-time expenses associated with the overall base closure and realignment effort. The key characteristics of such costs are that they are directly related to implementing a BRAC action, i.e., they would not be incurred except for the BRAC action. These costs represent the near-term investment required to generate long-term BRAC savings. The Department currently estimates that implementing the four prior BRAC rounds will cost about \$23 billion from 1988 through 2001.

Two separate budget accounts have been established for BRAC implementation costs. The DoD Base Closure Account provides funding to implement BRAC 88 actions; the DoD Base Closure Account 1990 provides funding to implement BRAC 91, 93, and 95 actions. Both accounts are part of DoD's overall budget for military construction, though they pay for many BRAC-related activities in addition to construction, such as relocating personnel and equipment and performing environmental remediation. The BRAC budget accounts include the following categories of spending:

- ◆ *Military Construction.* Most BRAC actions require the relocation of some functions from a closing or realigning base to a gaining base or bases. In some cases, the gaining installations must construct some new facilities or alter existing ones to accommodate the influx of personnel and equipment

from the closing or realigning installation. The BRAC accounts pay for this construction and alteration.

- ◆ *Family Housing.* Similarly, gaining installations may construct new family housing units to accommodate the personnel that they receive as a result of a closure or realignment. The construction of new housing units is a one-time cost.
- ◆ *Operation and Maintenance.* The BRAC accounts pay for a variety of operation and maintenance costs. These include severance pay for civilian workers, moving costs for civilians who relocate, transportation of equipment, some real property maintenance, and program management. BRAC accounts pay for caretaker costs, but not facility-related operation and maintenance activities prior to closure and the establishment of the caretaker regime.
- ◆ *Military Personnel, Permanent Change of Station.* The BRAC accounts pay for moving military personnel and their dependents from closing and realigning bases to other installations. They also pay for travel, subsistence, and related costs for temporary duty assignments for these military personnel.
- ◆ *Environmental Restoration.* The BRAC accounts fund environmental restoration.

## Time Period for Incurring BRAC Implementation Costs

The law requires the Department to complete implementation of each BRAC action within six years of the date on which the President transmitted to the Congress the report that approved the action. The Department begins to implement each BRAC round, and therefore begins to incur the one-time implementation costs in the fiscal year immediately following approval of the round, and continues to incur costs, until the end of the six-year period. For example, DoD will incur costs for BRAC 95 from FY96 to FY01.

The pattern of spending for BRAC costs over the six-year period varies by BRAC round. For BRAC 93, for example, the Department incurred most of the costs early in the period. More than 70 percent of the one-time implementation costs were funded in the first three years. For BRAC 95, DoD expects costs to be spread more evenly over the six-year period, with about 50 percent of costs funded in the first three years and 50 percent funded in the last three years.

## The Role of Costs in Selecting Bases for Closure or Realignment

The criteria used in the BRAC process focused on individual closure and realignment options, not on the entire package of options. They gave priority considera-

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tion to the military value of closure and realignment alternatives. However, the criteria also required DoD and the Base Closure Commission to consider, among other factors, the cost of implementing BRAC actions and the potential savings.

While each BRAC action must stand on its own against alternative ways to reduce excess base capacity, DoD also had to consider the aggregated implementation costs. Each BRAC round had to be affordable in the short term as well as cost-effective over the long run. In 1995, for example, considerations of the affordability of the entire package limited its size.

DoD and the Base Closure Commission used the Cost of Base Realignment Actions (COBRA) computer model to ensure the consistent treatment of costs and savings as they developed individual recommendations. Once BRAC decisions were approved, DoD refined the COBRA estimates to develop budget plans for implementing approved BRAC actions.<sup>1</sup>

The treatment of environmental costs is one of the most important differences between the COBRA model and the Department's budget estimates. Budget estimates include environmental costs because the Department must budget funds to clean up BRAC installations. The COBRA model excluded environmental restoration costs because, in general, these costs would be incurred whether or not an installation is impacted by BRAC, and because inclusion of environmental restoration costs in the BRAC analysis might result in an installation being retained because of high cleanup costs—a perverse incentive. Therefore, DoD's policy was to exclude environmental restoration costs as a consideration in the Department's development of closure and realignment recommendations, and consequently environmental restoration costs were not treated in the COBRA model.

## COST ESTIMATES CHANGE OVER TIME

Every year since 1990, the Department has provided the Congress with justification books that contain budget estimates for BRAC costs and savings. These justification books cover the full implementation period for each BRAC round. DoD submits separate budget justification books for each BRAC round for each Military Department and affected Defense Agency.

DoD updates its estimates of BRAC implementation costs annually. The estimates change over time as implementation proceeds. Part of the variation can be ex-

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<sup>1</sup> Section 2824 requires this report to compare, to the extent information is available, the estimates of costs and savings that DoD submitted to the Base Closure Commission with actual savings by Armed Service, BRAC round, fiscal year, type of spending category, and installation type. Information was not available to develop a complete comparison because many of the COBRA analyses that would be required no longer exist. DoD reached this conclusion after searching records in the Office of the Secretary of Defense, the Armed Services, the Center for Naval Analyses, the General Accounting Office, and the Base Closure Commission's archives at the Washington National Records Center's warehouses.

plained by the very nature of the budgeting process. BRAC budgets were projected for six-year periods. Over that time, circumstances change, and DoD adjusts budgets accordingly.

Increased experience in closures and changes in statutes and policies related to property disposal, which were enacted to benefit local communities, were also important sources of differences between initial and subsequent BRAC cost estimates. Before 1993, DoD sought to sell surplus land at BRAC bases at fair market value. DoD planned to use revenues from land sales to partially offset BRAC costs. Accordingly, initial budget estimates for BRAC 88 and 91 assumed DoD would receive a total of \$4.1 billion in revenue from land sales at BRAC bases. These expectations of the value of proceeds from land sales proved unrealistic.

Furthermore, in 1993, the Clinton Administration and Congress changed property disposal and base reuse policies to offer flexible terms in transferring surplus land to BRAC communities via economic development conveyances to speed economic redevelopment and job creation.

Experience and these policy and statutory changes meant that projections for revenues from land sales had to be reduced. DoD adjusted its BRAC budget estimates to reflect the new system for property disposal. DoD now projects that land sales from all four rounds will produce revenue of about \$0.1 billion.<sup>2</sup>

The Congressional Budget Office, the General Accounting Office, and others have all noted that BRAC cost estimates have changed over the years.<sup>3</sup> The fact that the budget estimates have changed does not mean that BRAC costs are out of control or that costs will grow so large as to cancel savings. Neither conclusion is correct. The changing estimates simply reflect experience, changing policies, and the inherent difficulty of accurately projecting complex budget requirements many years in advance. Even in the case of BRAC 88, where reestimated net costs exceeded savings during the six-year implementation period, DoD is now realizing annual savings of about \$700 million. Chapter 7 demonstrates that DoD and the taxpayers will benefit every year from the billions of dollars in savings created by the BRAC process and that, in fact, savings are likely to be greater than expected.

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<sup>2</sup> Revenues from land sales are discussed in the context of BRAC costs because DoD's budget presentations display revenues from land sales as an offset to costs.

<sup>3</sup> See, for example, Congressional Budget Office, *Closing Military Bases, An Interim Assessment*. CBO: Washington, DC, December 1996, pp. 59–69.

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## ACTUAL BRAC COSTS REFLECT BUDGET ESTIMATES

For the purpose of this report, DoD defines actual costs as obligations.<sup>4</sup> DoD has reported actual BRAC obligations to the Congress every year since 1990.<sup>5</sup> As shown in Table 6-1, through 1997 obligations from the BRAC accounts are close to or less than the first budget estimates that the Department provided to the Congress after the announcement of each BRAC round and to recent budget estimates.

As Table 6-1 indicates, total obligations from 1990 through 1997 for all of DoD for BRAC 88 and BRAC 93 are substantially less than initial budget estimates. Actual obligations for BRAC 88 are about \$1.3 billion less than the projection in the first (FY91) BRAC 88 budget estimate. Actual obligations for BRAC 93 are also about \$1.3 billion less than originally projected in the FY95 budget. Obligations for BRAC 91 and BRAC 95 are essentially equal to original projections. Actual obligations for BRAC 91 to date are one-tenth of one percent higher than originally projected (for FY93). Actual obligations for BRAC 95 to date are about 1.8 percent higher than original (FY97) projections. Planned spending has varied, however, on a year-by-year basis.

Obligations for all BRAC rounds are equal to about 98 percent of the budget estimates for those years, as stated in the Department's most recent budget justification materials. Thus, as budget estimates changed over the years, the Department has continued to update its reports to Congress so that they reflected actual costs whenever possible.

Separate volumes of this report contain a detailed comparison of budget estimates and obligations presented by Armed Force, BRAC round, fiscal year, and budget category. Those volumes also present data on costs by type of installation for the Army and Air Force.<sup>6</sup>

## BRAC DOES NOT IMPOSE SIGNIFICANT ENVIRONMENTAL COSTS

Environmental restoration costs bring a particular complexity to the overall picture of BRAC costs. First, these costs are excluded from the cost estimates used by DoD and the Base Closure Commission in deciding from among BRAC options. Second, for budgeting purposes, environmental costs are included in the

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<sup>4</sup> DoD financial regulations define obligations as amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period.

<sup>5</sup> These reports are required by section 207(a)(4) of Public Law 100-526 and section 2906(c) of Public Law 101-510, as amended.

<sup>6</sup> The lack of available data prevented DoD from collecting obligation data for the Department of Navy by type of installation.

Table 6-1. DoD-Wide BRAC Budget Estimates and Obligations  
(\$ millions)

Item	1990	1991	1992	1993	1994	1995	1996	1997	Total
<b>BRAC 88</b>									
FY91 budget estimate	549.3	998.1	1,148.1	750.7	281.1	64.9			3,921.2
FY99 budget estimate	473.3	989.3	699.2	432.4	12.8	92.3			2,699.3
Obligations	468.7	982.0	689.5	420.6	12.8	91.4			2,665.0
<b>BRAC 91</b>									
FY93 budget estimate			100.0	1,743.6	1,726.1	739.8	288.2	190.5	4,788.2
FY99 budget estimate			344.7	1,359.5	1,243.5	633.3	965.7	333.6	4,855.6 <sup>a</sup>
Obligations			326.0	1,351.7	1,234.2	628.0	947.8	305.4	4,793.1
<b>BRAC 93</b>									
FY95 budget estimate					1,144.0	2,322.9	2,648.4	984.8	7,100.1
FY99 budget estimate					1,174.6	2,059.0	1,886.2	944.1	6,063.9 <sup>b</sup>
Obligations					1,150.9	2,025.9	1,854.5	808.2	5,839.5
<b>BRAC 95</b>									
FY97 budget estimate							852.6	1,182.7	2,035.3
FY99 budget estimate							902.4	1,293.2	2,195.6 <sup>c</sup>
Obligations							884.5	1,187.8	2,072.3

Note: Costs presented in this table include environmental costs and exclude revenues from land sales. This table contains data through 1997 because that is the most recent full fiscal year for which data exists on obligations. DoD will incur BRAC costs through 2001. Separate volumes of this report contain detailed budget estimates for costs from 1998 through 2001. Obligation data in this table are current as of September 30, 1997. Obligation data vary over time as new obligations are incurred and some funds are deobligated. For this reason, obligation data in the detailed tables may not match the data in this table.

<sup>a</sup> An additional \$61.6 million is budgeted for FY98.

<sup>b</sup> An additional \$1,227.6 million is budgeted for FY98 and FY99.

<sup>c</sup> An additional \$4,938.3 million is budgeted for FY98 through 2001.

BRAC account (and reflected in the costs displayed in Table 6-1) even though, in many cases, DoD is liable for those costs whether or not the installations are recommended for closure or realignment. Third, in some cases, environmental remediation continues at BRAC bases after the end of the six-year implementation period.

DoD has consistently excluded environmental restoration costs when it has developed closure and realignment options with the BRAC analysis process. Their exclusion, repeatedly affirmed by Congress, is based upon two considerations. First, in general, the vast majority of environmental restoration costs would be incurred whether or not an installation is impacted by BRAC. The refinement of environ-

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mental restoration costs will become sharper once a base is slated for closure, and the pace of cleanup may be accelerated and otherwise adjusted as the community develops its reuse plans. Second, were environmental cleanup costs to be included in the financial analysis of closure options, an installation with a high cleanup cost might be retained in favor of closing a base with a lower cleanup cost. Such a policy would create a perverse incentive to encourage pollution as a means of preserving a base.

Once a base is approved for closure or realignment, *all* the environmental restoration costs are added to the BRAC cost account. Rather than simply allocating BRAC-related adjustments in the environmental restoration to the BRAC account, DoD, again with Congress's consent, treats all environmental restoration costs as a BRAC expense. Previously programmed environmental restoration funds are transferred into the BRAC accounts, and an accounting barrier is erected between the restoration expenses of BRAC and those of non-BRAC installations.

The net effect of these two policies is that the overall BRAC costs increase from estimates provided to the BRAC Commissions, and the remediation portion of BRAC costs tend to overstate the BRAC impact on a base's remediation plan.

Some incorrectly assume that the restoration costs are necessarily a direct result of the closure. The BRAC process may cause the Department to incur environmental restoration costs at some bases sooner than might otherwise have been the case, but generally does not impose significant *new* environmental costs. Acceleration of costs often results from the BRAC decision, and acceleration, while increasing near-term costs, might actually reduce overall cleanup costs at a base. (For example, acceleration might prevent contamination from spreading or reduce fines, and thereby reduce costs.) In other words, over the long term, in most cases the Department would have incurred similar costs, perhaps somewhat higher or lower, with or without BRAC.

DoD will incur some costs for environmental cleanup after the end of the six-year implementation period at some BRAC installations. These costs reflect ongoing DoD liabilities and are projected to amount to \$0.3 billion in 2002 and about \$0.2 billion in 2003.<sup>7</sup>

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<sup>7</sup> DoD projects these costs to total about \$1.9 billion after 2003.

## FUNDS OUTSIDE OF THE BRAC ACCOUNT ARE A SMALL PERCENTAGE OF BRAC COSTS

### Only a Very Small Portion of Direct BRAC Implementation Costs Are Paid with Non-BRAC Funds

It is important to note that the cost comparison discussed above does not consider spending that the Department might have undertaken to implement directly BRAC actions with funds other than those in the BRAC accounts. Some relatively small BRAC-related costs are paid from non-BRAC accounts. Such costs are associated with some operation and maintenance activities, the Homeowners Assistance Program, and a variety of other actions.

### Other One-Time Costs Indirectly Associated with BRAC Are Also Relatively Small

Section 2824 requires this report to address indirect costs incurred by the following:

- ◆ *DoD's Office of Economic Adjustment (OEA)*. OEA issues grants that help BRAC communities establish local representative organizations to plan base reuse and to assist with their economic adjustment. OEA has helped establish such organizations in more than 100 BRAC communities since 1988.<sup>8</sup>
- ◆ *Department of Labor (DoL)*. Through existing retraining authorities, DoL assists displaced DoD workers through counseling, retraining, and job search assistance.
- ◆ *Commerce Department's Economic Development Administration (EDA)*. As part of its community revitalization effort, the EDA provides grants to improve former bases' infrastructure as a means to facilitate base reuse. This program has assisted 76 BRAC impacted installations.<sup>9</sup>
- ◆ *Federal Aviation Administration (FAA)*. As part of its airport development authority, FAA has issued grants to fund capital improvements to convert former military airfields into new civilian airports.

Other indirect costs of BRAC rounds are unemployment compensation, early retirement and voluntary retirement, and military health care.

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<sup>8</sup> OEA also assists communities affected by reductions in defense industries. This report addresses only OEA costs directly associated with BRAC communities.

<sup>9</sup> This report addresses only EDA costs directly associated with BRAC communities.

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## OEA, DoL, EDA, AND FAA COSTS

### Costs Are Relatively Small

Some have questioned whether DoD minimizes its BRAC costs by ignoring costs that BRAC might impose on other government programs. The Department found that the costs for these programs are small in comparison to other BRAC costs. Through 1997, these organizations have incurred one-time costs of about \$956 million in BRAC communities (see Table 6-2). Collectively, these costs represent only about four percent of BRAC implementation costs over the same period. It is also important to note that these are one-time costs. That is, these costs are incurred only once to produce specific benefits. In this context, such benefits might be a reuse plan for a closing base, a retrained worker, an upgraded water system, or a new control tower. Spending for each project stops after the benefit has been delivered. Most of these programs were in place before BRAC and will continue after BRAC's completion. In many cases, spending for BRAC communities was accommodated within each program's existing budget plan. BRAC-related needs simply competed with other communities' requests for finite assistance resources.

*Table 6-2. Other Spending at BRAC Locations  
(\$ millions)*

Agency	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
OEA	0.3	1.0	0.6	5.6	9.7	30.7	20.7	26.8	25.1	6.1	126.7
DoL	–	–	–	24.6	13.1	67.5	29.1	40.9	8.5	7.2	190.8
EDA	–	–	–	–	0.0 <sup>a</sup>	19.6	101.3	74.3	44.9	63.2	303.3
FAA	7.9	13.4	8.6	27.1	20.5	33.1	48.5	44.2	65.8	66.0	335.1
Total	8.2	14.3	9.2	57.3	43.4	150.9	199.6	186.2	144.4	142.5	955.9

<sup>a</sup> Less than \$0.1 million.

### Costs Need to Be Distinguished from Other BRAC Costs

The costs and benefits associated with these programs are fundamentally different from the costs and benefits associated with actually closing and realigning bases. In the context of actual closures and realignments, the one-time implementation costs produce a benefit in the form of savings. DoD receives a perpetual stream of savings as a result of incurring the one-time implementation costs. In contrast, these programs produce benefits for the individuals and communities that receive grants and assistance, not for DoD.

### Costs Are Offset by Benefits to Individuals, Communities, and the Federal Government

The cost of these programs is offset (or more than offset) by the benefits that accrue to individuals, communities, and the federal government. These benefits, al-

though not always easily quantified, are nonetheless tangible. New commercial airports will benefit communities well into the future. They also serve a national need in addressing a chronic shortage of airports. Similarly, workers—retrained to ease their transition to the private sector—improve their own economic status, assist in attracting new industry, and contribute tax dollars to their communities and the federal government.

The ability of the majority of BRAC communities to gain more jobs following BRAC actions compared to the pre-BRAC period is an indication that the benefits from non-DoD assistance programs are tangible. Typically, these benefits and the resulting economic redevelopment are feasible only because DoD turns over assets in the form of real estate (such as airfields, warehouses, and office buildings) and related equipment to communities to assist their transition. The skilled labor force, trained at DoD's expense, is another DoD asset that benefits the community. Therefore, the modest expenditures for non-DoD assistance programs should be viewed as not only outlays of funds, but also as tangible benefits to individuals, communities, and the federal government.

#### UNEMPLOYMENT COMPENSATION

Data are not available to provide base-by-base estimates of costs for unemployment compensation. However, a DoD analysis found that unemployment compensation costs are also relatively small as a percentage of BRAC costs. The analysis concluded that unemployment costs for DoD civilian employees who lost their jobs due to BRAC are equal to less than 0.4 percent of BRAC implementation costs. The analysis is summarized below and explained in detail in Appendix H.

The Department examined the amount that it had reimbursed the states for unemployment claims made by former DoD civilian employees at 30 BRAC bases. These bases were selected because the closure or realignment process was initiated and completed between 1994 and 1997. The analysis was limited to this time interval because data were available only for this four-year period. The Department filtered the data to try to distinguish unemployment claims associated with BRAC from those linked to other causes. The analysis focused only on former DoD civilian personnel because, for civilians, unemployment compensation is closely associated with the loss of one's job. In contrast, military personnel are more likely to collect unemployment compensation for reasons that are unrelated to BRAC.<sup>10</sup>

DoD estimates that the unemployment compensation costs for former DoD civilian employees for *all four* BRAC rounds will total about \$90 million, or less than

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<sup>10</sup> Many states allow discharged military personnel to collect unemployment compensation, and data suggest that many leaving the Services take advantage of this benefit. Also, even those military personnel discharged because of a BRAC action are likely to be discharged from a location other than the base affected by BRAC. Thus, it is extremely difficult to establish a link between BRAC and unemployment compensation collected by military personnel.

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0.4 percent of BRAC implementation costs.<sup>11</sup> To place this number in context, DoD pays about \$100 million *per year* for unemployment compensation to civilian employees who leave for all causes. Assuming that half of all BRAC unemployment claims fall in the 1994-to-1997 period, DoD estimates that BRAC accounted for about 11 percent of all DoD civilian unemployment claims for these years. The analysis also concluded that those who lost their DoD civilian jobs as a result of BRAC were less likely to collect unemployment compensation than those who lost their jobs for other reasons, for example, due to work-force reductions at non-BRAC bases. This may be due to the aggressive reemployment outreach that the Department and local communities provide to employees affected by BRAC.

The results of this analysis further indicate that unemployment effects of BRAC closures were, in most communities, far less severe than anticipated:

- ◆ About one out of every seven people who lost their jobs as a result of BRAC actually applied for unemployment benefits.
- ◆ The typical length of unemployment among those who collected unemployment benefits is about 17 weeks, although most people were eligible to receive compensation for 26 weeks.
- ◆ In the typical labor market area, DoD civilian unemployment claims as a result of BRAC comprise only a small percentage of the claims of the total unemployed force in the area.
- ◆ In the few communities where BRAC significantly increased unemployment, the duration of the effect appears to have been short.

## EARLY RETIREMENT AND VOLUNTARY SEPARATION COSTS

The costs for early retirement and voluntary separation programs for DoD civilian employees are a small percentage of total BRAC implementation costs. Congress authorized these programs to reduce the number of involuntary separations.

### Early Retirement

DoD offered early retirement to eligible civilian employees at BRAC installations. The Department estimates that about 9,200 civilian employees at BRAC bases

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<sup>11</sup> On one hand, the estimate of \$90 million might be low if a higher percentage of eligible former DoD civilian employees collected unemployment compensation in the early 1990s when economic conditions were not as favorable as at present. On the other hand, the estimate of \$90 million may be high because the analysis may include some unemployment claims that are attributable to the drawdown in force structure, not BRAC.

took advantage of this program from 1989 to 1997.<sup>12</sup> The Office of Personnel Management determined that each early retirement results in an increased cost that is equal to a one-time assessment of 26 percent of the employee's final annual earnings.<sup>13</sup> Final annual earnings of DoD civilians taking early retirement are estimated to be about \$44,600. Accordingly, the average cost for each early retirement is about \$11,600. The cost of early retirement at BRAC bases is estimated to total \$107 million from 1989 through 1997. Although generally paid outside of the BRAC account, this total is equal to less than one-half of one percent of BRAC costs over the same period.

### Voluntary Separation Incentives

The Department offered voluntary separation payments to individuals at BRAC installations under the authority provided by Section 5597 of Title 5, United States Code. DoD estimates that about 14,750 civilian employees at BRAC bases received these payments from 1993 to 1997. The Department estimates that the average voluntary separation payment was \$22,575. (Section 5597 sets the maximum payment at \$25,000.) The Department estimates the cost of voluntary separation incentives at BRAC bases totals about \$333 million from 1993 through 1997. This represents about 2.4 percent of BRAC costs over the same period. DoD financial regulations permit the Military Departments to use BRAC funds to pay for separation incentives.

### MILITARY HEALTH CARE COSTS

The costs (and savings) associated with changes in military health care are included in the Department's BRAC budget estimates. However, the lack of available data prevents the Department from separating these costs from other BRAC costs in many instances. For example, when a base hospital or clinic closes along with the rest of the installation, the Department's cost estimates and obligation data may not distinguish costs uniquely associated with the medical facilities from those of the rest of the base.

The impact on health care costs and savings resulting from BRAC actions is a complex issue. Typically when an installation and its hospital close, hospital assets (personnel, operation and maintenance funding, supplies on-hand or programmed, and programmed construction funding) are either redistributed to meet needs elsewhere or "saved."

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<sup>12</sup> DoD estimates that a total of 46,900 civilian employees took early retirement from 1992 through 1997. Estimated early retirements associated with BRAC (9,200) therefore represent about 20 percent of all DoD early retirements. The 20 percent figure is consistent with the finding in Chapter 7 that BRAC accounts for about 20 percent of the post-Cold War reduction in DoD civilian employees.

<sup>13</sup> The 26 percent figure is the net present value of the stream of costs and savings associated with early retirements.

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The disposition of the demands of the population served by the closing hospital is even more complex. Active duty personnel and their dependents either relocate to other military installations or leave the military through force structure reductions. Those who relocate represent marginal cost increases to the receiving military hospitals. Retirees (and their family members or survivors) usually remain in the BRAC area. Those who are not Medicare-eligible (generally under the age of 65) may use CHAMPUS more frequently than before the closure. Increased use of CHAMPUS represents an increased cost to DoD. Those who are over 65 must usually rely on Medicare and represent a savings to DoD (except for the DoD-supported pharmacy benefit that may be available). Of course, the shifts from direct military care to CHAMPUS and Medicare affect only that subset of the eligible local population that actually used the military facility.<sup>14</sup> Complicating all of this is the behavior of individuals in their demand for health care as the cost, location, and convenience of obtaining medical services change.

The methodology used within the COBRA model to estimate health care costs and savings initially assumed that direct patient care provided to retirees, their family members, and survivors would shift to CHAMPUS, but on a less than one-for-one basis. Approximately 20 percent of the workload was assumed to shift to Medicare and therefore would not be a DoD cost. These assumptions likely overstated the CHAMPUS cost estimates, because (1) there are other factors for patients not opting for CHAMPUS, and (2) at most installations Medicare-eligible beneficiaries accounted for well over 20 percent of the workload for other than active duty members and their families.

BRAC 95 actions have not matured enough to assess actual savings; estimated savings were due largely to shifting Medicare-eligible beneficiaries from the military system to Medicare. The net costs or savings to the Federal Government as a whole cannot be assessed because current resource and accounting systems do not collect or report the required data.

At the present time, the Department is working to understand and model the impacts of changes resulting from BRAC-related and other force structure actions. In the future under a fully operational TRICARE program, the beneficiary population will be, in large part, enrolled in some form of military-sponsored health care. This will make assessing any BRAC impact much easier and more reliable than in the past. Also, health care costs and savings will receive greater visibility in future BRAC actions.

## SUMMARY

Actual costs for BRAC are largely consistent with the recent budget estimates that the Department has provided to the Congress. These estimates have indeed changed over time as the Department gained more experience implementing

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<sup>14</sup> Dependents and retirees use DoD medical facilities on a space-available basis.

BRAC actions and as policies changed. Other federal agencies have costs that are indirectly related to BRAC, but such costs are small relative to BRAC implementation costs, produce important benefits to individuals and communities, and are frequently funded within normal program budgets.



## Chapter 7

# BRACs 88–95 Are Saving Billions

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### *Highlights—BRACs 88–95 Are Already Saving Billions*

- ◆ The four prior BRAC rounds are saving the Department billions of dollars in savings that are enhancing readiness, modernization, and quality of life *today*.
- ◆ Different estimates confirm the general level of BRAC savings that the Department has reported to the Congress and the Base Closure Commission.

## INTRODUCTION

The prior BRAC rounds are saving the Department billions of dollars every year. In fact, actual savings are probably greater than recent DoD estimates. The previous chapter discussed the cost side of the BRAC financial equation. This chapter discusses the BRAC savings estimates, the accuracy of the Department's initial estimates, the auditability of these data, and alternative estimates of BRAC savings.

## THE PRIOR BRAC ROUNDS ARE SAVING BILLIONS

The four prior BRAC rounds, taken in aggregate, are saving DoD billions of dollars annually. This sum will increase substantially through 2001 and will be sustained over the long term. Our estimates indicate that 1998 is a landmark year for the BRAC process. This year, the cumulative savings of the four prior BRAC rounds will have completely offset the cumulative costs to date. DoD estimates that cumulative net savings will total about \$14 billion through 2001, and projects annual savings of \$5.6 billion in 2002 and each year thereafter. This dramatic level of savings will permit the Department to increase spending on the modernization and transformation of our forces, while sustaining high levels of readiness.

## BRAC SAVINGS MUST BE ESTIMATED

All organizations, not just DoD, must *estimate* the savings produced by management reforms, consolidations, and reorganizations. Accounting systems keep accurate records of costs; no parallel systems exist to track savings. Therefore, savings must be estimated. The fact that organizations must estimate savings, however, does not mean that the savings are not real. The primary reason that

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business and government reform management practices, consolidate operations, and improve organizational structures is precisely to generate these savings.

Because the subject of BRAC savings is complicated, it is best to start with a clear definition of savings, and then explain why savings must be estimated.

## Definition of Savings

DoD defines BRAC savings as the difference between (1) what the Department would have spent in the absence of the BRAC process to operate its base structure and (2) what the Department actually spent (or plans to spend) for this function, plus gains in efficiency that would not have been possible without BRAC.

BRAC creates savings because it permits the Department to avoid costs that it would have incurred were it not for BRAC:

- ◆ First, BRAC saves base operating support costs, i.e., the costs to “open the door and turn on the lights.” When bases are closed, DoD no longer needs to pay for physical security, fire protection, utilities, property maintenance, accounting, payroll, and a variety of other costs that are linked specifically to operating the base. When bases are realigned, base operating support costs frequently are reduced. Note that base operating support costs exclude costs for activities that are directly linked to the day-to-day operations of the forces stationed at the installation, such as weapons maintenance and fuel for aircraft, ships, tanks, etc.
- ◆ Second, BRAC saves other costs because consolidation tends to increase efficiency. In the absence of the BRAC process, the Department is effectively prohibited from gaining efficiencies through relocating and consolidating major functions. For example, suppose two activities that perform similar functions are housed in two separate facilities, each of which has substantial excess capacity. If BRAC permits the consolidation of the activities at a single location, and the consolidation results in more efficient operations, then the savings that result from the efficiency gains can be properly attributed to BRAC.

In estimating BRAC savings, DoD excludes savings from force structure reductions that would have occurred with or without BRAC.

BRAC savings can be grouped into those that recur and those that are one-time savings. The vast majority of BRAC savings are recurring, i.e., they represent a permanent, ongoing reduction in planned spending. Personnel positions eliminated through BRAC are an example of recurring savings. One-time savings do not recur year after year. Canceled military construction projects are an example of one-time savings. If the Department had budgeted for a new construction project, and base closure led to the project’s cancellation, then DoD considers the

value of the project a one-time savings. Over time, the value of recurring savings is the largest and therefore most important component of BRAC savings.

## Why Savings Must Be Estimated, Not Measured

It is easy to see why BRAC savings must be estimated. Determination of BRAC savings requires (1) estimating what the composition of the DoD budget would have been without BRAC or (2) distinguishing the effects of BRAC (reduced base operating support costs and BRAC-related efficiency gains) from the effects of the myriad factors that affect DoD installations and budgets over more than a decade.

All organizations face similar challenges in estimating savings. Accounting records can provide detailed, factual, and accurate information on costs. Savings and cost avoidances, however, are not recorded in accounting systems. Rather, they must be estimated based on assumptions and analyses addressing what would have occurred in the absence of certain specific actions.

The challenge of estimating BRAC savings is akin to examining a home's energy bill to estimate the 10-year savings created by the purchase of a new energy-efficient refrigerator, when, over the same period, you also purchased a new energy-efficient washing machine, and the teenager who accounted for a substantial portion of the use of both appliances moved away to college. In this situation, like BRAC, one can be confident that the new refrigerator saved energy. One can also estimate what those savings were, but doing so requires separating energy usage attributable to the refrigerator from that attributable to other changes.

## DoD ESTIMATES \$5.6 BILLION IN RECURRING ANNUAL SAVINGS

The Department estimates that the prior BRAC rounds will generate savings of \$3.7 billion in 1999. Those savings will climb to about \$5.6 billion in real terms after 2001 and thereafter will be sustained at that level. During the implementation period for the first four BRAC rounds (1988 to 2001), DoD will save a total of about \$14 billion.

The Military Departments estimate the savings of each BRAC action. The estimates reflect savings for personnel positions that have been eliminated and operating costs that have been reduced because of BRAC. The estimates exclude savings that can be attributed to force structure reductions. For most BRAC actions, DoD calculated savings shortly after the approval of each BRAC round, taking into account the specific actions recommended by the Base Closure Commission and approved by the President and the Congress. These savings estimates were used at the earliest opportunity to fund higher priorities in the Military Departments' long-term spending plans.

## ANALYSES CONFIRM SAVINGS AND SUGGEST SAVINGS MAY BE GREATER THAN PREVIOUS ESTIMATES

As discussed above, data for *actual* BRAC savings do not exist. It is therefore impossible to display actual savings by Armed Force, BRAC round, installation type, and budget category. In an attempt to comply with the intent of Section 2824, the Department conducted a new analysis to evaluate its BRAC savings estimates. The new analysis suggests that savings to the Department are indeed in the same range as initially estimated—\$5.6 billion per year after 2001—and may be greater. Other analyses also concluded that BRAC will produce substantial savings.

### New Analysis Estimates \$7.0 Billion in Annual Recurring Savings

DoD conducted a new analysis to validate the estimate of \$5.6 billion in annual recurring savings. This new analysis concluded that annual recurring savings from the four prior BRAC rounds are as high as \$7.0 billion—about \$1.4 billion greater than earlier estimated. (See Table 7-1.)

*Table 7-1. Summary of New Analysis of BRAC Recurring Annual Savings (\$ billions)*

Source of savings	Calculation	Annual savings
Civilian positions eliminated	70,969 positions times \$55,000 average annual pay and benefits per position	3.9
Military positions eliminated	39,800 positions times \$48,000 average annual pay and benefits per position	1.9
Other categories	Central training, central personnel, and installations support	1.2
Total		7.0

This analysis accounted for the permanent elimination of personnel positions due to BRAC. It then estimated associated reductions in three categories of installation spending: central training, central personnel, and installation support. DoD selected these categories because they are most likely to be affected by BRAC actions.

### PERSONNEL REDUCTIONS

The most recent BRAC budget justification books provided the source for the number of net personnel reductions by the Military Departments and Defense

Agencies.<sup>1</sup> DoD policy requires the Military Departments and Defense Agencies to include only personnel positions eliminated by BRAC and to exclude positions eliminated through force structure reductions and other initiatives.

In accounting for personnel losses at closing and realigning bases and increases at gaining bases, the Military Departments and Defense Agencies estimate that, in aggregate, for all four previous BRAC rounds, 70,969 civilian and 39,800 military positions were eliminated.

These estimates of personnel reductions are subject to some uncertainty for two reasons. First, this personnel baseline may be conservative and may underestimate the actual number of positions eliminated by BRAC. As an example, the Army does not attribute any reductions in military personnel to BRAC 91 or BRAC 93, and attributes a reduction of only five military personnel to BRAC 95. Second, there is some uncertainty associated with projecting personnel reductions attributable solely to BRAC. To estimate personnel reductions due solely to BRAC, DoD had to estimate personnel reductions due to other causes, such as planned force structure changes and reorganizations.

In aggregate, however, the personnel reductions in the BRAC budget justification books are reasonable. The reductions in military personnel that are attributed to BRAC (39,800) account for less than 5 percent of total planned reductions in military personnel from 1988 to 2003. The reductions in civilian personnel (70,969) account for about 20 percent of the planned reduction in civilian positions over the same period of time. These are relatively small shares of DoD-wide reductions over the BRAC implementation period. Attributing more of the overall reduction to BRAC would increase estimates of BRAC savings.

#### CENTRAL TRAINING, CENTRAL PERSONNEL, AND INSTALLATION SUPPORT

When DoD eliminates personnel positions, costs associated with supporting those positions are also reduced. As part of this analysis, therefore, DoD estimated associated savings in central training, central personnel, and installation support by multiplying adjusted dollar values in these categories by 2.85 percent, which equates to the percentage of the force represented by 39,800 military personnel. The dollar values in these categories were adjusted by removing environmental costs from the installation support category and funding for transients and holding accounts from the central personnel category because these costs are not linked to

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<sup>1</sup> Each year, the Military Departments and Defense Agencies provide the Congress with budget justification books for the BRAC accounts. In addition to providing updated budget estimates, these books provide estimates of the net civilian and military positions eliminated. DoD chose not to use the listing of “ins and outs” that the Department has used in the past to estimate BRAC personnel reductions. The personnel reductions in the budget justification books are smaller than those calculated from the listing of ins and outs. Thus, they result in a lower, or more conservative, estimate of savings.

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BRAC personnel actions. The results of this analysis are summarized in Table 7-1 and explained in detail in Appendix I.

## DoD Inspector General Audit Shows BRAC 93 and BRAC 95 Savings

Two audits conducted by the DoD Inspector General (DoDIG) confirm that the Military Departments and the Defense Logistics Agency develop reasonable estimates of BRAC costs and savings.

The DoDIG's review of more than 70 closed or realigned BRAC 93 installations showed savings were 29 percent (or approximately \$1.7 billion) greater than DoD estimated.<sup>2,3</sup> The DoDIG also found that actual implementation costs for these bases were about 4 percent lower than DoD estimated.

The DoDIG also reviewed BRAC 95 costs and savings at 23 installations that had closed by December 31, 1997.<sup>4</sup> The DoDIG determined that DoD's estimated savings of \$2.4 billion were overstated by 1.4 percent (or \$33.2 million). The DoDIG also found that the actual implementation costs for these bases were 4.5 percent (or \$28.8 million) lower than DoD estimated.

## Army Audit Agency Audit Shows BRAC 95 Savings

The Army Audit Agency (AAA) reviewed projected costs and savings that the Army's major commands developed for 10 BRAC 95 sites. In a July 1997 report, the AAA projected that after full implementation, net recurring annual savings would be \$140 million, or about 16 percent less than the major commands' estimates, which totaled \$167 million.<sup>5</sup> The AAA report reached a conclusion that is broadly consistent with the major finding of this chapter: BRAC savings will be substantial and at roughly the same level as projected by DoD, although specific estimates are subject to some uncertainty.

## GAO and CBO Also Found Substantial BRAC Savings

GAO and CBO studies for the Congress concluded that BRAC will produce substantial savings, even though specific estimates are uncertain. In an April 1996 report on BRAC costs and savings, the GAO concluded:

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<sup>2</sup> In some instances, the DoDIG could not distinguish BRAC savings from force structure and other savings.

<sup>3</sup> The 70 bases represent about 73 percent of BRAC 93 implementation costs.

<sup>4</sup> These installations represent 17 percent of estimated BRAC 95 costs and 39 percent of estimated BRAC 95 savings.

<sup>5</sup> U.S. Army Audit Agency, *Base Realignment and Closure 1995 Savings Estimates* (Audit Report AA 97-225). U.S. Army, Washington, DC: July 1997, p. 10. It is important to note that the AAA audit reviewed *projected* costs and savings.

Our analysis of base support costs in the FYDP and at nine closing installations indicates that BRAC savings should be substantial. However, DoD's systems do not provide information on actual BRAC savings. Therefore, the total amount of savings is uncertain.<sup>6</sup>

In a December 1996 report on BRAC, the CBO stated:

CBO believes that BRAC actions will result in significant long-term savings, but was unable to confirm or assess DoD's estimates of costs and savings because the Department is unable to report actual spending and savings for BRAC actions.<sup>7</sup>

## Estimating Savings in Future BRAC Rounds

DoD plans new efforts to improve estimates of savings in future BRAC rounds. As recommended by the DoDIG, these efforts will concentrate on retaining historical financial records, reconciling costs for workload increases at receiving bases and BRAC-related personnel changes, and improving reporting on savings. Specifically, the Department proposes to develop a questionnaire that each base affected by future BRAC rounds would complete annually during the six-year implementation period. The questionnaire would be completed by bases that are

### ***What Happens to BRAC Savings?***

BRAC savings do not represent direct reductions in DoD's annual spending. Neither are they accumulated assets to be spent at some future time. Rather, the reduction in expenditures associated with the realignment or closure of military installations gives the Department a way to meet budget targets and to fund priority functions that it could not accommodate in the absence of BRAC-related economies.

DoD adjusts for expected BRAC savings through numerous decisions made as part of the normal planning, programming, and budgeting system process. No audit trail, single document, or budget account exists for tracking the end use of each dollar saved through BRAC.

DoD policy has been to allow the Military Departments to retain and reallocate their BRAC savings. After BRAC recommendations are approved, each Military Department applies the estimated savings to its long-term spending plans. Each then uses the savings to fund higher priorities.

Suppose, for example, that a Military Department estimates that a BRAC round will reduce base operating support (BOS) costs by \$1 billion in a future fiscal year. That Department would reduce planned spending for BOS by \$1 billion, thus freeing that amount for other priorities, such as maintaining readiness, expanding quality-of-life programs, or increasing procurement spending.

<sup>6</sup> General Accounting Office, *Military Bases: Closure and Realignment Savings are Significant, but Not Easily Quantified.*, Report GAO/NSIAD 96-67, Washington, D.C.: GAO, April 1996, p. 2.

<sup>7</sup> Congressional Budget Office, *Closing Military Bases: An Interim Assessment*, Washington, D.C.: CBO, December 1996, p. xviii.

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closing, realigning, or receiving forces because of BRAC. It would request information on costs, personnel reductions, and changes in operating and military construction costs to provide greater insight into the savings created by each BRAC action. OSD, the Military Departments, the Defense Agencies, the DoD Inspector General, and the Service audit agencies would develop the questionnaire through a cooperative effort. Regarding costs, DoD plans to reemphasize to the Armed Services and Defense Agencies to coordinate with the Defense Finance and Accounting Service to reconcile reported obligations and disbursements with source documents and to periodically review outstanding obligations and promptly deobligate excess obligations when final costs are known.

## SUMMARY: BRAC SAVES BILLIONS

The Department's analyses as well as independent audits confirm that the four prior BRAC rounds will produce billions of dollars in annual recurring savings. By their very nature, estimates of savings are subject to a range of uncertainty. However, the separate analysis that DoD performed for this study confirms the general level of total BRAC savings that the Department has reported to the Congress. The audits by the DoDIG and the AAA also point to significant BRAC savings. Further, the Department's findings are consistent with those of two congressional agencies, the GAO and the CBO.

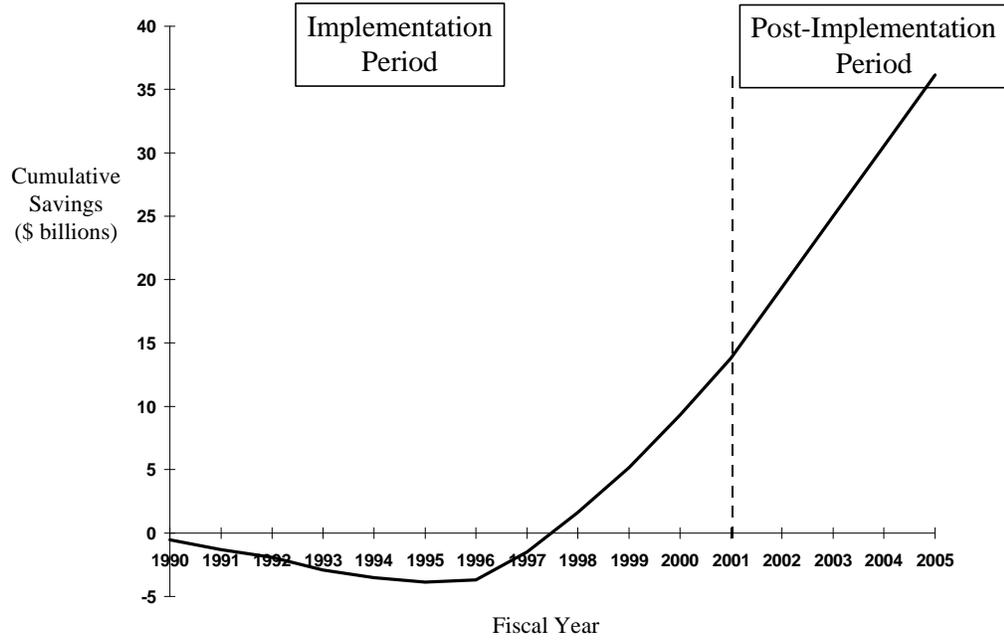
In sum, DoD is confident that the prior BRAC rounds will produce annual recurring savings of about \$5.6 billion, perhaps greater, and that the recurring savings from any future BRAC rounds will likewise be substantial.

Given the billions of dollars saved each year, the cumulative savings will be huge. Figure 7-1 displays the cumulative savings for all of the prior BRAC rounds.<sup>8</sup>

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<sup>8</sup> In the cumulative totals, the costs and savings in any one fiscal year are the sum of the costs and savings from all rounds. In 1998, for example, the combined total would reflect net costs for implementing BRAC 95 and net savings for BRAC 88, 91, and 93.

Figure 7-1. Cumulative BRAC Savings, 1990 to 2005





## Chapter 8

# DoD Works to Help BRAC Communities Create Jobs

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### *Highlights—Helping BRAC Communities*

- ◆ DoD continues to make base reuse a high priority.
- ◆ Base reuse is working well.
- ◆ The redevelopment of closed bases has created nearly 45,000 new jobs and 1,000 tenants. For bases closed more than two years, nearly 75 percent of the lost civilian jobs have been replaced.
- ◆ In a number of communities, the number of jobs now found on the former military base exceeds the number of civilians employed when the base was active.

## DoD SUPPORT FACILITATES BASE REUSE

The Department continues to make base reuse a high priority. Since 1993, when President Clinton launched a plan to support faster redevelopment at base closure communities, DoD has made major improvements each year to the way former military bases are converted to civilian use. A few of the more recent initiatives are as follows:

- ◆ *Job Centered Property Disposal.* The Economic Development Conveyances (EDCs) enable DoD to transfer closing bases to BRAC communities under flexible terms to aid job creation. The program was launched in record time and is generating jobs and economic activity at a surprising rate and in unexpected places. Thirty recently approved EDCs are projected to create about 142,000 jobs.
- ◆ *Leasing for Reuse.* Because leasing helps create jobs quickly, the Military Departments' process for leasing property to BRAC communities has been simplified and expedited. Between June 1996 and June 1997, 234 tenants moved into former bases, representing 34 percent of all tenant activities. Even greater success is expected in the future as the Military Departments implement streamlined lease approval processes. To make the process

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more uniform in practice and application, each of the Military Departments has developed a model lease for use by the communities and is scheduling how-to training for personnel in the field offices.

- ◆ *Better Guidance.* Revisions and clarifications to DoD's Base Reuse Implementation Manual will help BRAC communities better understand the steps involved in gaining access to former military property quickly and easily. Faster property disposition helps communities generate economic activity and benefits the Department as well. Rapid disposal benefits communities by speeding economic recovery, and benefits DoD by reducing base operating costs.

## BASE REUSE CREATES JOBS

Successful recovery from base closures and conversion of military bases can be found throughout the country. Already the redevelopment of closed bases has created nearly 45,000 new jobs and attracted almost 1,000 tenants. For bases closed more than two years, nearly 75 percent of the lost civilian jobs have been replaced.

Public and private reinvestments are recreating these installations as job centers, with new airports, educational institutions, and multifaceted business developments. Former defense facilities are also helping communities meet needs for public recreation, homeless individuals, and affordable housing.

Most communities are rebounding remarkably fast, crafting more diverse and resilient economies. The following are some examples:

- ◆ In Sacramento, CA, on the site of the former Army Depot, Packard Bell employs 5,000 people. That number is expected to grow to 10,000 in three years. The Army Depot closed in 1995, with just over 3,000 federal jobs.
- ◆ The former Mather Air Force Base in Sacramento has 37 tenants and 1,331 new jobs.
- ◆ In Charleston, SC, where the number of DoD job losses, as a percentage of the work force, was greater than at any other BRAC location, 23 major entities are reusing the former Navy facilities and providing more than 2,700 jobs. Additionally, roughly 75 percent of the 6 million square feet of leasable space on the base is occupied.
- ◆ More than 1,400 new jobs have replaced the 682 DoD civilian positions lost when England Air Force Base in Alexandria, LA, closed in 1992. Commercial aviation relocated from a regional airport to the newly named Alexandria International Airport in 1996. Others on the former base in-

clude a local hospital extension, an elementary school, and an aviation repair company.

- ◆ Pease Air Force Base in New Hampshire is now the Pease International Tradeport, employing 1,285 people at a brewery, a consular center, an airfield, and a steel manufacturer, among others. Only 400 civilians were employed when the base was active.
- ◆ Rantoul, IL, has successfully brought in over 50 commercial and industrial tenants at the former Chanute Air Force Base, providing 1,434 new jobs where only 1,035 DoD civilians had been employed.
- ◆ Nearly 3,000 jobs have been created at the site of the former Fort Devens in Massachusetts. In contrast, almost 2,200 civilians worked at Fort Devens before its closing.

Many communities find that their economies are more vibrant for having evolved away from the bases.

## SUMMARY

DoD has a strong track record of helping communities affected by BRAC. DoD provides significant assistance for economic adjustment, personnel transition, property disposal, environmental cleanup, base reuse planning, and other challenging aspects of the BRAC process. Authorities that Congress provided exclusively for the disposal and reuse of BRAC properties have gone a long way to easing the transition for individuals and speeding economic recovery for communities.



# Appendix A

## Section 2824 of the National Defense Authorization Act for Fiscal Year 1998

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### SEC. 2824. REPORT ON CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS.

(a) REPORT.—(1) The Secretary of Defense shall prepare and submit to the congressional defense committees a report on the costs and savings attributable to the rounds of base closures and realignments conducted under the base closure laws and on the need, if any, for additional rounds of base closures and realignments.

(2) For purposes of this section, the term “base closure laws” means—(A) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note); and

(B) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) A statement, using data consistent with budget data, of the actual costs and savings (to the extent available for prior fiscal years) and the estimated costs and savings (in the case of future fiscal years) attributable to the closure and realignment of military installations as a result of the base closure laws.

(2) A comparison, set forth by base closure round, of the actual costs and savings stated under paragraph (1) to the estimates of costs and savings submitted to the Defense Base Closure and Realignment Commission as part of the base closure process.

(3) A comparison, set forth by base closure round, of the actual costs and savings stated under paragraph (1) to the annual estimates of costs and savings previously submitted to Congress.

(4) A list of each military installation at which there is authorized to be employed 300 or more civilian personnel, set forth by Armed Force.

(5) An estimate of current excess capacity at military installations, set forth—

(A) as a percentage of the total capacity of the military installations of the Armed Forces with respect to all military installations of the Armed Forces;

(B) as a percentage of the total capacity of the military installations of each Armed Force with respect to the military installations of such Armed Force; and

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(C) as a percentage of the total capacity of a type of military installations with respect to military installations of such type.

(6) An assessment of the effect of the previous base closure rounds on military capabilities and the ability of the Armed Forces to fulfill the National Military Strategy.

(7) A description of the types of military installations that would be recommended for closure or realignment in the event of one or more additional base closure rounds, set forth by Armed Force.

(8) The criteria to be used by the Secretary in evaluating military installations for closure or realignment in such event.

(9) The methodologies to be used by the Secretary in identifying military installations for closure or realignment in such event.

(10) An estimate of the costs and savings that the Secretary believes will be achieved as a result of the closure or realignment of military installations in such event, set forth by Armed Force and by year.

(11) An assessment of whether the costs and estimated savings from one or more future rounds of base closures and re-alignments, currently unauthorized, are already contained in the current Future Years Defense Plan, and, if not, whether the Secretary will recommend modifications in future defense spending in order to accommodate such costs and savings.

(c) **METHOD OF PRESENTING INFORMATION.**—The statement and comparison required by paragraphs (1) and (2) of subsection (b) shall be set forth by Armed Force, type of facility, and fiscal year, and include the following:

(1) Operation and maintenance costs, including costs associated with expanded operations and support, maintenance of property, administrative support, and allowances for housing at military installations to which functions are transferred as a result of the closure or realignment of other installations.

(2) Military construction costs, including costs associated with rehabilitating, expanding, and constructing facilities to receive personnel and equipment that are transferred to military installations as a result of the closure or realignment of other installations.

(3) Environmental cleanup costs, including costs associated with assessments and restoration.

(4) Economic assistance costs, including—

(A) expenditures on Department of Defense demonstration projects relating to economic assistance; (B) expenditures by the Office of Economic Adjustment; and (C) to the extent available, expenditures by the Economic Development Administration, the Federal Aviation Administration, and the Department of Labor relating to economic assistance.

(5) To the extent information is available, unemployment compensation costs, early retirement benefits (including benefits paid under section 5597 of title 5, United States Code), and worker retraining expenses under the Priority Placement Program, the Job Training Partnership Act, and any other Federally-funded job training program.

(6) Costs associated with military health care.

(7) Savings attributable to changes in military force structure.

(8) Savings due to lower support costs with respect to military installations that are closed or realigned.

(d) DEADLINE.—The Secretary shall submit the report under subsection (a) not later than the date on which the President submits to Congress the budget for fiscal year 2000 under section 1105(a) of title 31, United States Code.

(e) REVIEW.—The Congressional Budget Office and the Comptroller General shall conduct a review of the report prepared under subsection (a).

(f) PROHIBITION ON USE OF FUNDS.—Except as necessary to prepare the report required subsection (a), no funds authorized to be appropriated or otherwise made available to the Department of Defense by this Act or any other Act may be used for the purposes of planning for, or collecting data in anticipation of, an authorization providing for procedures under which the closure and realignment of military installations may be accomplished, until the later of—

(1) the date on which the Secretary submits the report required by subsection (a); and

(2) the date on which the Congressional Budget Office and the Comptroller General complete a review of the report under subsection (e).

(g) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Secretary should develop a system having the capacity to quantify the actual costs and savings attributable to the closure and realignment of military installations pursuant to the base closure process; and

(2) the Secretary should develop the system in expedient fashion, so that the system may be used to quantify costs and savings attributable to the 1995 base closure round.



## Appendix B

# A Brief History of Prior Base Closure Rounds

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In the late 1980s, members of Congress concluded that the only way to overcome the opposition of its members to closing of individual bases was to entrust the process to an independent Commission. The first Defense Base Closure and Realignment Commission was created by statute in 1988 to develop and recommend an entire slate of closings. Once made, that slate could not be modified by the President or the Congress: they could either approve the entire slate or disapprove the entire slate. The 1988 BRAC Commission recommended the closure of 16 major facilities.

Responding to the effectiveness of the first BRAC Commission, Congress enacted the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510). The Act specified the continued use of an independent Commission, but changed the role of the newly established BRAC Commission. The 1988 Commission developed recommendations for closure and realignment. In contrast, the 1990 law gave DoD the responsibility of developing recommendations, and gave the Commission the responsibility of reviewing DoD's recommendations to ensure that they were consistent with the published force structure plan and selection criteria. The Act authorized additional rounds of base closure and realignment in 1991, 1993, and 1995.

In accordance with the 1990 Act, DoD developed base closure and realignment recommendations based on two public documents:

- ◆ A long-term force structure plan, which DoD uses as the basis for determining installation requirements
- ◆ Selection criteria, which guide the evaluation of bases in categories where excess capacity exists.

The selection criteria used in the 1991, 1993, and 1995 BRAC rounds gave priority consideration to military value, but also took into account costs and savings, as well as economic and environmental impacts. Key participants certified that the data they provided were accurate and complete to the best of their knowledge. The Military Services' audit agencies and the DoD Inspector General audited the data used in the process. The General Accounting Office monitored DoD's internal process.

The Joint Chiefs of Staff and the Office of the Secretary of Defense reviewed the BRAC recommendations of the Service Secretaries before the Secretary of Defense forwarded his recommendations to the Commission. This final review took

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into account factors, such as impacts on other federal agencies, U.S. treaty obligations, or the combined economic effects of actions by more than one Service, that the Military Services may not have considered.

The Commissions for BRACs 91, 93, and 95 were composed of eight individuals nominated by the President and confirmed by the Senate. Six of the eight commissioners were nominated in consultation with the congressional leadership from both major parties.

The Commissions' responsibility was to review the Department's recommendations using the same force structure plan and selection criteria that were the basis for the Secretary of Defense's recommendations. Where the Commissions found that the Department had substantially deviated from either of these two foundations, it had the authority to alter the recommendation. However, it was required to justify such actions on the same basis as did the Department.

The Commissions submitted their recommendations to the President in July 1991, 1993, and 1995. The President forwarded them to the Congress by July 15 of the respective BRAC year. The final recommendations took the force of law after the Congress did not pass resolutions of disapproval within 45 legislative days.

Most observers believe that the BRAC process has fulfilled its objectives well. In each round, the Commission's recommendations have been approved by the President and the Congress. The decisions in the four previous BRAC rounds—covering 97 major bases and several hundred smaller facilities—are now being implemented by DoD.

# Appendix C

## DoD Legislative Proposal for New BRAC Authorities

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### **TITLE VII—DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1998**

#### **SEC. 701. SHORT TITLE AND PURPOSE**

(a) **SHORT TITLE.**—This part may be cited as the “Defense Base Closure and Realignment Act of 1998”.

(b) **PURPOSE.**—The purpose of this part is to provide a fair process that will result in the timely closure and realignment of military installations inside the United States.

#### **SEC. 702. THE COMMISSION**

(a) **ESTABLISHMENT.**—There is established an independent commission to be known as the “Defense Base Closure and Realignment Commission”.

(b) **DUTIES.**—The Commission shall carry out the duties specified for it in this part.

(c) **APPOINTMENT.**—(1)(A) The Commission shall be composed of eight members appointed by the President, by and with the advise and consent of the Senate.

(B) The President shall transmit to the Senate the nominations for appointment to the Commission—

(i) by no later than March 15, 2001, in the case of members of the Commission whose terms will expire at the end of the first session of the 107th Congress; and

(ii) by no later than March 15, 2005, in the case of members of the Commission whose terms will expire at the end of the first session of the 109th Congress;

(C) If the President does not transmit to Congress the nominations for appointment to the Commission on or before the date specified for 2005 in clause (ii) of subparagraph (B), the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.

(2) In selecting individuals for nominations for appointments to the Commission, the President should consult with—

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(A) the Speaker of the House of Representatives concerning the appointment of two members;

(B) the majority leader of the Senate concerning the appointment of two members;

(C) the minority leader of the House of Representatives concerning the appointment of one member; and

(D) the minority leader of the Senate concerning the appointment of one member.

(3) At the time the President nominates individuals for appointment to the Commission for each session of Congress referred to in paragraph (1)(B), the President shall designate one such individual who shall serve as Chairman of the Commission.

(d) TERMS.—(1) Except as provided in paragraph (2), each member of the Commission shall serve until the adjournment of Congress sine die for the session during which the member was appointed to the Commission.

(2) The Chairman of the Commission shall serve until the confirmation of a successor.

(e) MEETINGS.—(1) The Commission shall meet only during calendar years 2001 and 2005.

(2)(A) Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public. The Commission shall provide an opportunity for the public to comment, and shall consider any such comments.

(B) All the proceedings, information, and deliberations of the Commission shall be open, upon request, to the following:

(i) The Chairman and the ranking minority party member of the Subcommittee on Readiness of the Senate Committee on Armed Services, or such other members of the Subcommittee designated by such Chairman or ranking minority party member.

(ii) The Chairman and the ranking minority party member of the Subcommittee on Military Installations and Facilities of the Committee on National Security of the House of Representatives, or such other members of the Subcommittee designated by such Chairman or ranking minority party member.

(iii) The Chairmen and ranking minority party members of the Subcommittees on Military Construction of the Committees on Appropriations of the Senate and of the House of Representatives, or such other members of the Subcommittees designated by such Chairmen or ranking minority party members.

(f) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment, but the individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual's predecessor was appointed.

(g) PAY AND TRAVEL EXPENSES.—(1)(A) Each member, other than the Chairman, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(B) The Chairman shall be paid for each day referred to in subparagraph (A) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314, of title 5, United States Code.

(2) Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(h) DIRECTOR OF STAFF.—(1) The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a Director who has not served on active duty in the Armed Forces or as a civilian employee of the Department of Defense during the one-year period preceding the date of such appointment.

(2) The Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—(1) Subject to paragraphs (2) and (3), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(2) The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for senior-level positions of the civil service as described in section 5376 of title 5, United States Code.

(3)(A) Not more than one-third of the personnel employed by or detailed to the Commission may be on detail from the Department of Defense.

(B)(i) Not more than one-fifth of the professional analysts of the Commission staff may be persons detailed from the Department of Defense to the Commission.

(ii) No person detailed from the Department of Defense to the Commission may be assigned as the lead professional analyst with respect to a military department or defense agency.

(C) A person may not be detailed from the Department of Defense to the Commission if, within 12 months before the detail is to begin, that person participated personally and substantially in any matter within the Department of Defense concerning the preparation of recommendations for closures or realignments of military installations.

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(D) No member of the Armed Forces, and no officer or employee of the Department of Defense, may—

(i) prepare any report concerning the effectiveness, fitness, or efficiency of the performance on the staff of the Commission of any person detailed from the Department of Defense to that staff;

(ii) review the preparation of such a report; or

(iii) approve or disapprove such a report.

(4) Upon request of the Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in carrying out its duties under this part.

(5) The Comptroller General of the United States shall provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.

(6) The following restrictions relating to the personnel of the Commission shall apply during 2002 through 2004:

(A) There may not be more than 15 persons on the staff at any one time.

(B) The staff may perform only such functions as are necessary to prepare for the transition to new membership on the Commission in the following year.

(C) No member of the Armed Forces and no employee of the Department of Defense may serve on the staff.

(j) OTHER AUTHORITY.—(1) The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(2) The Commission may lease space and acquire personal property to the extent funds are available.

(k) FUNDING.—(1) There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this part. Such funds shall remain available until expended.

(2) If no funds are appropriated to the Commission by the 105th Congress, the Secretary of Defense may transfer to the Commission funds from the Department of Defense Base Closure Account established by section 2906 of Public Law 101-510. Such funds shall remain available until expended.

(l) TERMINATION.—The Commission shall terminate on December 31, 2005.

(m) PROHIBITION AGAINST RESTRICTING COMMUNICATIONS.—Section 1034 of title 10, United States Code, shall apply with respect to communications with the Commission.

**SEC. 703. PROCEDURE FOR MAKING RECOMMENDATIONS FOR BASE CLOSURES AND REALIGNMENTS.**

(a) FORCE-STRUCTURE PLAN.—(1) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for each of the fiscal years 2002 and 2006, the Secretary shall include a force-structure plan for each military department based on an assessment by the Secretary of the probable threats to the national security during the six-year period beginning with the fiscal year for which the budget request is made and of the anticipated levels of funding that will be available for national defense purposes during such period.

(2) Such plan shall include, without any reference (directly or indirectly) to military installations inside the United States that may be closed or realigned under such plan—

(A) a description of the assessment referred to in paragraph (1);

(B) a description (i) of the anticipated force structure during and at the end of such period for each military department (with specifications of the number and type of units in the active and reserve forces of each such department), and (ii) of the units that will need to be forward based (with a justification thereof) during and at the end of each such period; and

(C) a description of the anticipated implementation of such force-structure plan.

(3) The Secretary shall also transmit a copy of each such force-structure plan to the Commission.

(b) SELECTION CRITERIA.—(1) The Secretary shall, by no later than February 29, 2000, publish in the *Federal Register* and transmit to the congressional defense committees the criteria proposed to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States under this part. The Secretary shall provide an opportunity for public comment on the proposed criteria for a period of at least 30 days and shall include notice of that opportunity in the publication required under the preceding sentence.

(2)(A) The Secretary shall, by no later than April 14, 2000, publish in the *Federal Register* and transmit to the congressional defense committees the final criteria to be used in making recommendations for the closure or realignment of military installations inside the United States under this part. Except as provided in subparagraph (B), such criteria shall be the final criteria to be used, making such recommendations unless disapproved by a joint resolution of Congress enacted on or before May 31, 2000.

(B) The Secretary may amend such criteria, but such amendments may not become effective until they have been published in the *Federal Register*, opened to public comment for at

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least 30 days, and then transmitted to the congressional defense committees in final form by no later than January 15 of the year concerned. Such amended criteria shall be the final criteria to be used, along with the force-structure plan referred to in subsection (a), in making such recommendations unless disapproved by a joint resolution of Congress enacted on or before February 15 of the year concerned.

(c) SECRETARY OF DEFENSE RECOMMENDATIONS.—(1) The Secretary may, by no later than May 15, 2001, and May 16, 2005, publish in the *Federal Register* and transmit to the congressional defense committees and to the Commission a list of the military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force-structure plan and the final criteria referred to in subsection (b) that are applicable to the year concerned.

(2) The Secretary shall include, with the list of recommendations published and transmitted pursuant to paragraph (1), a summary of the selection process that resulted in the recommendation for each installation, including a justification for each recommendation and an evaluation discussing each of the final selection criteria established pursuant to section 703(b). The Secretary shall transmit the matters referred to in the preceding sentence not later than 7 days after the date of the transmittal to the congressional defense committees and the Commission of the list referred to in paragraph (1).

(3)(A) In considering military installations for closure or realignment, the Secretary shall consider all military installations inside the United States equally without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department.

(B) In considering military installations for closure or realignment, the Secretary may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of an installation.

(C) For purposes of subparagraph (B), in the case of a community anticipating the economic effects of a closure or realignment of a military installation, advance conversion planning—

(i) shall include community adjustment and economic diversification planning undertaken by the community before an anticipated selection of a military installation in or near the community for closure or realignment; and

(ii) may include the development of contingency redevelopment plans, plans for economic development and diversification, and plans for the joint use (including civilian and military use, public and private use, civilian dual use, and civilian shared use) of the property or facilities of the installation after the anticipated closure or realignment.

(4) In addition to making all information used by the Secretary to prepare the recommendations under this subsection available to Congress (including any committee or member of Con-

gress), the Secretary shall also make such information available to the Commission and the Comptroller General of the United States.

(5)(A) Each person referred to in subparagraph (B), when submitting information to the Secretary of Defense or the Commission concerning the closure or realignment of a military installation, shall certify that such information is accurate and complete to the best of that person's knowledge and belief.

(B) Subparagraph (A) applies to the following persons:

(i) The Secretaries of the military departments.

(ii) The heads of the Defense Agencies.

(iii) Each person who is in a position the duties of which include personal and substantial involvement in the preparation and submission of information and recommendations concerning the closure or realignment of military installations, as designated in regulations which the Secretary of Defense shall prescribe, regulations which the Secretary of each military department shall prescribe for personnel within that military department, or regulations which the head of each Defense Agency shall prescribe for personnel within that Defense Agency.

(6) Any information provided to the Commission by a person described in paragraph (5)(B) shall also be submitted to the Senate and the House of Representatives to be made available to the Members of the House concerned in accordance with the rules of that House. The information shall be submitted to the Senate and House of Representatives within 48 hours after the submission of the information to the Commission.

(d) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—(1) After receiving the recommendations from the Secretary pursuant to subsection (c) for any year, the Commission shall conduct public hearings on the recommendations. All testimony before the Commission at a public hearing conducted under this paragraph shall be presented under oath.

(2)(A) The Commission shall, by no later than September 6 of each year in which the Secretary transmits recommendations to it pursuant to subsection (c), transmit to the President a report containing the Commission's findings and conclusions based on a review and analysis of the recommendations made by the Secretary, together with the Commission's recommendations for closures and realignments of military installations inside the United States.

(B) Subject to subparagraph (C), in making its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission determines that the Secretary deviated substantially from the force-structure plan and final criteria referred to in subsection (c)(1) in making recommendations.

(C) In the case of a change described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

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(i) makes the determination required by subparagraph (B);

(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1);

(iii) publishes a notice of the proposed change in the *Federal Register* not less than 45 days before transmitting its recommendations to the President pursuant to paragraph (2); and

(iv) conducts public hearings on the proposed change.

(D) Subparagraph (C) shall apply to a change by the Commission in the Secretary's recommendations that would—

(i) add a military installation to the list of military installations recommended by the Secretary for closure;

(ii) add a military installation to the list of military installations recommended by the Secretary for realignment; or

(iii) increase the extent of a realignment of a particular military installation recommended by the Secretary.

(E) In making recommendations under this paragraph, the Commission may not take into account for any purpose any advance conversion planning undertaken by an affected community with respect to the anticipated closure or realignment of a military installation.

(3) The Commission shall explain and justify in its report submitted to the President pursuant to paragraph (2) any recommendation made by the Commission that is different from the recommendations made by the Secretary pursuant to subsection (c). The Commission shall transmit a copy of such report to the congressional defense committees on the same date on which it transmits its recommendations to the President under paragraph (2).

(4) After September 6 of each year in which the Commission transmits recommendations to the President under this subsection: the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

(5) The Comptroller General of the United States shall—

(A) assist the Commission, to the extent requested, in the Commission's review and analysis of the recommendations made by the Secretary pursuant to subsection (C); and

(B) by no later than June 15 of each year in which the Secretary makes such recommendations, transmit to the Congress and to the Commission a report containing a detailed analysis of the Secretary's recommendations and selection process.

(e) REVIEW BY THE PRESIDENT.—(1) The President shall, by no later than September 21 of each year in which the Commission makes recommendations under subsection (d), transmit to the Commission and to the Congress a report containing the President’s approval or disapproval of the Commission’s recommendations.

(2) If the President approves all the recommendations of the Commission, the President shall transmit a copy of such recommendations to the Congress, together with a certification of such approval.

(3) If the President disapproves the recommendations of the Commission, in whole or in part, the President shall transmit to the Commission and the Congress the reasons for that disapproval. The Commission shall then transmit to the President, by no later than October 24 of the year concerned, a revised list of recommendations for the closure and realignment of military installations.

(4) If the President approves all of the revised recommendations of the Commission transmitted to the President under paragraph (3), the President shall transmit a copy of such revised recommendations to the Congress, together with a certification of such approval.

(5) If the President does not transmit to the Congress an approval and certification described in paragraph (2) or (4) by November 7 of any year in which the Commission has transmitted recommendations to the President under this part, the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.

#### **SEC. 704. CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS.**

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall—

(1) close all military installations recommended for closure by the Commission in each report transmitted to the Congress by the President pursuant to section 703(e);

(2) realign all military installations recommended for realignment by such Commission in each such report;

(3) initiate all such closures and realignments no later than two years after the date on which the President transmits a report to the Congress pursuant to section 703(e) containing the recommendations for such closures or realignments; and

(4) complete all such closures and realignments no later than the end of the six-year period beginning on the date on which the President transmits the report pursuant to section 703(e) containing the recommendations for such closures or realignments.

(b) CONGRESSIONAL DISAPPROVAL.—(1) The Secretary may not carry out any closure or realignment recommended by the Commission in a report transmitted from the President pursuant to section 703(e) if a joint resolution is enacted, in accordance with the provisions of section 708, disapproving such recommendations of the Commission before the earlier of—

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(A) the end of the 45-day period beginning on the date on which the President transmits such report; or

(B) the adjournment of Congress sine die for the session during which such report is transmitted.

(2) For purposes of paragraph (1) of this subsection and subsections (a) and (c) of section 708, the days on which either House of Congress is not in session because of adjournment of more than three days to a day certain shall be excluded in the computation of a period.

## **SEC. 705. IMPLEMENTATION**

(a) IN GENERAL.—(1) In closing or realigning any military installation under this part, the Secretary may—

(A) take such actions as may be necessary to close or realign any military installation, including the acquisition of such land, the construction of such replacement facilities, the performance of such activities, and the conduct of such advance planning and design as may be required to transfer functions from a military installation being closed or realigned to another military installation, and may use for such purpose funds in the Account or funds appropriated to the Department of Defense for use in planning and design, minor construction, or operation and maintenance;

(B) provide—

(i) economic adjustment assistance to any community located near a military installation being closed or realigned, and

(ii) community planning assistance to any community located near a military installation to which functions will be transferred as a result of the closure or realignment of a military installation,

if the Secretary of Defense determines that the financial resources available to the community (by grant or otherwise) for such purposes are inadequate, and may use for such purposes funds in the Account or funds appropriated to the Department of Defense for economic adjustment assistance or community planning assistance;

(C) carry out activities for the purposes of environmental restoration and mitigation at any such installation, and shall use for such purposes funds in the Account.

(D) provide outplacement assistance to civilian employees employed by the Department of Defense at military installations being closed or realigned, and may use for such purpose funds in the Account or funds appropriated to the Department of Defense for outplacement assistance to employees; and

(E) reimburse other Federal agencies for actions performed at the request of the Secretary with respect to any such closure or realignment, and may use for such purpose

funds in the Account or funds appropriated to the Department of Defense and available for such purpose.

(2) In carrying out any closure or realignment under this part, the Secretary shall ensure that environmental restoration of any property made excess to the needs of the Department of Defense as a result of such closure or realignment be carried out as soon as possible with funds available for such purpose.

(b) MANAGEMENT AND DISPOSAL OF PROPERTY.—(1) The Administrator of General Services shall delegate to the Secretary of Defense, with respect to excess and surplus real property, facilities, and personal property located at a military installation closed or realigned under this part—

(A) the authority of the Administrator to utilize excess property under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483);

(B) the authority of the Administrator to dispose of surplus property under section 203 of that Act (40 U.S.C. 484);

(C) the authority to dispose of surplus property for public airports under sections 47151 through 47153 of title 49, United States Code; and

(D) the authority of the Administrator to determine the availability of excess or surplus real property for wildlife conservation purposes in accordance with the Act of May 19, 1948 (16 U.S.C. 667b).

(2)(A) Subject to subparagraph (B) and paragraphs (3), (4), (5), and (6), the Secretary of Defense shall exercise the authority delegated to the Secretary pursuant to paragraph (1) in accordance with—

(i) all regulations governing the utilization of excess property and the disposal of surplus property under the Federal Property and Administrative Services Act of 1949; and

(ii) all regulations governing the conveyance and disposal of property under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)).

(B) The Secretary may, with the concurrence of the Administrator of General Services—

(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

(ii) issue regulations relating to such policies and methods, which shall supersede the regulations referred to in subparagraph (A) with respect to that authority.

(C) The Secretary of Defense may transfer real property or facilities located at a military installation to be closed or realigned under this part, with or without reimbursement, to a military

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department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard.

(D) Before any action may be taken with respect to the disposal of any surplus real property or facility located at any military installation to be closed or realigned under this part, the Secretary of Defense shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering any plan for the use of such property by the local community concerned.

(3)(A) Not later than 6 months after the date of approval of the closure or realignment of a military installation under this part, the Secretary, in consultation with the redevelopment authority with respect to the installation, shall—

(i) inventory the personal property located at the installation; and

(ii) identify the items (or categories of items) of such personal property that the Secretary determines to be related to real property and anticipates will support the implementation of the redevelopment plan with respect to the installation.

(B) If no redevelopment authority referred to in subparagraph (A) exists with respect to an installation, the Secretary shall consult with—

(i) the local government in whose jurisdiction the installation is wholly located; or

(ii) a local government agency or State government agency designated for the purpose of such consultation by the chief executive officer of the State in which the installation is located.

(C)(i) Except as provided in subparagraphs (E) and (F), the Secretary may not carry out any of the activities referred to in clause (ii) with respect to an installation referred to in that clause until the earlier of—

(I) one week after the date on which the redevelopment plan for the installation is submitted to the Secretary;

(II) the date on which the redevelopment authority notifies the Secretary that it will not submit such a plan;

(III) twenty-four months after the date of approval of the closure or realignment of the installation; or

(IV) ninety days before the date of the closure or realignment of the installation.

(ii) The activities referred to in clause (i) are activities relating to the closure or realignment of an installation to be closed or realigned under this part as follows:

(I) The transfer from the installation of items of personal property at the installation identified in accordance with subparagraph (A).

(II) The reduction in maintenance and repair of facilities or equipment located at the installation below the minimum levels required to support the use of such facilities or equipment for nonmilitary purposes.

(D) Except as provided in paragraph (4), the Secretary may not transfer items of personal property located at an installation to be closed or realigned under this part to another installation, or dispose of such items, if such items are identified in the redevelopment plan for the installation as items essential to the reuse or redevelopment of the installation. In connection with the development of the redevelopment plan for the installation, the Secretary shall consult with the entity responsible for developing the redevelopment plan to identify the items of personal property located at the installation, if any, that the entity desires to be retained at the installation for reuse or redevelopment of the installation.

(E) This paragraph shall not apply to any personal property located at an installation to be closed or realigned under this part if the property—

(i) is required for the operation of a unit, function, component, weapon, or weapons system at another installation;

(ii) is uniquely military in character, and is likely to have no civilian use (other than use for its material content or as a source of commonly used components);

(iii) is not required for the reutilization or redevelopment of the installation (as jointly determined by the Secretary and the redevelopment authority);

(iv) is stored at the installation for purposes of distribution (including spare parts or stock items); or

(v)(I) meets known requirements of an authorized program of another Federal department or agency for which expenditures for similar property would be necessary, and (II) is the subject of a written request by the head of the department or agency.

(F) Notwithstanding subparagraphs (C)(i) and (D), the Secretary may carry out any activity referred to in subparagraph (C)(ii) or (D) if the Secretary determines that the carrying out of such activity is in the national security interest of the United States.

(4)(A) The Secretary may transfer real property and personal property located at a military installation to be closed or realigned under this part to the redevelopment authority with respect to the installation.

(B)(i)(I) Except as provided in clause (ii), the transfer of property under subparagraph (A) may be for consideration at or below the estimated fair market value of the property transferred or without consideration. Such consideration may include consideration in kind (including goods and services), real property and improvements, or such other consideration as the Secretary con-

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siders appropriate. The Secretary shall determine the estimated fair market value of the property to be transferred under this subparagraph before carrying out such transfer.

(II) The Secretary shall prescribe regulations that set forth guidelines for determining the amount, if any, of consideration required for a transfer under this paragraph. Such regulations shall include a requirement that, in the case of each transfer under this paragraph for consideration below the estimated fair market value of the property transferred, the Secretary provide an explanation why the transfer is not for the estimated fair market value of the property transferred (including an explanation why the transfer cannot be carried out in accordance with the authority provided to the Secretary pursuant to paragraph (1) or (2)).

(ii) The transfer of property under subparagraph (A) shall be without consideration in the case of any installation located in a rural area whose closure or realignment under this part will have a substantial adverse impact (as determined by the Secretary) on the economy of the communities in the vicinity of the installation and on the prospect for the economic recovery of such communities from such closure or realignment. The Secretary shall prescribe in the regulations under clause (i)(II) the manner of determining whether communities are eligible for the transfer of property under this clause.

(iii) In the case of a transfer under subparagraph (A) for consideration below the fair market value of the property transferred, the Secretary may recoup from the transferee of such property such portion as the Secretary determines appropriate of the amount, if any, by which the sale or lease of such property by such transferee exceeds the amount of consideration paid to the Secretary for such property by such transferee. The Secretary shall prescribe regulations for determining the amount of recoupment under this clause.

(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, one or more portions of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

(iii) A lease under clause (i) may not require rental payments by the United States.

(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease. Exercise of the authority provided by this clause shall be made in consultation with the redevelopment authority concerned.

(D)(i) The transfer of personal property under subparagraph (A) shall not be subject to the provisions of sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484) if the Secretary determines that the transfer of such property is necessary for the effective implementation of a redevelopment plan with respect to the installation at which such property is located.

(ii) The Secretary may, in lieu of the transfer of property referred to in subparagraph (A), transfer property similar to such property (including property not located at the installation) if the Secretary determines that the transfer of such similar property is in the interest of the United States.

(E) The provisions of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) shall apply to any transfer of real property under this paragraph.

(F) The Secretary may require any additional terms and conditions in connection with a transfer under this paragraph as such Secretary considers appropriate to protect the interests of the United States.

(5)(A) Except as provided in subparagraph (B), the Secretary shall take such actions as the Secretary determines necessary to ensure that final determinations under paragraph (1) regarding whether another department or agency of the Federal Government has identified a use for any portion of a military installation to be closed or realigned under this part, or will accept transfer of any portion of such installation, are made not later than 6 months after the date of approval of closure or realignment of that installation.

(B) The Secretary may, in consultation with the redevelopment authority with respect to an installation, postpone making the final determinations referred to in subparagraph (A) with respect to the installation for such period as the Secretary determines appropriate if the Secretary determines that such postponement is in the best interests of the communities affected by the closure or realignment of the installation.

(6)(A) The disposal of buildings and property located at installations approved for closure or realignment under this part shall be carried out in accordance with this paragraph.

(B)(i) Not later than the date on which the Secretary of Defense completes the final determinations referred to in paragraph (5) relating to the use or transferability of any portion of an installation covered by this paragraph, the Secretary shall—

(I) identify the buildings and property at the installation for which the Department of Defense has a use, for which another department or agency of the Federal Government has identified a use, or of which another department or agency will accept a transfer;

(II) take such actions as are necessary to identify any building or property at the installation not identified under subclause (I) that is excess property or surplus property;

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(III) submit to the Secretary of Housing and Urban Development and to the redevelopment authority for the installation (or the chief executive officer of the State in which the installation is located if there is no redevelopment authority for the installation at the completion of the determination described in the stem of this sentence) information on any building or property that is identified under subclause (II); and

(IV) publish in the Federal Register and in a newspaper of general circulation in the communities in the vicinity of the installation information on the buildings and property identified under subclause (II).

(ii) Upon the recognition of a redevelopment authority for an installation covered by this paragraph, the Secretary of Defense shall publish in the Federal Register and in a newspaper of general circulation in the communities in the vicinity of the installation information on the redevelopment authority.

(C)(i) State and local governments, representatives of the homeless, and other interested parties located in the communities in the vicinity of an installation covered by this paragraph shall submit to the redevelopment authority for the installation a notice of the interest, if any, of such governments, representatives, and parties in the buildings or property, or any portion thereof, at the installation that are identified under subparagraph (B)(i)(II). A notice of interest under this clause shall describe the need of the government, representative, or party concerned for the buildings or property covered by the notice.

(ii) The redevelopment authority for an installation shall assist the governments, representatives, and parties referred to in clause (i) in evaluating buildings and property at the installation for purposes of this subparagraph.

(iii) In providing assistance under clause (ii), a redevelopment authority shall—

(I) consult with representatives of the homeless in the communities in the vicinity of the installation concerned; and

(II) undertake outreach efforts to provide information on the buildings and property to representatives of the homeless, and to other persons or entities interested in assisting the homeless, in such communities.

(iv) It is the sense of Congress that redevelopment authorities should begin to conduct outreach efforts under clause (iii)(II) with respect to an installation as soon as is practicable after the date of approval of closure or realignment of the installation.

(D)(i) State and local governments, representatives of the homeless, and other interested parties shall submit a notice of interest to a redevelopment authority under subparagraph (C) not later than the date specified for such notice by the redevelopment authority.

(ii) The date specified under clause (i) shall be—

(I) in the case of an installation for which a redevelopment authority has been recognized as of the date of the completion of the determinations referred to in paragraph (5), not earlier than 3 months and not later than 6 months after the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation, as required by section 705(b)(6)(D)(iii)(I); and

(II) in the case of an installation for which a redevelopment authority is not recognized as of such date, not earlier than 3 months and not later than 6 months after the date of the recognition of a redevelopment authority for the installation.

(iii) Upon specifying a date for an installation under this subparagraph, the redevelopment authority for the installation shall—

(I) publish the date specified and other requirements for purposes of submitting notices of interest in a newspaper of general circulation in the communities in the vicinity of the installation concerned; and

(II) notify the Secretary of Defense of the date.

(E)(i) In submitting to a redevelopment authority under subparagraph (C) a notice of interest in the use of buildings or property at an installation to assist the homeless, a representative of the homeless shall submit the following:

(I) A description of the homeless assistance program that the representative proposes to carry out at the installation.

(II) An assessment of the need for the program.

(III) A description of the extent to which the program is or will be coordinated with other homeless assistance programs in the communities in the vicinity of the installation.

(IV) A description of the buildings and property at the installation that are necessary in order to carry out the program.

(V) A description of the financial plan, the organization, and the organizational capacity of the representative to carry out the program.

(VI) An assessment of the time required in order to commence carrying out the program.

(ii) A redevelopment authority may not release to the public any information submitted to the redevelopment authority under clause (i)(V) without the consent of the representative of the homeless concerned unless such release is authorized under Federal law and under the law of the State and communities in which the installation concerned is located.

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(F)(i) The redevelopment authority for each installation covered by this paragraph shall prepare a redevelopment plan for the installation. The redevelopment authority shall, in preparing the plan, consider the interests in the use to assist the homeless of the buildings and property at the installation that are expressed in the notices submitted to the redevelopment authority under subparagraph (C).

(ii)(I) In connection with a redevelopment plan for an installation, a redevelopment authority and representatives of the homeless shall prepare legally binding agreements that provide for the use to assist the homeless of buildings and property, resources, and assistance on or off the installation. The implementation of such agreements shall be contingent upon the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L).

(II) Agreements under this clause shall provide for the reversion to the redevelopment authority concerned, or to such other entity or entities as the agreements shall provide, of buildings and property that are made available under this paragraph for use to assist the homeless in the event that such buildings and property cease being used for that purpose.

(iii) A redevelopment authority shall provide opportunity for public comment on a redevelopment plan before submission of the plan to the Secretary of Defense and the Secretary of Housing and Urban Development under subparagraph (G).

(iv) A redevelopment authority shall complete preparation of a redevelopment plan for an installation and submit the plan under subparagraph (G) not later than 9 months after the date specified by the redevelopment authority for the installation under subparagraph (D).

(G)(i) Upon completion of a redevelopment plan under subparagraph (F), a redevelopment authority shall submit an application containing the plan to the Secretary of Defense and to the Secretary of Housing and Urban Development.

(ii) A redevelopment authority shall include in an application under clause (i) the following:

(I) A copy of the redevelopment plan, including a summary of any public comments on the plan received by the redevelopment authority under subparagraph (F)(iii).

(II) A copy of each notice of interest of use of buildings and property to assist the homeless that was submitted to the redevelopment authority under subparagraph (C), together with a description of the manner, if any, in which the plan addresses the interest expressed in each such notice and, if the plan does not address such an interest, an explanation why the plan does not address the interest.

(III) A summary of the outreach undertaken by the redevelopment authority under subparagraph (C)(iii)(II) in preparing the plan.

(IV) A statement identifying the representatives of the homeless and the homeless assistance planning boards, if any, with which the redevelopment authority consulted in preparing the plan, and the results of such consultations.

(V) An assessment of the manner in which the redevelopment plan balances the expressed needs of the homeless and the need of the communities in the vicinity of the installation for economic redevelopment and other development.

(VI) Copies of the agreements that the redevelopment authority proposes to enter into under subparagraph (F)(ii).

(H)(i) Not later than 60 days after receiving a redevelopment plan under subparagraph (G), the Secretary of Housing and Urban Development shall complete a review of the plan. The purpose of the review is to determine whether the plan, with respect to the expressed interest and requests of representatives of the homeless—

(I) takes into consideration the size and nature of the homeless population in the communities in the vicinity of the installation, the availability of existing services in such communities to meet the needs of the homeless in such communities, and the suitability of the buildings and property covered by the plan for the use and needs of the homeless in such communities;

(II) takes into consideration any economic impact of the homeless assistance under the plan on the communities in the vicinity of the installation;

(III) balances in an appropriate manner the needs of the communities in the vicinity of the installation for economic redevelopment and other development with the needs of the homeless in such communities;

(IV) was developed in consultation with representatives of the homeless and the homeless assistance planning boards, if any, in the communities in the vicinity of the installation; and

(V) specifies the manner in which buildings and property, resources, and assistance on or off the installation will be made available for homeless assistance purposes.

(ii) It is the sense of Congress that the Secretary of Housing and Urban Development shall, in completing the review of a plan under this subparagraph, take into consideration and be receptive to the predominant views on the plan of the communities in the vicinity of the installation covered by the plan.

(iii) The Secretary of Housing and Urban Development may engage in negotiations and consultations with a redevelopment authority before or during the course of a review under clause (i) with a view toward resolving any preliminary determination of the Secretary that a redevelopment plan does not meet a requirement set forth in that clause. The redevelopment authority may modify the redevelopment plan as a result of such negotiations and consultations.

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(iv) Upon completion of a review of a redevelopment plan under clause (i), the Secretary of Housing and Urban Development shall notify the Secretary of Defense and the redevelopment authority concerned of the determination of the Secretary of Housing and Urban Development under that clause.

(v) If the Secretary of Housing and Urban Development determines as a result of such a review that a redevelopment plan does not meet the requirements set forth in clause (i), a notice under clause (iv) shall include—

(I) an explanation of that determination; and

(II) a statement of the actions that the redevelopment authority must undertake in order to address that determination.

(I)(i) Upon receipt of a notice under subparagraph (H)(iv) of a determination that a redevelopment plan does not meet a requirement set forth in subparagraph (H)(i), a redevelopment authority shall have the opportunity to—

(I) revise the plan in order to address the determination; and

(II) submit the revised plan to the Secretary of Defense and the Secretary of Housing and Urban Development.

(ii) A redevelopment authority shall submit a revised plan under this subparagraph to such Secretaries, if at all, not later than 90 days after the date on which the redevelopment authority receives the notice referred to in clause (i).

(J)(i) Not later than 30 days after receiving a revised redevelopment plan under subparagraph (I), the Secretary of Housing and Urban Development shall review the revised plan and determine if the plan meets the requirements set forth in subparagraph (H)(i).

(ii) The Secretary of Housing and Urban Development shall notify the Secretary of Defense and the redevelopment authority concerned of the determination of the Secretary of Housing and Urban Development under this subparagraph.

(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary of Defense shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

(iii) The Secretary of Defense shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.). In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such subchapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance.

(L)(i) If the Secretary of Housing and Urban Development determines under subparagraph (J) that a revised redevelopment plan for an installation does not meet the requirements set forth in subparagraph (H)(i), or if no revised plan is so submitted, that Secretary shall—

(I) review the original redevelopment plan submitted to that Secretary under subparagraph (G), including the notice or notices of representatives of the homeless referred to in clause (ii)(II) of that subparagraph;

(II) consult with the representatives referred to in subclause (I), if any, for purposes of evaluating the continuing interest of such representatives in the use of buildings or property at the installation to assist the homeless;

(III) request that each such representative submit to that Secretary the items described in clause (ii); and

(IV) based on the actions of that Secretary under subclauses (I) and (II), and on any information obtained by that Secretary as a result of such actions, indicate to the Secretary of Defense the buildings and property at the installation that meet the requirements set forth in subparagraph (H)(i).

(ii) The Secretary of Housing and Urban Development may request under clause (i)(III) that a representative of the homeless submit to that Secretary the following:

(I) A description of the program of such representative to assist the homeless.

(II) A description of the manner in which the buildings and property that the representative proposes to use for such purpose will assist the homeless.

(III) Such information as that Secretary requires in order to determine the financial capacity of the representative to carry out the program and to ensure that the program will

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be carried out in compliance with Federal environmental law and Federal law against discrimination.

(IV) Such information as the Secretary requires in order to determine that police services, fire protection services, and water and sewer services available in the communities in the vicinity of the installation concerned are adequate for the program.

(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall dispose of buildings and property at the installation in consultation with the Secretary of Housing and Urban Development and the redevelopment authority concerned.

(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary of Defense shall treat the redevelopment plan submitted by the redevelopment authority for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation. The Secretary of Defense shall incorporate the notification of the Secretary of Housing and Urban Development under clause (iii)(I) as part of the proposed Federal action for the installation only to the extent, if any, that the Secretary of Defense considers such incorporation to be appropriate and consistent with the best and highest use of the installation as a whole, taking into consideration the redevelopment plan submitted by the redevelopment authority.

(III) The Secretary of Defense shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.). In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan submitted by the redevelopment authority for the installation.

(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

(V) In the case of a request for a conveyance under subclause (I) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such sub-

chapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance.

(M)(i) In the event of the disposal of buildings and property of an installation pursuant to subparagraph (K) or (L), the redevelopment authority for the installation shall be responsible for the implementation of and compliance with agreements under the redevelopment plan described in that subparagraph for the installation.

(ii) If a building or property reverts to a redevelopment authority under such an agreement, the redevelopment authority shall take appropriate actions to secure, to the maximum extent practicable, the utilization of the building or property by other homeless representatives to assist the homeless. A redevelopment authority may not be required to utilize the building or property to assist the homeless.

(N) The Secretary of Defense may postpone or extend any deadline provided for under this paragraph in the case of an installation covered by this paragraph for such period as the Secretary considers appropriate if the Secretary determines that such postponement is in the interests of the communities affected by the closure or realignment of the installation. The Secretary shall make such determinations in consultation with the redevelopment authority concerned and, in the case of deadlines provided for under this paragraph with respect to the Secretary of Housing and Urban Development, in consultation with the Secretary of Housing and Urban Development.

(O) For purposes of this paragraph, the term “communities in the vicinity of the installation”, in the case of an installation, means the communities that constitute the political jurisdictions (other than the State in which the installation is located) that comprise the redevelopment authority for the installation.

(P) For purposes of this paragraph, the term “other interested parties”, in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or sections 47151 through 47153 of title 49, United States Code, whether or not the parties assist the homeless.

(7)(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations closed or to be closed or realigned or to be realigned, under this part, if the Secretary determines that the provision of such services under such agreements is in the best interests of the Department of Defense.

(B) The Secretary may exercise the authority provided under this paragraph without regard to the provisions of chapter 146 of title 10, United States Code.

(C) The Secretary may not exercise the authority under subparagraph (A) with respect to an installation earlier than 180 days before the date on which the installation is to be closed.

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(D) The Secretary shall include in a contract for services entered into with a local government under this paragraph a clause that requires the use of professionals to furnish the services to the extent that professionals are available in the area under the jurisdiction of such government.

(c) APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—(1) The provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to the actions of the Commission, and, except as provided in paragraph (2), the Department of Defense in carrying out this part.

(2)(A) The provisions of the National Environmental Policy Act of 1969 shall apply to actions of the Department of Defense under this part (i) during the process of property disposal, and (ii) during the process of relocating functions from a military installation being closed or realigned to another military installation after the receiving installation has been selected but before the functions are relocated.

(B) In applying the provisions of the National Environmental Policy Act of 1969 to the processes referred to in subparagraph (A), the Secretary of Defense and the Secretary of the military departments concerned shall not have to consider—

- (i) the need for closing or realigning the military installation which has been recommended for closure or realignment by the Commission;
- (ii) the need for transferring functions to any military installation which has been selected as the receiving installation; or
- (iii) military installations alternative to those recommended or selected.

(3) A civil action for judicial review, with respect to any requirement of the National Environmental Policy Act of 1969 to the extent such Act is applicable under paragraph (2), of any act or failure to act by the Department of Defense during the closing, realigning, or relocating of functions referred to in clauses (i) and (ii) of paragraph (2)(A), may not be brought more than 60 days after the date of such act or failure to act.

(d) WAIVER.—The Secretary of Defense may close or realign military installations under this part without regard to—

- (1) any provision of law restricting the use of funds for closing or realigning military installations included in any appropriations or authorization Act; and
- (2) sections 2662 and 2687 of title 10, United States Code.

(e) TRANSFER AUTHORITY IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION COSTS.—(1)(A) Subject to paragraph (2) of this subsection and section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)), the Secretary may enter into an agreement to transfer by deed real property or facilities referred to in subparagraph (B) with any person who agrees to perform all environ-

mental restoration, waste management, and environmental compliance activities that are required for the property or facilities under Federal and State laws, administrative decisions, agreements (including schedules and milestones), and concurrences.

(B) The real property and facilities referred to in subparagraph (A) are the real property and facilities located at an installation closed or to be closed or realigned or to be realigned under this part that are available exclusively for the use, or expression of an interest in a use, of a redevelopment authority under subsection (b)(6)(F) during the period provided for that use, or expression of interest in use, under that subsection.

(C) The Secretary may require any additional terms and conditions in connection with an agreement authorized by subparagraph (A) as the Secretary considers appropriate to protect the interests of the United States.

(2) A transfer of real property or facilities may be made under paragraph (1) only if the Secretary certifies to Congress that—

(A) the costs of all environmental restoration, waste management, and environmental compliance activities to be paid by the recipient of the property or facilities are equal to or greater than the fair market value of the property or facilities to be transferred, as determined by the Secretary; or

(B) if such costs are lower than the fair market value of the property or facilities, the recipient of the property or facilities agrees to pay the difference between the fair market value and such costs.

(3) As part of an agreement under paragraph (1), the Secretary shall disclose to the person to whom the property or facilities will be transferred any information of the Secretary regarding the environmental restoration, waste management, and environmental compliance activities described in paragraph (1) that relate to the property or facilities. The Secretary shall provide such information before entering into the agreement.

(4) Nothing in this subsection shall be construed to modify, alter, or amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(5) Section 330 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 10 U.S.C. 2687 note) shall not apply to any transfer under this subsection to persons or entities described in subsection (a)(2) of such section 330.

(f) **TRANSFER AUTHORITY IN CONNECTION WITH CONSTRUCTION OR PROVISION OF MILITARY FAMILY HOUSING.**—(1) Subject to paragraph (2), the Secretary may enter into an agreement to transfer by deed real property or facilities located at or near an installation closed or to be closed, or realigned or to be realigned, under this part with any person who agrees, in exchange for the real property or facilities, to transfer to the Secretary housing units that are constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable housing to meet the requirements of members of the Armed Forces and their

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dependents. The Secretary may not select real property for transfer under this paragraph if the property is identified in the redevelopment plan for the installation as property essential to the reuse or redevelopment of the installation.

(2) A transfer of real property or facilities may be made under paragraph (1) only if—

(A) the fair market value of the housing units to be received by the Secretary in exchange for the property or facilities to be transferred is equal to or greater than the fair market value of such property or facilities, as determined by the Secretary; or

(B) in the event the fair market value of the housing units is less than the fair market value of property or facilities to be transferred, the recipient of the property or facilities agrees to pay to the Secretary the amount equal to the excess of the fair market value of the property or facilities over the fair market value of the housing units.

(3) Notwithstanding paragraph (2) of section 706(a), the Secretary may deposit funds received under paragraph (2)(B) in the Department of Defense Family Housing Improvement Fund established under section 2873(a) of title 10, United States Code.

(4) The Secretary shall submit to the congressional defense committees a report describing each agreement proposed to be entered into under paragraph (1), including the consideration to be received by the United States under the agreement. The Secretary may not enter into the agreement until the end of the 30-day period beginning on the date the congressional defense committees receive the report regarding the agreement.

(5) The Secretary may require any additional terms and conditions in connection with an agreement authorized by this subsection as the Secretary considers appropriate to protect the interests of the United States.

(g) ACQUISITION OF MANUFACTURED HOUSING.—(1) In closing or realigning any military installation under this part, the Secretary may purchase any or all right, title, and interest of a member of the Armed Forces and any spouse of the member in manufactured housing located at a manufactured housing park established at an installation closed or realigned under this part, or make a payment to the member to relocate the manufactured housing to a suitable new site, if the Secretary determines that—

(A) it is in the best interest of the Federal Government to eliminate or relocate the manufactured housing park; and

(B) the elimination or relocation of the manufactured housing park would result in an unreasonable financial hardship to the owners of the manufactured housing.

(2) Any payment made under this subsection shall not exceed 90 percent of the purchase price of the manufactured housing, as paid by the member or any spouse of the member, plus the cost of any permanent improvements subsequently made to the manufactured housing by the member or spouse of the member.

(3) The Secretary shall dispose of manufactured housing acquired under this subsection through resale, donation, trade or otherwise within one year of acquisition.

## **SEC. 706. ACCOUNT**

(a) **IN GENERAL.**—(1) There is hereby established on the books of the Treasury an account to be known as the “Department of Defense Base Closure Account 1998” which shall be administered by the Secretary as a single account.

(2) There shall be deposited into the Account—

(A) funds authorized for and appropriated to the Account;

(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees;

(C) except as provided in subsection (d), proceeds received from the lease, transfer, or disposal of any property at a military installation closed or realigned under this part; and

(D) proceeds received after September 30, 2001, from the lease, transfer, or disposal of any property at a military installation closed or realigned under the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510; 10 U.S.C. 2687 note).

(b) **USE OF FUNDS.**—(1) The Secretary may use the funds in the Account only for the purposes described in section 705, or, after September 30, 2001, for environmental restoration and property management and disposal at installations closed or realigned under the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510; 10 U.S.C. 2687 note).

(2) When a decision is made to use funds in the Account to carry out a construction project under section 705(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

(c) **REPORTS.**—(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 705(a) during such fiscal year.

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(B) The report for a fiscal year shall include the following:

(i) The obligations and expenditures from the Account during the fiscal year, identified by subaccount, for each military department and Defense Agency.

(ii) The fiscal year in which appropriations for such expenditures were made and the fiscal year in which funds were obligated for such expenditures.

(iii) Each military construction project for which such obligations and expenditures were made, identified by installation and project title.

(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 707(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of—

(I) any failure to carry out military construction projects that were so proposed; and

(II) any expenditures for military construction projects that were not so proposed.

(2) Unobligated funds which remain in the Account after the termination of the authority of the Secretary to carry out a closure or realignment under this part shall be held in the Account until transferred by law after the congressional defense committees receive the report transmitted under paragraph (3).

(3) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part, the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

(A) all the funds deposited into and expended from the Account or otherwise expended under this part; and

(B) any amount remaining in the Account.

(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real

property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary of Defense.

(3) The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts) for the purpose of acquiring, constructing, and improving—

(A) commissary stores; and

(B) real property and facilities for nonappropriated fund instrumentalities.

(4) As used in this subsection:

(A) The term “commissary store funds” means funds received from the adjustment of, or surcharge on, selling prices at commissary stores fixed under section 2685 of title 10, United States Code.

(B) The term “nonappropriated funds” means funds received from a nonappropriated fund instrumentality.

(C) The term “nonappropriated fund instrumentality” means an instrumentality of the United States under the jurisdiction of the Armed Forces (including the Army and Air Force Exchange Service, the Navy Resale and Services Support Office, and the Marine Corps exchanges) which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.

(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 705 (a)(1)(C). The prohibition in this subsection shall expire upon the termination of the authority of the Secretary to carry out a closure or realignment under this part.

## **SEC. 707. REPORTS**

As part of the budget request for the Department of Defense for fiscal year 2005 and for each fiscal year thereafter in which the Secretary carries out activities under this part, the Secretary shall transmit to the congressional defense committees of Congress—

(1) a schedule of the closure and realignment actions to be carried out under this part in the fiscal year for which the request is made and an estimate of the total expenditures required and cost savings to be achieved by each such closure and realignment and of the time period in which these savings are to be achieved in each case, together with the Secretary’s assessment of the environmental effects of such actions; and

(2) a description of the military installations, including those under construction and those planned for construction, to which functions are to be transferred as a result of

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such closures and realignments, together with the Secretary's assessment of the environmental effects of such transfers.

## **SEC. 708. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT**

(a) **TERMS OF THE RESOLUTION.**—For purposes of section 704(b), the term “joint resolution” means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the report to the Congress under section 703(e), and—

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: “That Congress disapproves the recommendations of the Defense Base Closure and Realignment Commission as submitted by the President on “, the blank space being filled in with the appropriate date; and

(3) the title of which is as follows: “Joint resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission.”.

(b) **REFERRAL.**—A resolution described in subsection (a) that is introduced in the House of Representatives shall be referred to the Committee on National Security of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate.

(c) **DISCHARGE.**—If the committee to which a resolution described in subsection (a) is referred has not reported such a resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the President transmits the report to the Congress under section 703(e), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) **CONSIDERATION.**—(1) On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. A member may make the motion only on the day after the calendar day on which the Member announces to the House concerned the Member's intention to make the motion, except that, in the case of the House of Representatives, the motion may be made without such prior announcement if the motion is made by direction of the committee to which the resolution was referred. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening

motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rule making power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

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(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

## **SEC. 709. RESTRICTION ON OTHER BASE CLOSURE AUTHORITY**

(a) **IN GENERAL.**—Except as provided in subsection (c), during the period beginning on the date of the enactment of this Act and ending on December 31, 2005, this part shall be the exclusive authority for selecting for closure or realignment, or for carrying out any closure or realignment of, a military installation inside the United States.

(b) **RESTRICTION.**—Except as provided in subsection (c), none of the funds available to the Department of Defense may be used, other than under this part, during the period specified in subsection (a)—

(1) to identify, through any transmittal to the Congress or through any other public announcement or notification, any military installation inside the United States as an installation to be closed or realigned or as an installation under consideration for closure or realignment; or

(2) to carry out any closure or realignment of a military installation inside the United States.

(c) **EXCEPTION.**—Nothing in this part affects the authority of the Secretary to carry out—

(1) closures and realignments under title II of Public Law 100-526;

(2) closures and realignments under Public Law 101-510; and

(3) closures and realignments to which section 2687 of title 10, United States Code, is not applicable, including closures and realignments carried out for reasons of national security or a military emergency referred to in subsection (c) of such section.

## **SEC. 710. DEFINITIONS**

As used in this part:

(1) The term “Account” means the Department of Defense Base Closure Account 1998 established by section 706(a)(1).

(2) The term “congressional defense committees” means the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives.

(3) The term “Commission” means the Commission established by section 702.

(4) The term “military installation” means a base, camp, post, station, yard, center, home-port facility for any ship, or other activity under the jurisdiction of the Department of Defense,

including any leased facility. Such term does not include any facility used primarily for civil works, rivers and harbors projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense.

(5) The term “realignment” includes any action which both reduces and relocates functions and civilian personnel positions but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, or skill imbalances.

(6) The term “Secretary” means the Secretary of Defense.

(7) The term “United States” means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and any other commonwealth, territory, or possession of the United States.

(8) The term “date of approval”, with respect to a closure or realignment of an installation, means the date on which the authority of Congress to disapprove a recommendation of closure or realignment, as the case may be, of such installation under this part expires.

(9) The term “redevelopment authority”, in the case of an installation to be closed or realigned under this part, means any entity (including an entity established by a State or local government) recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation or for directing the implementation of such plan.

(10) The term “redevelopment plan” in the case of an installation to be closed or realigned under this part, means a plan that—

(A) is agreed to by the local redevelopment authority with respect to the installation; and

(B) provides for the reuse or redevelopment of the real property and personal property of the installation that is available for such reuse and redevelopment as a result of the closure or realignment of the installation.

(11) The term “representative of the homeless” has the meaning given such term in section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4)).

## **SEC. 711. CONFORMING AMENDMENT**

All authorities provided to the Secretary of Defense with respect to installations closed or to be closed pursuant to the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510, as amended; 10 U.S.C. 2687 note), shall apply to the same extent to installations realigned or to be realigned pursuant to the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510, as amended; 10 U.S.C. 2687 note).



## Appendix D

# Joint Staff Assessment of Effects of Previous Base Closure Rounds on Military Capabilities and the Armed Forces Ability to Fulfill the National Military Strategy

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### Executive Summary

**This assessment revealed that previous base closure rounds had a net positive effect upon military capabilities and the ability to fulfill the 1997 National Military Strategy.** The 1997 National Military Strategy organizes the tasks of peacetime engagement, deterrence and conflict prevention, and fighting and winning the Nation’s wars into a new security framework of *Shape, Respond, and Prepare Now*. These key tenets of the strategy establish the foundation to meet our security requirements in the near-term and guide the Armed Forces in the transformation that will create a force capable of full spectrum dominance in the 21<sup>st</sup> Century. Since 1990, the Armed Forces have successfully responded to more than 220 smaller-scale contingencies—**During this scope of operations no BRAC-induced military capability deficiencies have arisen.**

Qualitative evidence demonstrates that consolidation and regionalization activities, which resulted from BRAC efforts, have benefited DoD. These positive benefits are manifested through the elimination of redundancies, enhanced interoperability, increased information sharing, and reductions in deteriorated infrastructure.

Reductions in infrastructure have improved the U.S. forces’ ability to adapt to a dynamic international security environment. Infrastructure reductions have also eliminated surplus base structure and assisted the Services in efforts to consolidate, centralize, and regionalize base support activities. Investment dollars, which prior to BRAC would have been used for unneeded infrastructure, are now released to support other critical needs such as modernization, readiness, quality of life, remaining infrastructure, and contingency operations.

Base closures are an essential component for funding the prepare now element of the defense strategy. Excess infrastructure, identified in 1995 by General Shalikashvili and Secretary Perry, is now more pronounced in light of QDR end-strength reductions. Eliminating this excess infrastructure prevents scarce resources from being spent on unneeded facilities.

**Insights gained from the Quadrennial Defense Review contribute to the affirmation that additional base closures are appropriate. Savings resulting from additional base closures are a key component for funding the transformation strategy. While past BRAC rounds had a net positive effect upon military capabilities—additional base closures will assist DoD in meeting the *Shape, Respond, and Prepare Now* aspects of the National Military Strategy.**

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## 1997 National Military Strategy

The core objectives detailed in the National Security Strategy are supported by the strategy and objectives identified in the 1997 National Military Strategy (NMS). The NMS promotes the following themes:<sup>1</sup>

- 1) The United States will remain globally engaged to **Shape** the international environment and create conditions favorable to US interests and global security. US Armed Forces must also **Respond** to the full spectrum of crises in order to protect our national interests. It further states that as we pursue shaping and responding activities, we must also take steps to **Prepare Now** for an uncertain future.
- 2) The Joint Force must respond across the full spectrum of crises, from major combat to humanitarian assistance operations. It must be ready to conduct and **sustain multiple, concurrent smaller-scale contingency operations**. It must also be able to **defeat adversaries in two distant, overlapping MTWs** (major theaters of war) from a posture of global engagement and in the face of WMD (weapons of mass destruction) and other asymmetric threats
- 3) To be able to respond effectively in the future, DoD needs to transform US combat capabilities and support structures. Success demands **stabilized investment** in a robust modernization program that exploits the Revolution in Military Affairs. It also requires **fundamental reengineering of our infrastructure and streamlining of our support structures**. These are essential to reaching new levels of joint warfighting effectiveness.

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<sup>1</sup> *National Military Strategy of the United States of America - Shape, Respond, Prepare Now: A Military Strategy for a New Era*, September 1997, p. 1.

## **Impact on Overall Ability to Meet the National Military Strategy**

**This assessment revealed that previous base closure rounds had a net positive effect upon military capabilities and the ability to fulfill the 1997 National Military Strategy.** Previous base closures and realignments assisted in eliminating some intra-service and cross-service redundancies while enhancing interoperability and promoting information sharing. This is especially true in installation and base support activities, housing management, medical support, administration, and training.<sup>2</sup> Consolidation of infrastructure facilities, reduction in the number of inventory control points, and the transfer of inventory management responsibilities is now allowing an improved focus of critical inventory investment dollars. Investment dollars for inventory management have been re-focused on critical inventories, asset sharing investments (total asset visibility systems), rapid transportation and distribution, tailoring of logistics packages, identification of critical war reserves, prepositioning requirements, partnering with industry, and other aspects of supporting the National Military Strategy. **Previous BRAC rounds have provided the Services not only the incentive to consolidate, centralize, and regionalize functions, but they have also served as the instrument through which these efficiencies could occur.**

The first four rounds of BRAC closed many older, high-maintenance, and in some cases deteriorated facilities. This action reduced overall installation support funding and is today allowing other high priority needs to be funded. Closure of these facilities has also allowed a reprioritization of infrastructure maintenance and improvements preventing current resources from being expended on increasingly difficult and costly to maintain facilities.

**The Department recognizes that deteriorated facilities are not only expensive, but they have an adverse affect on mission and people.** Deteriorated facilities require more maintenance; they waste utilities since they typically lack energy-conserving systems and materials, and they interfere with the mission since they often lack the capacity to accommodate today's modern equipment.<sup>3</sup>

There is a known link between facility conditions and readiness. Readiness is affected by facility conditions in two principal fashions. First, **deteriorated facilities are more likely to fail** and can directly compromise the mission. This happened during mobilization for Operation Desert Shield, when dilapidated rail lines and portions of aircraft runways failed.<sup>4</sup> Second, deteriorated facilities **impair readiness by lowering the quality of life** of service members and their families, by reducing the efficiency of uniformed and civilian workers, and by detracting from the retention of highly qualified and motivated personnel.<sup>5</sup> In the past, savings realized from BRAC were a component for funding Service quality of life programs. GAO analysis of the FYDP

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<sup>2</sup> A summary of each of the joint cross-service functional reviews is provided in the *DoD Base Closure and Realignment Report*, March 1995, 4-2.

<sup>3</sup> *DoD Annual Report to the President and Congress*, February 1995, p. 148 and *Defense Reform Initiative*, November 1997, p. 37.

<sup>4</sup> *DoD Annual Report to the President and Congress*, February 1995, p. 148.

<sup>5</sup> *DoD Annual Report to the President and Congress*, February 1995, p. 148.

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shows that between 1988 - 1997 DoD planned to increase annual average spending on family housing from \$1,880 to \$2,730 for each active duty military person.<sup>6</sup>

The QDR Installation Support Task Force identified several problematic areas that threaten modernization and readiness and ultimately the ability to shape the international environment and respond to the full spectrum of crisis.

**QDR Installation Support Task Force Findings<sup>7</sup>**

- 1) The Services increased the risk to readiness through higher probability of facility failure and higher potential for migration from other readiness accounts. Navy documents indicate higher priorities for constrained resources have forced reduction of real property maintenance in the near years, with increased risk of degraded support for personnel and mission requirements.
- 2) Likewise, Air Force documents indicated that deteriorated living and working conditions and unreliable and inefficient infrastructure adversely affect operational capabilities, readiness, and quality of life.
- 3) The Army migrated over \$3 billion into Installations Support during the FY 1989-1995 period.

As Quadrennial Defense Review (QDR) related downsizing commences and as the shaping and responding missions continue to be key components of the NMS, DoD must continue to optimize infrastructure in order to re-focus scarce resources to programs that will more aptly assist in fulfilling all components of the National Military Strategy.

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<sup>6</sup> GAO Report 96-67, *Military Bases Closure and Realignment Savings are significant, but Not Easily Quantified*, April 1996. pg. 4.

<sup>7</sup> *Quadrennial Defense Review Infrastructure Panel Installation Support Task Force Final Report*, February 1997.

## **Shaping the International Environment and Responding to the Full Spectrum of Crisis**

**Base closures have not hindered the U.S. Armed Forces from successfully accomplishing the shaping or responding components of the 1997 NMS.** In the past and for the foreseeable future, the U.S. will continue to shape the international environment and respond to the full spectrum of crises through the judicious use of military power.

General Shalikashvili, testimony before 1995 Base Realignment and Closure Commission

“I am convinced that the closure, realignment, and redirection recommendations that have been submitted to this commission in no way impair our readiness, our ability to train our forces, or our ability to carry out the full scope of military missions and joint operations.”<sup>8</sup>

US Armed Forces help shape the international environment primarily through their inherent deterrent qualities and through peacetime military engagement. These peacetime engagement activities include promoting regional stability, preventing or reducing conflicts and threats, and peacetime deterrence.<sup>9</sup> These activities are carried out each day through exercises, information sharing, military education programs, treaty verification, and forward presence forces whether routinely deployed or permanently stationed. This wide range of activities began before the first round of BRAC and continues today with approximately 100,000 U.S. personnel deployed to both the European and Pacific theaters.

Given the strategic environment, the US military undoubtedly will be called upon to respond to crises across the full range of military operations, from conducting concurrent smaller-scale contingencies to fighting and winning MTWs.

### Smaller Scale Contingencies

Typically on any given day, US Forces are deployed in support of ten or more Joint/Combined Operations while participating in exercises in over seventy countries.<sup>10</sup> Additionally, over the years 1990-1997, US forces have participated in more than 220 operations around the world.<sup>11</sup> These operations span the entire range of operations from Non-Combatant Evacuations, foreign humanitarian assistance, and domestic disaster assistance to peacekeeping, peace enforcement, and peace implementation.

Supporting these contingencies requires swift and decisive action in a wide range of concurrent operations. Our ability to perform shows of force, limited strikes, opposed intervention, no-fly zone and sanctions enforcement operations, and other missions allows us to deter would-be ag-

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<sup>8</sup> *Base Closure and Realignment Commission Testimony*, March 1995, p.16.

<sup>9</sup> 1997 NMS, page 12-14.

<sup>10</sup> 1997 NMS, page 13.

<sup>11</sup> Baseline Engagement Force (BEF) Database generated for QDR 1997 (operations 1990-1996), J-8/STOPD, as well as J-1/3 current operations databases for 1997.

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gressors and control the danger posed by rogue states. This wide range of operations is directly supported by the existing CONUS infrastructure. This infrastructure has successfully supported the most highly educated, strategically agile, multi-mission capable, and world-wide deployable military force ever fielded.

### Major Theater Wars

In addition to being able to respond to multiple and concurrent smaller scale contingencies, U.S. forces must be capable of fighting and winning two major theater wars (MTWs) nearly simultaneously. In order to clearly define the mobility structures required to support the two MTW capability, the Department conducted the Mobility Requirements Study Bottom-Up Review Update (MRS-BURU). MRS-BURU, using an FY 97-01 force structure that included infrastructure reductions recommended through BRAC 95, defined the strategic mobility infrastructure requirements to support two nearly simultaneous MTWs.<sup>12</sup> **MRS-BURU concluded that established CONUS infrastructure supports the most demanding requirement of the NMS, the capability to fight and win two overlapping MTWs.**

MRS-BURU was a major analysis effort on the part of DoD and required extensive time and effort to complete. Supplementing these types of major analysis efforts are other recurring capability assessments. One of these assessments that is routinely used to monitor military readiness is the Joint Monthly Readiness Review (JMRR). The JMRR provides a current assessment of the military's readiness to fight and meet the demands of Major Theater Wars as well as other requirements of the National Military Strategy. This recurring review draws feedback from the Joint Staff, the CINC's, the Services, and the Combat Support Agencies, and provides a current macro-level assessment to DoD leadership of the military's readiness to meet the demands of the NMS. Assessment findings are reported to the Senior Readiness Oversight Council (SROC) and the Quarterly Readiness Report to Congress. Infrastructure is one of the many functional areas reviewed and analyzed in the JMRR. **In two and one half years of JMRR deficiency reporting consisting of nearly 250 reported deficiencies there have been no capability deficiencies attributable to BRAC.**

The Joint Uniform Lessons Learned (JULLS) database was also reviewed for infrastructure, logistics, sustainment, and sealift/airlift shortfalls. **In a review of more than one-hundred JULLS reports covering the time period from 1993-1997 there were no BRAC-induced deficiencies.**

Input from the CINCs substantiate the fact that base closures have had a net overall positive impact upon the Armed Forces' ability to meet the NMS. USTRANSCOM attests that while there were some negative impacts resulting from BRAC, **the long-term benefits to Military Sealift**

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<sup>12</sup> *The only CONUS infrastructure deficiencies identified were in ammo depot outload and ammo depot throughput capabilities. These non-BRAC related deficiencies are being corrected through CINC prioritized and Service funded programs. MRS-BURU & CINC IPL 98-03.*

**Command outweigh the negative impacts.**<sup>13</sup> Similarly, **USSOCOM in a February Memorandum to the Joint Staff, indicated that “previous BRAC rounds have had a net positive effect on the military capabilities of special operations forces’ units.** The movement of the 10<sup>th</sup> Special Forces Group from Fort Devens, MA to Fort Carson, CO improved both the training and quality of life facilities for that unit.”<sup>14</sup> These sentiments were echoed by PACOM. **USCINCPAC concurred that previous base closure rounds have had a net positive effect upon military capabilities and the Armed Forces’ ability to fulfill the NMS.**<sup>15</sup>

The CJCS conducts a biennial assessment of combat support agencies’ readiness and responsiveness to support operating forces in the event of war or threat to national security. **In a review of the most recent Combat Support Agency Responsiveness and Readiness Reports, there were no BRAC-induced capability deficiencies.**

As early as 1995, it was apparent that additional base closures would be needed if the Department was to truly optimize infrastructure, thus matching infrastructure more closely with military needs. During testimony before the 1995 Base Closure and Realignment Commission, both the SecDef and the CJCS stated that additional BRAC rounds would likely be needed.<sup>16</sup> **The 1996 Defense Science Board (DSB), in a study of DoD support structures, echoed these assertions concluding that DoD has enough excess infrastructure to support two additional rounds of base closure.**<sup>17</sup>

The QDR Installation Support Task Force accomplished an analysis of current infrastructure, infrastructure needs, and installation support requirements based upon future needs and post-BRAC 95 infrastructure. The analysis was accomplished with the coordination of each of the Services to ensure a well-rounded product that accurately reflected Service infrastructure holdings and issues. It examined current infrastructure and compared it to the missions the Department is required to accomplish. **Ultimately, the QDR task force determined that current infrastructure supports current and anticipated future readiness requirements. The QDR final report established that two additional rounds of BRAC similar in scale to those of 1993 and 1995 were warranted.**<sup>18</sup>

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<sup>13</sup> *USTRANSCOM Memorandum for JS/J8 Forces Division*, November 1997, p. 1. TRANSCOM identified three areas where some negative impacts have occurred as a result of BRAC: <sup>1)</sup> There was a short term loss of experience in the workforce causing some turbulence within the force; however, management action mitigated this impact. <sup>2)</sup> Loss of berths at Oakland Army Base required that commercial alternatives be developed. <sup>3)</sup> Loss of assured access to Oakland and Bayonne seaports requires the use of multiple commercial ports.

<sup>14</sup> *USSOCOM Memorandum for the Joint Staff, J-8*, February 1998, p. 1.

<sup>15</sup> *USCINCPAC Memorandum for the Joint Staff J-8*, February 1998, p.1.

<sup>16</sup> *Base Closure and Realignment Commission Testimony*, March 1995, p.14.

<sup>17</sup> *Quadrennial Defense Review Infrastructure Panel Installation Support Task Force Final Report*, February 1997, p. 4.

<sup>18</sup> *Report of the Quadrennial Defense Review*, May 1997, p.54.

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## Prepare Now for an Uncertain Future

As we move into the next century, it is imperative that the United States maintain the military superiority essential to global leadership. To be able to respond effectively in the future, U.S. combat capabilities and support structures must be transformed in order to best meet the challenges of tomorrow. Accomplishing this task is imperative to our global leadership and it must be accomplished while remaining engaged worldwide, ready to respond to the full spectrum of crises.

The ability and efficiency of U.S. forces to transform to a force of the future depends very much upon availability of funds today. Findings from the QDR analysis indicate that the Department's infrastructure dilemma may hamper this transformation. Analysis indicates that in 1998 there will be an installation support funding gap of \$5-7 billion.<sup>19</sup> This gap must be funded through deferred recapitalization and maintenance, as well as migration of O&M and modernization funds. As excess facilities and infrastructure continue to age, this problem will be exacerbated by deferred bills that come due at higher costs. **Higher installation maintenance costs negatively influence core national military capability funding. This represents a threat to the modernization, readiness, and quality of life requirements detailed in the 1997 National Military Strategy.**

As discussed earlier, in testimony before the 1995 Commission, both the SecDef and the CJCS indicated that despite four BRAC rounds, additional base closures would likely be requested to better align the infrastructure to the force structure it is designed to support. When considering this testimony along with recent QDR end-strength reductions of more than 170,000 personnel, it becomes increasingly evident that further base closures are appropriate.

**Eliminating excess capacity and reengineering and streamlining remaining infrastructure would provide DoD a component of the funding solution required to meet the *Prepare Now* element of the NMS.**

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<sup>19</sup> *Quadrennial Defense Review Infrastructure Panel Installation Support Task Force Final Report*, February 1997. The task force supported the existence of a funding gap of \$5-6 billion annually versus the Services estimate of \$7.3 billion.

<b>QDR Force Structure<sup>20</sup></b>		
		<b>End-Strength Reductions</b>
Army	10 Divisions (Active) 530,000 Reserve Personnel	15,000 (Active) 45,000 (Reserve) 33,700 (Civilian)
Navy	11/1 Aircraft Carriers (Active/Reserve) 10/1 Air Wings (Active/Reserve) 12 Amphibious Ready Groups 50 Attack Submarines 116 Surface Combatants	18,000 (Active) 4,100 (Reserve) 8,400 (Civilian)
Air Force	12+ Fighter Wings (Active) 8 Fighter Wings (Reserve) 4 Reserve Air Defense Squadrons 187 Bombers (Total)	26,900 (Active) 700 (Reserve) 18,300 (Civilian)
Marine Corps	3 Marine Expeditionary Forces	1,800 (Active) 4,200 (Reserve) 400 (Civilian)

As recommended in the Report of the QDR, DoD is pursuing congressional authorization for additional rounds of base closure. **Eliminating excess infrastructure and consolidating functions will permit DoD to maintain core capabilities and will facilitate the transformation to a military force most capable of meeting the challenges of tomorrow.**

<sup>20</sup> *Report of the Quadrennial Defense Review*, May 1997 pp. 29-30.

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## Conclusion

The *Shape, Respond, and Prepare Now* strategy defined in the QDR process was built on the strategic foundation of earlier defense strategy reviews and post-Cold War experience. In order to best carry out this strategy, the QDR identified a rebalance in military end-strength and force structure offset in part by enhanced capabilities of new systems and streamlined support structures. The result of this effort is a balanced, flexible force that has sufficient depth to accomplish the strategy. **The shape and respond capabilities articulated in the 1997 NMS have not been adversely affected by the previous four BRAC rounds.** In fact, a net positive benefit has resulted from previous BRAC rounds in the form of slower migration of O&M and modernization funds and qualitative and quantitative benefits to servicemember quality of life. **Achieving the prepare now component of the 1997 NMS requires a transformation of the current force to one which is capable of meeting the threats of the next century. Success in this venture depends partially upon the availability of resources to invest in a stabilized modernization program. Reducing overhead and support structures are critical to funding and achieving this program and thus meeting the Prepare Now aspect of our National Military Strategy.**

# Appendix E

## Method for Estimating Excess Base Capacity

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This appendix provides a more detailed description of the methodology used in Chapter 3 to estimate excess base capacity.

### METHODOLOGY

The base capacity analysis examined different categories of bases. The analysis focused on 259 bases that the Military Departments identified as major installations for determining capacity in these categories.<sup>1</sup>

For each base category, DoD defined a metric or a family of metrics. Each metric is a ratio that expresses an indicator of capacity (maneuver base acres, facility square feet, etc.) with a relevant measure of U.S.-based force structure (maneuver brigades, personnel spaces assigned, etc.) in 1989.

For some installation types, this analysis examined more than one indicator of capacity. In these cases, DoD established an upper and lower estimate of excess capacity, based on the different indicator values.

Next, the Department estimated future capacity needs by multiplying the 1989 metric value by the post-QDR force structure measure for 2003. In essence, the result of the multiplication is the amount of capacity required for the future force structure, keeping constant the ratio of capacity to force structure that existed in 1989. Finally, DoD estimated the increase in excess capacity by subtracting this estimate of capacity requirements from the amount of capacity that will exist after BRAC 95.

This analysis uses 1989 as a benchmark and measures the increase in excess capacity that will occur by 2003. Because the overwhelming majority of closures and realignments from the previous BRAC rounds were implemented after 1989, many categories of bases clearly had excess capacity in that year.

The results indicate that the amount of excess capacity is sufficiently large to justify authorization of new BRAC rounds. The method's results, however, cannot predict the exact number of potential closures or realignments in each category of installation since it does not compare base capacity with absolute *requirements* for that capacity. Nor, as noted previously, does it assess particular characteristics of

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<sup>1</sup> The 259 major installations are distributed among the Armed Forces as follows: 74 for the Army; 103 for the Navy and Marine Corps; 76 for the Air Force; and 6 for the Defense Logistics Agency.

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specific bases, which are critical to any specific decision. For example, this analysis assigned each base to only one installation category. In fact, most bases support more than one mission category.

## RESULTS BY ARMED FORCE

### Description of Army Metrics

1. *Administration.* This category includes active component installations that support headquarters or administrative organization stationed there, or to provide base operations, family housing, and other support to units in the region.
2. *Depots.* This category includes installations that support the full range of Army depot maintenance activities from tanks to electronics.
3. *Industrial.* This category includes installations that support a broad range of industrial functions, including ammunition production, weapons systems component production or assembly, and transshipment of units and materiel.
4. *Major Training Areas–US Army Reserves.* This category includes installations that are owned and managed by the United States Army Reserve primarily to support unit and individual training for the USAR, and similar training for the ARNG as necessary. They do not support Active Component training.
5. *Major Training Areas–Active.* This category includes installations that are owned by the Active Component and support unit level training that cannot be accomplished at home station.
6. *Maneuver.* This category includes installations that support our fighting forces. Divisions, brigades, and associated tactical units are the primary tenants of these installations.
7. *Schools.* This category includes installations that have as their primary mission support to institutional training. The type of school ranges from the United States Military Academy and initial entry training, to branch schools and professional military education.
8. *Test and Evaluation and Labs.* This category includes installations that support a range of RDT&E activities, such as basic research, research and development engineering, or test and evaluation.

## Results for the Army

Table E-1. Army Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY89	FY03	FY89	FY03		Delta from 2003 Capacity	As a Percent of 2003 Capacity
<b>Administration</b>							
<u>Administrative Space (Square Feet (000s))</u>	<u>6,627</u>	<u>6,575</u>	0.0813	0.1004	5,326	1,249	19
Military/Civilian Authorized	81,518	65,516					
<u>Total Facilities Square Feet (000s)</u>	<u>60,433</u>	<u>46,172</u>	0.7413	0.7047	48,570	No increase	
Military/Civilian Authorized	81,518	65,516					
<b>Depots</b>							
<u>Capacity Direct Labor Hours (000s)</u>	<u>29,000</u>	<u>13,000</u>	1.3810	1.3000	13,810	No increase	
Budgeted/Programmed Direct Labor Hours (000s)	21,000	10,000					
<b>Industrial</b>							
<u>Total Facilities Square Feet (000s)</u>	<u>34,707</u>	<u>24,479</u>	1.4524	2.3468	15,150	9,330	38
Military/Civilian Authorized	23,897	10,431					
<b>Major Training Active</b>							
<u>Base Acres</u>	<u>1,509,334</u>	<u>1,572,326</u>	31,444	40,316	1,226,334	345,992	22
U.S. Maneuver Brigades	48	39					
<b>Major Training Reserve</b>							
<u>Base Acres</u>	<u>258,413</u>	<u>167,031</u>	0.8101	0.8148	166,065	966	1
End Strength	319,000	205,000					
<b>Maneuver</b>							
<u>Base Acres</u>	<u>3,053,623</u>	<u>2,868,634</u>	63,617	73,555	2,481,069	387,565	14
U.S. Maneuver Brigades	48	39					
<u>Total Facilities Square Feet (000s)</u>	<u>212,130</u>	<u>176,515</u>	4,419.4	4,526.0	172,356	4,160	2
U.S. Maneuver Brigades	48	39					
<b>Schools</b>							
<u>Instructional Space (Square Feet (000s))</u>	<u>14,964</u>	<u>13,823</u>	0.0427	0.0689	8,572	5,251	38
Military/Civilian Authorized	350,108	200,556					
<u>Total Facilities Square Feet (000s)</u>	<u>178,743</u>	<u>166,607</u>	0.5105	0.8307	102,391	64,216	39
Military/Civilian Authorized	350,108	200,556					
<b>Test and Evaluation/Labs</b>							
<u>Total Facilities Square Feet (000s)</u>	<u>48,924</u>	<u>52,649</u>	0.3097	0.8093	20,148	32,501	62
Acquisition Workforce	157,964	65,053					
<u>Total Facilities Square Feet (000s)</u>	<u>48,924</u>	<u>52,649</u>	1,995.5	3,295.8	31,878	20,771	39
Acquisition Resources (FY99 \$ Billions)	\$24.52	\$15.97					

## Description of Department of the Navy Metrics

1. *Naval Bases.* This category includes those activities that have a principal mission to support, maintain, and train Navy ships and assigned crews.
2. *Ordnance.* This category includes those activities that provide secure storage for the full range of naval ordnance, support the safe receipt of that ordnance from other activities and the delivery of that ordnance to fleet units, and perform maintenance and inspection functions on ordnance.
3. *Supply.* This category includes those activities providing consolidated supply services and logistics support of afloat and ashore operating forces and industrial activities.

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4. *Air Stations*. This category includes those activities that have a principal mission to home port, support, provide training facilities, and operate a base from which operational and training missions can be flown by Navy and Marine Corps aircraft squadrons.
  5. *Naval Aviation Depots*. This category includes those activities which perform depot maintenance and repair across all aviation component mission areas.
  6. *Shipyards*. This category includes those activities who function to satisfy the major maintenance and overhaul requirements of the operating fleet and to provide depot-level emergent and voyage repair to those ships.
  7. *Test and Evaluation & Labs*. This category includes those activities responsible for maintaining a technological advantage against the threat, for rapid crises response, and for maintaining unique facilities, capabilities, and corporate knowledge required for national security.
  8. *Marine Corps Bases*. This category includes those activities whose primary mission is to house, support and provide training areas for operating forces of the Fleet Marine Force.
  9. *Marine Corps Logistics Bases*. This category includes those activities who provide the full range of depot and intermediate maintenance support for Marine Corps amphibious and ground equipment to the Atlantic and Pacific Fleet Marine Forces.
  10. *Training*. This category includes those activities which provide professional training, from recruit training to postgraduate degree programs for all levels of enlisted and officer personnel.
  11. *Training Air Stations*. This category includes those DON activities which have Undergraduate Pilot Training (UPT) as their primary mission. UPT refers to the flight training student pilots and naval flight officers undergo to earn their wings before being assigned to fleet replacement squadrons.
  12. *Construction Battalion Centers*. This category includes activities whose principal mission is to home port, support, and deploy the Naval Construction Force and Reserve Construction Force.
  13. *Navy Inventory Control Points*. This category includes activities which provide worldwide wholesale inventory control for all naval fleet units and program logistics support for naval weapons systems.
  14. *Administrative Activities*. This category includes activities that provide management oversight of a procurement function, manage a program, or manage a unique area that is not easily aggregated with the other DON categories of activities.

## Results for the Department of the Navy

Table E-2. Department of the Navy Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY89	FY03	FY89	FY03		Delta from 2003 Capacity	As a Percent of 2003 Capacity
<b>Naval Bases</b>							
Cruiser Equivalent Available	637	525	1.0670	1.6254	345	180	34
Cruiser Equivalent Assigned	597	323					
<b>Marine Corps Bases<sup>a</sup></b>							
Base Acres	802,522	852,565	4.1367	4.9424	713,583	138,982	16
End Strength	194,000	172,500					
Total Facilities Square Feet (000s)	27,524	34,641	0.1419	0.2008	24,473	10,168	29
End Strength	194,000	172,500					
<b>Administrative Activities (USMC)</b>							
Square Feet Available	427,129	663,472	0.7296	0.8618	561,727	101,745	15
Square Feet Required	585,390	769,860					
<b>Air Stations<sup>b</sup></b>							
Hangar Modules Available	363	299	1.1748	1.3468	261	38	13
Hangar Modules Required	309	222					
<b>Ordnance Stations</b>							
Available Storage (Tons)	1,147,000	1,147,000	0.9795	1.3184	852,169	294,831	26
Inventory (Tons)	1,171,000	870,000					
Available Storage (Square Feet)	19,286,000	19,286,000	1.0013	1.1981	16,118,730	3,167,270	16
Inventory (Square Feet)	19,260,000	16,097,000					
<b>Supply Installations</b>							
Potential Workyears	9,898	5,893	1.0183	1.8160	3,304	2,589	44
Budgeted/Programmed Workyears	9,720	3,245					
<b>Aviation Depots<sup>b</sup></b>							
Capacity Direct Labor Hours (000s)	26,000	11,600	1.1454	1.0841	12,256	No increase	
Budgeted/Programmed Direct Labor Hours (000s)	22,700	10,700					
<b>Logistics Bases (USMC)</b>							
Capacity Direct Labor Hours (000s)	2,057	2,252	1.0506	1.0076	2,348	No increase	
Budgeted/Programmed Direct Labor Hours (000s)	1,958	2,235					
<b>Shipyards<sup>b</sup></b>							
Potential Direct Labor Man-Years	48,400	22,200	1.3596	1.4510	20,801	1,399	6
Budgeted/Programmed Direct Labor Man-Years	35,600	15,300					
<b>Test and Evaluation/Labs<sup>c</sup></b>							
Maximum In-House Workyears	72,000	62,300	1.0976	1.3456	50,817	11,483	18
In-House Workyears	65,600	46,300					
<b>Training Air Stations</b>							
Available Throughput (Students Per Year)	5,032	5,032	1.0000	1.2691	3,965	1,067	21
Students Per Year	5,032	3,965					
<b>Training</b>							
Available Throughput (Students Per Year)	765,000	705,000	1.0479	1.3610	542,836	162,164	23
Students Per Year	730,000	518,000					
Degree Granting Maximum (Classroom Hrs)	460,000	460,000	1.0000	2.1395	215,000	245,000	53
Classroom Hours	460,000	215,000					
<b>Construction Battalion Center</b>							
Units Supportable	54	48	1.1020	1.0000	53	No increase	
Units Assigned	49	48					
<b>Navy Inventory Control Points</b>							
Potential Workyears	7,161	7,161	1.0000	1.9407	3,690	3,471	48
Budgeted/Programmed Workyears	7,161	3,690					

<sup>a</sup>In this category, the Marine Corps acquired addition acreage since 1989 to address documented shortfalls, thereby improving support for operational and training area requirements. This measure therefore overstates actual excess capacity.

<sup>b</sup>Because the method used to identify excess capacity uses a 1989 baseline as its benchmark, it does not account for the excess capacity that already existed in these categories in that year.

<sup>c</sup>Because the Navy industrially funds the activities in this category, the measure of its capacity is an expression of workload rather than physical space.

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## Description of Air Force Metrics

1. *Administrative.* This category includes installations which provide primarily administrative support activities for the Air Force or DoD. Mission facilities consist of office buildings.
2. *Air Force Reserve.* This category consists of Air Force Reserve Command (AFRC) major installations at which an AFRC operational wing is based and the Air Force has real property responsibility for the entire airfield.
3. *Air National Guard.* This category consists of Air National Guard (ANG) major installations at which an ANG wing is based and the Air Force has real property responsibility for the entire airfield.
4. *Depots.* This category includes those installations which conduct depot level maintenance, which includes software maintenance performed at the depot level.
5. *Education and Training.* This category consists of all bases that conduct formal education and training such as basic military training, Professional Military Education, undergraduate and advanced pilot training, navigator training, operational training at technical schools, and foreign student pilot training.
6. *Missile and Large Aircraft.* This category includes active installations with operational wings and large primary mission aircraft assigned, such as tankers, bombers, and airlift aircraft, except Hickam and Andersen, which are throughput bases.
7. *Small Aircraft.* This category includes all active installations with operational wings and small primary mission aircraft assigned, such as fighters and some reconnaissance aircraft.
8. *Space Operations.* This category includes those installations involved in space launch operations, satellite operations and space operations management.
9. *Product Centers, Labs and Test and Evaluation.* Product Centers are installations responsible for developing, acquiring, and in-service engineering of weapons systems. They provide resources and acquisition expertise to support program execution. Laboratories are installations that perform discovery, development, and transition of affordable, integrated technologies. Test and Evaluation installations provide ground and open air ranges, facilities, and chambers to support testing of manned and unmanned aerospace vehicles, conduct flight evaluation and recovery of research vehicles, conduct ground test, evaluation and simulation of products and services.

Results for the Air Force

Table E-3. Air Force Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY89	FY03	FY89	FY03		Delta from 2003 Capacity	As a Percent of 2003 Capacity
<b>Administrative</b>							
<u>Total Facilities Square Feet (000s)</u>	<u>3,010.5</u>	<u>3,030.0</u>	0.6649	0.8419	2,393	637	21
Military/Civilian Authorized	4,528	3,599					
<b>Air Force Reserve<sup>a</sup></b>							
<u>Parking Apron Space (Square Yards)</u>	<u>1,129,624</u>	<u>3,154,384</u>	2,254.7	7,387.3	962,773	2,191,611	69
Reserve Aircraft	501	427					
<b>Air National Guard</b>							
<u>Parking Apron Space (Square Yards)</u>	<u>2,408,580</u>	<u>1,338,334</u>	1,349.3	1,051.3	1,717,716	No Increase	
National Guard Aircraft	1,785	1,273					
<b>Depots</b>							
<u>Capacity Direct Labor Hours</u>	<u>46,403</u>	<u>23,857</u>	1.1846	1.1502	24,571	No Increase	
Budgeted/Programmed Direct Labor Hours	39,172	20,742					
<b>Education &amp; Training</b>							
<u>Classroom Space (Square Feet)</u>	<u>10,470,547</u>	<u>8,618,699</u>	12.593	17.529	6,191,743	2,426,956	28
Military/Civilian Authorized	831,447	491,675					
<u>Parking Apron Space (Square Yards)</u>	<u>7,851,072</u>	<u>5,967,275</u>	4,248.4	3,620.9	7,001,389	No Increase	
Training Aircraft	1,848	1,648					
<b>Missile &amp; Large Aircraft</b>							
<u>Parking Apron Space (Square Yards)</u>	<u>24,670,022</u>	<u>17,955,593</u>	14,285	17,248	14,870,581	3,085,012	17
Large aircraft	1,727	1,041					
<u>Hangar Space (Square Feet)</u>	<u>16,908,151</u>	<u>12,436,791</u>	9,790.5	11,947.0	10,191,885	2,244,906	18
Large aircraft	1,727	1,041					
<b>Small Aircraft</b>							
<u>Parking Apron Space (Square Yards)</u>	<u>11,223,542</u>	<u>7,295,742</u>	3,644.0	5,073.5	5,240,082	2,055,660	28
Small Aircraft	3,080	1,438					
<u>Hangar Space (Square Feet)</u>	<u>7,748,279</u>	<u>6,219,996</u>	2,515.7	4,325.4	3,617,541	2,602,455	42
Small Aircraft	3,080	1,438					
<b>Space Operations</b>							
<u>Total Facilities Square Feet (000s)</u>	<u>19,279</u>	<u>14,513</u>	1.1448	1.0745	15,463	No Increase	
Military/Civilian Authorized	16,840	13,507					
<b>Product Centers, Labs and Test &amp; Evaluation</b>							
<u>Total Facilities Square Feet (000s)</u>	<u>57,233</u>	<u>48,415</u>	1.5560	2.0546	36,665	11,750	24
Acquisition Workforce	36,783	23,564					
<u>Total Facilities Square Feet (000s)</u>	<u>57,233</u>	<u>48,415</u>	1,310.6	2,106.0	30,130	18,285	38
Acquisition Resources (FY99 \$ Billions)	\$43.67	\$22.99					

<sup>a</sup>The Air Force Reserve Command (AFRC) metric measures apron area at the bases in this category and Total Aircraft Inventory within the command. The increase in AFRC apron area is the result of realignment of March, Grissom and Homestead AFBs from active duty bases to AFRC installations

Description of Defense Logistics Agency Metrics

1. *Distribution Depots.* This category includes installations which receive, store, and issue wholesale and retail (Service-owned) materiel in support of the Armed Forces world-wide.
2. *Supply Centers.* This category includes installations which manage and procure consumable items of supply in support of the Military Services' missions.

## Results for DLA

*Table E-4. Defense Logistics Agency Analysis of Proportional Capacity*

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY89	FY03	FY89	FY03		Delta from 2003 Capacity	As a Percent of 2003 Capacity
	<b>Distribution Depots</b>						
Attainable Cubic Feet (millions)	189.04	116.77	1.0732	1.7179	73	44	38
Occupied Cubic Feet (millions)	176.15	67.97					
<b>Supply Centers</b>							
Total Administrative Space (GSF)	3,993,500	2,803,000	327.98	462.39	1,988,222	814,778	29
Military/Civilian Assigned	12,176	6,062					

## Results for All DoD

DoD developed an estimate of excess capacity for all DoD by weighting the estimates of excess capacity by Armed Force by the number of bases for each Armed Force. Through this analysis, DoD estimates that it has about 23 percent excess base capacity.

# Appendix F

## Estimates of Costs and Savings in Future BRAC Rounds

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### INTRODUCTION

DoD has demonstrated that base closures and realignments have generated valuable net savings over investment costs for the four rounds of BRAC to date. This finding was reemphasized by the 1997 Quadrennial Defense Review (QDR), which estimated that two additional BRAC rounds are required to “close the gap between force structure and infrastructure reductions and begin to reduce the share of the Defense budget devoted to infrastructure.” Savings could then be applied toward investing in modernization and improving the readiness of our fighting forces.

Accurate estimates of future costs and savings are crucial to our defense planning. The experiences gained in implementing previous BRAC recommendations, especially the BRAC 93 and BRAC 95 experiences, have allowed us to more accurately forecast costs and savings for future BRAC rounds.

This appendix outlines the methodology used to determine these estimates.<sup>1</sup> DoD recognizes that the actual costs and savings from future BRAC rounds will depend upon the specific recommendations adopted, and that future estimates, regardless of how reasonably developed today, cannot replace the component data produced during the analytical rigor of future BRAC rounds.

### DESCRIPTION OF METHODOLOGY

In determining estimated future costs and savings, we used the current FY99 budget estimates contained in the “DoD Base Realignment and Closure Executive Summary & Budget Justification, FY 1999 Amended Budget Estimates.” The estimates for BRAC 93 and BRAC 95 were used as the benchmark because those two rounds most closely represent, in the aggregate, the notional size and characteristics of the BRAC rounds.

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<sup>1</sup> This analysis is required by Section 2824(b)(10) of the National Defense Authorization Act for Fiscal Year 1998.

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## APPLICATION OF METHODOLOGY

### Normalize BRACs 93 and 95

Costs and savings data reflect component estimates contained in the budget data forwarded to Congress. One-time implementation costs include such typical items as the following and represent cost requirements at both the BRAC sites and, if appropriate, at receiving sites:

- ◆ Military construction
- ◆ Family housing construction and operations
- ◆ Environmental remediation
- ◆ Base operation and maintenance
- ◆ Personnel relocation costs
- ◆ Homeowners assistance program

Savings include such typical items as the following and generally represent a future cost avoidance due to elimination of the requirement at the BRAC site:

- ◆ Military construction
- ◆ Family housing construction and operations
- ◆ Base operation and maintenance (largest component of annual recurring savings)
- ◆ Military personnel relocations

Tables F-1 and F-2 display costs and savings data contained in the FY99 BRAC budget estimates for BRAC 93 and BRAC 95. One-time implementation costs cover the six year implementation period only. Savings extend beyond the implementation period into future years, and comprise our estimate of annual recurring savings.

*Table F-1. BRAC 93 Costs and Savings During Implementation Period  
(billions of then-year dollars)*

	FY94	FY95	FY96	FY97	FY98	FY99	Total
Costs	1.2	2.2	1.9	1.0	0.9	0.5	7.7
Savings	0.2	0.4	1.2	1.7	1.9	2.1	7.5
Net	1.0	1.8	0.8	(0.7)	(1.1)	(1.6)	0.2

Notes: Includes environment, but excludes land sale revenues.

Totals may not add due to rounding.

*Table F-2. BRAC 95 Costs and Savings During Implementation Period  
(billions of then-year dollars)*

	FY96	FY97	FY98	FY99	FY00	FY01	Total
Costs	0.9	1.3	1.3	1.3	1.4	1.1	7.3
Savings	0.6	0.6	1.0	1.1	1.3	1.3	5.9
Net	0.3	0.7	0.3	0.2	0.1	(0.2)	1.3

Notes: Includes environment, but excludes land sale revenues.

Totals may not add due to rounding.

These costs were then converted to FY99 dollars to ensure a common baseline before making any other adjustments, and were then applied to notional BRAC years (i.e., Year 1, Year 2, Year 3,...Year 6). Using standard DoD total obligation authority deflators, Tables F-3 and F-4 reflect these BRAC 93 and BRAC 95 costs and savings in FY99 dollars.

*Table F-3. BRAC 93 Costs and Savings  
(billions of FY99 dollars)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Costs	1.3	2.4	2.1	1.0	0.9	0.5	8.1
Savings	0.2	0.4	1.3	1.7	2.0	2.1	7.7

*Table F-4. BRAC 95 Costs and Savings  
(billions of FY99 dollars)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Costs	1.0	1.4	1.3	1.3	1.4	1.0	7.4
Savings	0.7	0.7	1.0	1.1	1.2	1.3	5.9

## Average Normalized Data

Costs and savings were then totaled by BRAC year (Table F-5) and averaged to arrive at a new, combined baseline in FY99 dollars (Table F-6). This is the baseline used to project all costs and savings for future BRAC rounds. A simple average was used because, as indicated previously, future BRAC actions should approximate the combined effect of BRACs 93 and 95 in both number of installations and level of participation.

*Table F-5. Total BRACs 93 and 95 Cost and Savings  
(billions of FY99 dollars)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Costs	2.3	3.8	3.4	2.4	2.2	1.5	15.6
Savings	0.8	1.1	2.3	2.8	3.2	3.4	13.7
Net	1.5	2.7	1.1	(0.5)	(1.0)	(1.9)	1.9

*Table F-6. Average of BRACs 93 and 95 Cost and Savings  
(billions of FY99 dollars)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Costs	1.2	1.9	1.7	1.2	1.1	0.8	7.8
Savings	0.4	0.6	1.1	1.4	1.6	1.7	6.8
Net	0.8	1.3	0.5	(0.2)	(0.5)	(0.9)	1.0

## Estimated Costs and Savings for New BRAC Rounds

Table F-7 displays estimated costs and savings for new BRAC rounds from 2002 to 2011.

*Table F-7. Costs and Savings Estimates for BRAC Rounds in 2001 and 2005  
(billions of FY99 dollars)*

Round	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total	Steady state
BRAC 2001												
Costs	1.2	1.9	1.7	1.2	1.1	0.8					7.8	0.0
Savings	0.4	0.6	1.1	1.4	1.6	1.7	1.7	1.7	1.7	1.7	13.6	1.7
Net cost (savings)	0.8	1.3	0.5	(0.2)	(0.5)	(0.9)	(1.7)	(1.7)	(1.7)	(1.7)	(5.8)	(1.7)
BRAC 2005												
Costs					1.2	1.9	1.7	1.2	1.1	0.8	7.8	0.0
Savings					0.4	0.6	1.1	1.4	1.6	1.7	6.8	1.7
Net costs (savings)					0.8	1.3	0.5	(0.2)	(0.5)	(0.9)	1.0	(1.7)
Total												
Costs	1.2	1.9	1.7	1.2	2.3	2.6	1.7	1.2	1.1	0.8	15.6	0.0
Savings	0.4	0.6	1.1	1.4	2.0	2.2	2.8	3.1	3.3	3.4	20.4	3.4
Net costs (savings)	0.8	1.3	0.5	(0.2)	0.3	0.4	(1.1)	(1.9)	(2.2)	(2.6)	(4.8)	(3.4)

## Allocation by Armed Service

DoD is not able to apportion estimated future costs and savings by Armed Service. Service-by-Service estimates of BRAC costs and savings are inexorably linked to the specific closure and realignment actions that would be approved for each Armed Service. Since the Department cannot predict the specific BRAC actions that would be recommended or approved, the Department has no basis for allocating future costs and savings among the Armed Services.

## SUMMARY

For future BRAC rounds, the Department estimates that, for each round, annual savings could exceed annual investment costs starting in Year 4 (Year 3 for Defense Agencies). Annual recurring savings in the post implementation period for each round should approximate \$1.7 billion in FY99 dollars. Although the estimates developed in this section of the report are broadly based, they do provide a reasonable planning assessment. Detailed component costs and savings estimates developed during a BRAC analysis of specific bases would be an even more accurate predictor of resource requirements and estimated savings.



## Appendix G

# Proposed Procedures for New BRAC Rounds

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The draft legislation that the Department submitted to the Congress contains detailed procedures for conducting new BRAC rounds in 2001 and 2005. This appendix summarizes those procedures.

## FORCE STRUCTURE PLAN

In prior BRAC rounds, the Military Departments and Defense Agencies developed recommendations on the basis of a six-year force structure plan. The force structure plans were based on an assessment of the probable threats to national security during the six-year period covered by each plan. They described the forces—the people and equipment—that the base structure would have to support. The force structure plans also stated anticipated levels of funding that would be available for national defense purposes. To ensure an authoritative joint Service perspective, OSD tasked the Joint Chiefs of Staff to prepare the force structure plans. All recommendations for closure and realignment had to be consistent with the force structure plans described in those documents.

DoD believes that this part of the previous BRAC processes worked well. The Department proposes to use similar force structure plans, prepared by the JCS, as the foundation for future BRAC recommendations. As was the case in the prior BRAC rounds, DoD proposes that the JCS issue an interim force structure plan at the beginning of each future BRAC round and that JCS update the force structure plan, as required, while the Department develops its recommendations.

The force structure plans would describe the following:

- ◆ Assessment of probable threats to national security
- ◆ Anticipated force structure during and at the end of the period covered by the plan for each Military Department, with specifications of
  - the number and type of units in the active and reserve forces of each Military Department and
  - the units that will need to be forward based (with an appropriate justification)
- ◆ Anticipated implementation of the force structure plan.

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DoD plans to provide copies of the force structure plan to the Congress and to the Base Closure Commission. The force structure plan becomes a matter of public record that the Congress, the Commission, the executive branch, and the public can use to measure the adequacy of the proposed base structure that would result from the Department's BRAC recommendations.

## SELECTION CRITERIA

In previous rounds, the Department developed selection criteria, which were published in the *Federal Register* for public comment, and then finalized and submitted to Congress. The criteria gave priority to military value, followed by return on investment and impacts on base communities (see Figure G-1). Following this earlier process, DoD's proposed legislation requires the Secretary of Defense to develop and report to the Congress the criteria to be used in selecting bases for closure and realignment.

The Department anticipates proposing selection criteria for future BRAC rounds that are similar to those used in the prior rounds. DoD will continue to assess potential changes to the BRAC selection criteria prior to submission for public comment and submission to Congress. If the Congress authorizes future BRAC rounds, the selection criteria that the Department ultimately proposes will reflect the results of this ongoing assessment.

*Figure G-1. Criteria Used in Prior BRAC Rounds*

<i>Military Value</i>
1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost and manpower implications.
<i>Return on Investment</i>
5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
<i>Impacts</i>
6. The economic impact on communities.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
8. The environmental impact.

## DoD RECOMMENDATIONS

As in previous BRAC rounds, DoD would publish recommendations in the *Federal Register* and, at the same time, transmit them to the congressional defense committees and the Base Closure Commission. Within seven days after publication of the recommendations, DoD proposes to provide to the congressional defense committees and the Base Closure Commission a summary of the selection process and justification for each recommendation and an evaluation discussing each of the selection criteria.

### Policy Guidance

The Military Departments and Defense Agencies would develop recommendations on the basis of policy guidance issued by the Secretary of Defense. The policy guidance would provide detailed instructions to the Military Departments and Defense Agencies so that they develop recommendations in a consistent manner and in accordance with all relevant laws, regulations, and DoD-wide policies.

The Department recognizes the potential for reducing its infrastructure through multi-Service use of some existing bases. In its December 1997 report, the National Defense Panel also recognized this potential, stating that it

strongly endorses the conclusion that the move toward joint installations such as the development of joint industrial activities, R&D facilities, or test ranges would make possible further major consolidations of the defense infrastructure. This movement should be expanded to include joint operational bases (e.g., joint air bases), which we believe will result in the identification of even more over-capacity.<sup>1</sup>

In future BRAC rounds, DoD would build upon its experience in BRAC 95 to examine opportunities for closures and realignments made possible through joint Service use of military installations.<sup>2</sup>

The Military Departments and Defense Agencies would develop recommendations on the basis of the force structure plan and final selection criteria. They would consider all military installations in a functional category equally and would not take into account any advanced conversion planning undertaken by communities.

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<sup>1</sup> National Defense Panel, *Transforming Defense: National Security in the 21st Century*, Washington, D.C.: National Defense Panel, December 1997, p. 84.

<sup>2</sup> In BRAC 95, the Department established a process, involving both joint cross-Service groups and the individual Military Departments, to develop closure and realignment alternatives in situations involving common support functions for five functional areas. The five functional areas were depot maintenance, military medical treatment facilities, test and evaluation, undergraduate pilot training, and laboratories.

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## Oversight

The Defense Management Council, or a similar group, would provide oversight of the BRAC process as the Military Departments and Defense Agencies develop their recommendations. The Secretary of Defense would delegate day-to-day oversight of the BRAC process to an appropriate official within the Office of the Secretary of Defense. The Joints Chiefs of Staff would review and analyze the final recommendations before the Department sends them to the Base Closure Commission.

## Certified Data

Each person who is personally and substantially involved in the preparation and submission of information used in the BRAC process would have to certify that the information is accurate and complete to the best of his or her knowledge and belief.

## Access to Information

DoD would make available to Congress, the Base Closure Commission, and the Comptroller General of the United States all information used by the Department to prepare its recommendations. The Department would provide to the Congress, within 48 hours, all information submitted to the Base Closure Commission by the Secretaries of the Military Departments, the heads of the Defense Agencies, or others with substantial responsibility in the BRAC process.

## REVIEW BY THE BASE CLOSURE COMMISSION

DoD proposes establishing a Base Closure Commission that is similar to that established in the prior rounds. Eight commissioners would be appointed by the President, with the advice and consent of the Senate. The President would consult with the

- ◆ Speaker of the House of Representatives concerning the appointment of two members,
- ◆ Majority Leader of the Senate concerning the appointment of two members,
- ◆ Minority Leader of the House of Representatives concerning the appointment of one member, and
- ◆ Minority Leader of the Senate concerning the appointment of one member.

The President would transmit the nominations to the Senate. DoD's legislative proposal contains detailed proposals for the size, composition, and operation of the Commission staff. These proposals are identical to those enacted in the prior base closure laws.

Under DoD's legislative proposal, the Commission would review the Department's BRAC proposals, hold hearings, and transmit a report to the President, with copies to the congressional defense committees. These reports would explain any recommendation made by the Commission that are different from the recommendations made by the Department.

Each Commission meeting would be open to the public, except for those meetings at which classified information is to be discussed. The Commission would conduct public hearings on the Department's recommendations. All testimony before the Commission at public hearings would be presented under oath.

In making its recommendations, the Commission would not take into account any advanced conversion planning undertaken by communities. Before changing recommendations made by the Department, the Commission would

- ◆ determine that the Secretary deviated substantially from the published force structure plan and final selection criteria,
- ◆ determine that its change is consistent with that force structure plan and final selection criteria,
- ◆ publish a notice of proposed changes in the *Federal Register* not less than 45 days before transmitting its recommendations to the President, and
- ◆ conduct public hearings on the proposed change.

The Commission would provide promptly to the Congress, upon request, information used in making its recommendations.

## REVIEW BY THE COMPTROLLER GENERAL

DoD's legislative proposal would require the Comptroller General to assist the Commission, to the extent requested, in its review and analysis of the Department's recommendations and transmit to the Congress and the Commission a detailed analysis of the Department's recommendations and selection process.

## REVIEW BY THE PRESIDENT

Under DoD's legislative proposal, the President would submit to the Congress a report stating the President's approval or disapproval of the Commission's recommendations. If the President approves all of the Commission's recommenda-

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tions, the President would transmit to the Congress a copy of recommendations and a certification of such approval.

If the President disapproves the recommendations of the Commission, in whole or in part, the President would transmit to the Commission and the Congress the reasons for that disapproval. The Commission would then transmit to the President a revised list of recommendations. If the President approves all of the revised Commission recommendations, the President would transmit to the Congress a copy of the revised recommendations and a certification of such approval.

If the President does not transmit to the Congress an approval and certification by a deadline specified in DoD's proposal, the BRAC process for that round would be terminated.

## REVIEW BY THE CONGRESS

The Department may not carry out any closure or realignment recommended by the Commission and transmitted by the President in a report to the Congress, if the Congress enacts a joint resolution that disapproves the recommendations before the earlier of:

- ◆ the end of the 45-day period beginning on the date on which the President transmits the report; or
- ◆ the adjournment of Congress sine die for the session during which the report is transmitted.

## SUMMARY

In general, the methodologies DoD plans to use in future BRAC rounds are similar to those used in the prior BRAC rounds. The prior BRAC rounds have served the nation and its military well. The sound processes that the Congress established in the earlier base closure laws—such as the requirement for public review of proposed criteria; publication of an authoritative force structure plan; development of recommendations based on accurate, objective data; and independent reviews by the Base Closure Commission, the Comptroller General, the President, and the Congress—are the primary reasons why the BRAC processes worked so well in the past. Given the opportunity, the Department would use virtually the same fundamental processes in the future.

# Appendix H

## Estimating Unemployment Compensation Payments Attributable to BRAC

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### UNEMPLOYMENT COMPENSATION FOR CIVILIAN DoD PERSONNEL

#### Methodology

The Injury Compensation/Unemployment Compensation Division of the Defense Civilian Personnel Management Service (CPMS) maintains data on all former DoD civilian employees who received unemployment compensation between FY94 and FY97. States that pay such compensation notify CPMS each quarter on the number of claims and amount of payment. CPMS checks the social security number of each claimant against personnel records, which are grouped by Personnel Office Identifier (POI). The states are subsequently reimbursed for verified claims. Because data are limited to four fiscal years, only sites where BRAC actions were initiated and completed within this time frame could be considered.

#### Results of Analysis

To obtain a reasonable estimate of the proportion of eligible personnel who collected unemployment compensation, data were tabulated by POI for 30 of the 69 BRAC action facilities identified.<sup>1</sup> These 30 facilities were mostly from the 1993 and 1995 BRAC rounds where the BRAC action was completed prior to 1 Oct 97. At these facilities, the time span in which unemployment compensation for federal employees (UCFE) data were collected (FY94 to FY97) is generally consistent with the period during which BRAC action began and was completed. One exception is the personnel who became unemployed after April 1997. Due to lags in the data and the time period during which benefits can be collected, claims for some of these people may not have been processed as of 30 Sep 97.

The 30 facilities include 44,490 civilians impacted by BRAC. Reimbursements for 6,056 civilians at average UCFE charges of \$3,469 per recipient were paid by DoD to states where these sites are located. The 6,056 people, who received

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<sup>1</sup> The 69 BRAC facilities, which include sites closed prior to FY95 and others that will not be closed until FY00, account for approximately 61 percent of all civilian DoD employees whose jobs at the identified BRAC sites were eliminated. The total includes civilians who had the opportunity to relocate at other facilities. The actual number of civilian personnel who relocated to new facilities is not known, but is related to the position grades.

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\$21 million in compensation, represent 13.6 percent of the total potentially eligible for benefits. Taking into account possible data lags at the four facilities closed in September 1997, the total represents about 14.1 percent of all people eligible to receive compensation.<sup>2</sup> However, this percentage varies substantially among these installations. The variation is attributable to two factors. First, some of the claims attributed to BRAC are, in fact, attributable to drawdowns and therefore independent of BRAC. Second, a POI may be serving multiple facilities, some of which were not subject to BRAC action and were therefore not identified. The high unemployment ratios in some areas are probably due to one or both of these factors. Therefore, the percentages shown and estimated payments exceed direct BRAC costs.

The 30 facilities appear representative of all BRAC facilities in terms of size and location. Thus, it is reasonable to assume that the other facilities follow a similar pattern.

Payments for personnel at the 30 facilities, which represent 23.2 percent of all potential BRAC-impacted personnel, total \$21 million. Therefore, payments for all major BRAC facilities in all rounds—assuming the 13.6 percent receiving benefits at the 30 sites is representative—should have been about \$90.5 million. Because economic conditions nationally in the years 1990 through 1992 were unfavorable, it may be that more eligible people during this time frame received compensation. In addition, unemployment compensation periods were extended during part of this period. Therefore, total payments for these years may have been somewhat higher than shown in later years. However, as noted earlier, charges identified include those not directly attributable to BRAC.

## COMPARISON TO TOTAL DoD UCFE CHARGES

Aggregate UCFE reimbursements for the FY94–FY97 time period were \$392 million. Payments were the highest in FY96 (\$110 million) and the lowest in FY97 (\$80 million). The exact number of civilians who lost their jobs at specific sites during the four fiscal years is not known. We estimate that BRAC facilities reimbursements for all rounds were about \$90 million, or less than the total *annual* compensation payments to all DoD civilians. Assuming that reductions in the four-year period account for up to half of all personnel reductions as well as payments between FY94 and FY01 (or \$45 million), BRAC would account for only 11 percent of all DoD unemployment reimbursements for former civilian employees between FY94 and FY97. The DoD aggregate sum includes people who were

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<sup>2</sup> It is assumed that an additional 250 people at the facilities will file in FY98. This represents an approximate 3 percent increase over claims received as of September 1997 and adds \$ 0.8 million to the total.

asked to leave for causes other than BRAC or drawdowns. These people were excluded from the BRAC facility data.<sup>3</sup>

The civilian DoD work force declined from 901,000 in FY94 to 786,000 in FY97, a reduction of 115,000. During this four-year period, total reimbursements were \$392 million. Given DoD average payments of \$3,469 to these people, about 113,000 former DoD civilians received unemployment payments during the four years. These data suggest that a substantial proportion of all people eligible due to reduction-in-force actions received payments, or that payments were made to people for reasons other than drawdowns or BRAC. Total civilian work force reductions between FY89 and FY99 are projected to be about 370,000. Civilian slot reductions attributed to all BRAC rounds are about 20 percent of this total. During the period FY94–FY97, BRAC accounts for only about 11 percent of payments, suggesting that former BRAC employees are less likely to collect unemployment than other former civilian DoD employees.

#### LENGTH OF COMPENSATION

Average maximum weekly unemployment payments in states with the 30 BRAC facilities are estimated at \$278. However, not all DoD employees qualify for maximum payments. The typical length of unemployment among those who collected unemployment benefits is about 17 weeks. Because total UCFE payments were \$3,469 per employee, this means that weekly payments were about \$204, or about 73 percent of the maximum.

#### UCFE CLAIMS AS A SHARE OF COUNTY AREA UNEMPLOYMENT

UCFE claims were tabulated as a percentage of total unemployment for counties in which the 30 DoD facilities are located. The highest percentage observed was in Tooele County, UT, where the Tooele Army Depot is located (41.4 percent). In four other counties, the civilian DoD share is above 8 percent. The average in all BRAC counties is only 1.3 percent of total unemployment (excluding Los Angeles County, which has a very large labor force). It should be noted that BRAC unemployment data are over a four-year period. In any given year, the BRAC percentage of the county unemployment total should be considerably lower. In addition, as already noted, some of the claims are likely to be attributable to factors other than BRAC actions.

## FINDINGS

The analysis of BRAC actions finds that compensation payments to former DoD civilian employees are about \$90 million. This amount, which should be considered only a rough estimate, includes all BRAC rounds. By comparison, during the

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<sup>3</sup> The inclusion of all unemployment claims at the identified facilities, regardless of the cause for leaving DoD, would increase the number of recipients by about 20 percent.

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last four fiscal years, DoD reimbursed states about \$100 million annually as payment for civilian compensation claims. Therefore, BRAC accounts for only a small fraction of all such payments. These payments are an even smaller share of total BRAC savings.

# Appendix I

## New DoD Analysis of BRAC Savings

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The new analysis of BRAC savings had the following steps:

- ◆ Estimate the number of civilian and military positions eliminated as a result of BRAC. The most recent BRAC budget justification books provided the source for the number of net personnel reductions by the Military Departments and Defense Agencies.<sup>1</sup> DoD policy requires the Military Departments and Agencies to include only personnel positions eliminated by BRAC and to exclude positions eliminated through force structure reductions and other initiatives.
  - In accounting for personnel losses at closing and realigning bases and increases at gaining bases, the Military Departments and Defense Agencies estimate that, in aggregate, for all four previous BRAC rounds, 70,969 civilian and 39,800 military positions were eliminated.
  - These estimates of personnel reductions are subject to some uncertainty for two reasons. First, this personnel baseline may be conservative and may underestimate the actual number of positions eliminated by BRAC. As an example, the Army does not attribute any reductions in military personnel to BRAC 91 or BRAC 93, and attributes a reduction of only five military personnel to BRAC 95. Second, there is some uncertainty associated with projecting personnel reductions attributable solely to BRAC. To estimate personnel reductions due solely to BRAC, DoD had to estimate personnel reductions due to other causes, such as planned force structure changes and reorganizations.
  - In aggregate, however, the personnel reductions in the BRAC budget justification books are reasonable. The reductions in military personnel that are attributed to BRAC (39,800) account for less than 5 percent of total reductions in military personnel from 1988 to 2003. The reductions in civilian personnel (70,969) account for about 20 percent of the reduction in civilian positions over the same period of time. These are relatively small shares of DoD-wide reductions over the BRAC im-

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<sup>1</sup> Each year, the Military Departments and Defense Agencies provide the Congress with budget justification books for the BRAC accounts. In addition to providing updated budget estimates, these books provide estimates of the net civilian and military positions eliminated. We chose not to use the listing of “ins and outs” that the Department has used in the past to estimate BRAC personnel reductions. The personnel reductions in the budget justification books are smaller than those calculated from the listing of ins and outs. Thus, they result in a lower, or more conservative, estimate of savings.

plementation period. Attributing more of the overall reduction to BRAC would increase estimates of BRAC savings.

- ◆ Calculate the average cost of annual pay and benefits for civilian and military positions.<sup>2</sup> The Department estimated average annual pay and benefits for a civilian position at about \$55,000 and a military position at about \$48,000.
- ◆ Calculate recurring annual personnel savings by multiplying the number of civilian positions eliminated by average civilian pay and benefits, and the number of military positions eliminated by average military pay and benefits. By this method, recurring annual personnel savings equal about \$5.8 billion.
- ◆ Calculate savings in categories of infrastructure funding based on reduced military end strength. DoD selected these categories because they are mostly likely to be affected by BRAC. The Department reduced funding in the installations category by \$2.9 billion to remove environmental costs and in the central personnel category by \$1.6 billion to remove transients and holding accounts because these types of costs would not be related to BRAC personnel actions. The reduction of 39,800 military positions through BRAC equals about 2.85 percent of the force. DoD multiplied the dollar values by 2.6 percent to estimate savings as illustrated in Table I-1.

*Table I-1. Annual Savings in Infrastructure Categories  
(\$ billions)*

Category	FY99 funding	Adjustment	Adjusted funding	Factor	Estimated savings
Central training	18.9	none	18.9	2.85%	0.5
Installations	21.5	(2.9)	18.6	2.85%	0.5
Central personnel	7.8	(1.6)	6.2	2.85%	0.2
Total					1.2

In this analysis, BRAC recurring savings would therefore total \$7.0 billion per year, with \$5.8 billion in personnel savings and \$1.2 billion in associated spending.

<sup>2</sup> Values are expressed in 1998 dollars.

## Appendix J

# List of Installations with 300 or More Civilian Authorizations

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DoD is providing the list that follows in response to section (b)(4) of Section 2824, which requires a list that displays installations at which there are authorized to be employed more than 300 civilians personnel, set forth by Armed Force.

The Department adopted a convention for assigning installations to a particular Armed Force when no one Armed Force has more than 300 authorized civilian personnel, but collectively the civilian personnel for all Armed Forces together is greater than 300. In these cases, DoD assigned the installation to the Armed Force with the greatest number of civilian employees. For the Defense Logistics Agency, the list includes civilians assigned, rather than authorized.

This list differs from the set of 259 major installations used in the base capacity analysis presented in Chapter 3 and Appendix E because it includes some installations that the Armed Services did not include in their count of major installations as well as other installations that have more than 300 civilians personnel today, but will fall below that threshold or have fewer or none in 2003. There are additional installations at which 300 or more DoD civilians are authorized to be employed, the locations, functions, or resources of which are classified.

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*Service State*

*Name*

ARMY

*AK*

FORT RICHARDSON  
FORT WAINWRIGHT

*AL*

ANNISTON ARMY DEPOT  
DISTRICT ENGINEER OFFICE HUNTSVILLE  
DISTRICT ENGINEER OFFICE MOBILE  
FORT GEORGE C. WALLACE ARMORY  
FORT MCCLELLAN  
FORT RUCKER  
REDSTONE ARSENAL

*AR*

CAMP ROBINSON  
PINE BLUFF ARSENAL

*AZ*

FORT HUACHUCA  
PAPAGO PARK ARMORY  
YUMA PROVING GROUND

*CA*

63D REGIONAL SUPPORT COMMAND  
DISTRICT ENGINEER OFFICE SACRAMENTO  
FORT IRWIN  
OAKLAND ARMY BASE  
PRESIDIO OF MONTEREY  
SACRAMENTO ARMORY  
SIERRA ARMY DEPOT

*CO*

FITZSIMONS ARMY MEDICAL CENTER  
FORT CARSON

*DC*

FORT MCNAIR  
HQ US ARMY CORPS OF ENGINEERS  
WALTER REED ARMY MEDICAL CENTER

*FL*

ROBERT ENSSLIN ARMORY  
SIMULATION, TRAINING AND INSTRUMENTATION COMMAND, ORLANDO (LEASE)

*GA*

DISTRICT ENGINEER OFFICE SAVANNA  
FORT BENNING  
FORT GILLEM  
FORT GORDON  
FORT MCPHERSON  
FORT STEWART

*HI*

FORT SHAFTER  
SCHOFIELD BARRACKS  
TRIPLER ARMY MEDICAL CENTER

*IA*

CAMP DODGE

*ID*

GOWEN FIELD

*IL*

CAMP LINCOLN  
ENGR CONSTRUCTION RESEARCH LAB  
ROCK ISLAND ARSENAL  
SAVANNA ARMY DEPOT ACTIVITY

*List of Installations with 300 or More Civilian Authorizations*

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*IN*  
ARMY ACTIVITY, CRANE

*KS*  
FORT LEAVENWORTH  
FORT RILEY  
TOPEKA ARMORY

*KY*  
BLUEGRASS AMMUNITION STORAGE DEPOT  
DISTRICT ENGINEER OFFICE LOUISVILLE  
FRANKFORT ARMORY  
FORT CAMPBELL  
FORT KNOX

*LA*  
FORT POLK  
JACKSON BARRACKS ARMORY

*MA*  
FORT DEVENS  
NATICK RESEARCH DEVELOPMENT AND TESTING CENTER

*MD*  
ABERDEEN PROVING GROUND  
ARMY RESEARCH LAB, ADELPHI  
DISTRICT ENGINEER OFFICE BALTIMORE  
FORT DETRICK  
FORT MEADE  
FORT RITCHIE

*MI*  
DETROIT ARSENAL  
HEADQUARTERS ARMORY  
US ARMY GARRISON, SELFRIDGE

*MN*  
ST PAUL ARMORY

*MO*  
DISTRICT ENGINEER OFFICE KANSAS CITY  
FORT LEONARD WOOD  
LOGISTICS SYSTEMS CENTER, SAINT LOUIS  
USA PERSONNEL CTR

*MS*  
CAMP SHELBY  
THOMPSON FIELD ARMORY  
WATERWAY EXPERIMENT STATION

*NC*  
FORT BRAGG  
RALEIGH ARMORY

*NE*  
DIVISION ENGINEER OFFICE MO RIVER  
LINCOLN ARMORY

*NJ*  
BAYONNE MILITARY OCEAN TERMINAL  
FORT DIX  
FORT MONMOUTH  
PICATINNY ARSENAL

*NM*  
WHITE SANDS MISSILE RANGE

*NY*  
FORT DRUM  
LATHUM ARMORY  
WATERVLIET ARSENAL  
WEST POINT MILITARY RESERVATION

*OH*  
BEIGHTLER ARMORY  
NEWARK ARMORY

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*OK* DISTRICT ENGINEER OFFICE TULSA  
FORT SILL  
MCALESTER ARMY AMMUNITION PLANT

*PA* CARLISLE BARRACKS  
FORT INDIANTOWN GAP  
KELLY SUPPORT CENTER  
LETTERKENNY ARMY DEPOT  
TOBYHANNA ARMY DEPOT

*PR* FORT BUCHANAN

*SC* COLUMBIA ARMORY  
FORT JACKSON

*TN* NASHVILLE ARMORY

*TX* CAMP MABRY  
CORPUS CHRISTI ARMY DEPOT  
DISTRICT ENGINEER OFFICE FORT WORTH  
FORT BLISS  
FORT HOOD  
FORT SAM HOUSTON  
RED RIVER ARMY DEPOT

*UT* DRAPER ARMORY  
DUGWAY PROVING GROUND  
TOOELE ARMY DEPOT

*VA* ARMY MATERIEL COMMAND HQ COMPLEX  
ARMY PERSONNEL COMMAND  
BAILEYS CROSSROADS COMPLEX (NASSIF/SKYLINE)  
FOREIGN SCIENCES TECHNOLOGY CENTER  
FORT BELVOIR  
FORT EUSTIS  
FORT LEE  
FORT MONROE  
FORT MYER  
RICHMOND ARMORY

*WA* CAMP MURRAY  
DISTRICT ENGINEER OFFICE SEATTLE  
FORT LEWIS  
MADIGAN ARMY MEDICAL CENTER

*WI* FORT MCCOY

**NAVY**

*CA* ENGINEERING FIELD DIVISION, SAN DIEGO  
FLEET INDUSTRIAL SUPPLY CENTER, SAN DIEGO  
FLEET TECHNICAL SUPPORT, SAN DIEGO  
MILITARY SEALIFT COMMAND PACIFIC  
NAVAL AIR STATION, LEMOORE  
NAVAL AIR STATION, NORTH ISLAND  
NAVAL AIR WARFARE CENTER-WEAPONS DIVISION, CHINA LAKE  
NAVAL AIR WARFARE CENTER-WEAPONS DIVISION, POINT MUGU  
NAVAL AVIATION DEPOT, NORTH ISLAND  
NAVAL BASE, SAN DIEGO  
NAVAL CIVIL ENGINEERING CENTER, PORT HUENEME  
NAVAL CONSTRUCTION BATTALION CENTER, PORT HUENEME  
NAVAL FACILITIES ENGINEERING SERVICE CENTER, PORT HUENEME  
NAVAL HOSPITAL, CAMP PENDLETON  
NAVAL MEDICAL CENTER, SAN DIEGO

*List of Installations with 300 or More Civilian Authorizations*

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NAVAL POSTGRADUATE SCHOOL, MONTEREY  
NAVAL STATION, SAN DIEGO  
NAVAL SURFACE WARFARE CENTER, PORT HUENEME  
NAVAL WARFARE ASSESSMENT DIVISION, CORONA  
NAVAL WEAPONS STATION, SEAL BEACH  
PUBLIC WORKS CENTER, SAN DIEGO  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND

*CT*

NAVAL SUBMARINE BASE, NEW LONDON

*DC*

CHIEF OF NAVAL OPERATIONS  
ENGINEERING FIELD ACTIVITY, CHESAPEAKE  
NAVAL COMPUTER AND TELECOMMUNICATIONS STATION  
NAVAL CRIMINAL INVESTIGATIVE SERVICE COMMAND  
NAVAL RESEARCH LABORATORY  
PUBLIC WORKS CENTER, WASHINGTON  
SHIPS PROJECT MANAGEMENT

*FL*

COASTAL SYSTEMS STATION DAHLGREN DIVISION, PANAMA CITY  
NAVAL AIR STATION, JACKSONVILLE  
NAVAL AIR STATION, KEY WEST  
NAVAL AIR STATION, PENSACOLA  
NAVAL AIR WARFARE CENTER TRAINING SYSTEMS DIV, ORLANDO  
NAVAL AVIATION DEPOT, JACKSONVILLE  
NAVAL AVIATION SCHOOL COMMAND, PENSACOLA  
NAVAL EDUCATION AND TRAINING, PENSACOLA  
NAVAL HOSPITAL, JACKSONVILLE  
NAVAL HOSPITAL, PENSACOLA  
NAVAL STATION, MAYPORT  
PERSONNEL SUPPORT, JACKSONVILLE  
PUBLIC WORKS CENTER, PENSACOLA

*GA*

NAVAL SUBMARINE BASE, KINGS BAY  
TRIDENT REFIT FACILITY, KINGS BAY

*GU*

NAVAL FORCES MARIANAS SUPPORT ACTIVITY  
PUBLIC WORKS CENTER

*HI*

FLEET INDUSTRIAL SUPPLY CENTER, PEARL HARBOR  
NAVAL FACILITIES ENGINEERING COMMAND, PACIFIC DIVISION  
NAVAL INTERMEDIATE MAINTENANCE FACILITY  
NAVAL SHIPYARD, PEARL HARBOR  
NAVAL STATION, PEARL HARBOR  
PUBLIC WORKS CENTER, PEARL HARBOR

*IL*

NAVAL HOSPITAL, GREAT LAKES  
NAVAL TRAINING CENTER, GREAT LAKES  
PERSONNEL SUPPORT ACTIVITY, GREAT LAKES  
PUBLIC WORKS CENTER, GREAT LAKES

*IN*

NAVAL SURFACE WARFARE CENTER, CRANE DIVISION

*LA*

NAVAL AIR STATION, NEW ORLEANS

*MD*

NATIONAL NAVAL MEDICAL CENTER, BETHESDA  
NAVAL AIR OPERATIONS SUPPORT FIELD ACTIVITY, PATUXENT RIVER  
NAVAL AIR WARFARE CENTER-AIRCRAFT DIVISION, PATUXENT RIVER  
NAVAL RESEARCH LABORATORY, CHESAPEAKE BAY DETACHMENT  
NAVAL SURFACE WARFARE CENTER, CARDEROCK DIVISION  
NAVAL SURFACE WARFARE CENTER, INDIAN HEAD  
OFFICE OF NAVAL INTELLIGENCE  
US NAVAL ACADEMY

*ME*

NAVAL AIR STATION, BRUNSWICK

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*MS* CONSTRUCTION BATTALION CENTER, GULFPORT  
NAVAL AIR STATION, MERIDIAN  
STENNIS SPACE CENTER  
SUPERVISOR OF SHIP BUILDING, PASCAGOULA

*NC* NAVAL AVIATION DEPOT, CHERRY POINT  
NAVAL HOSPITAL, CAMP LEJUENE

*NH* NAVAL SHIPYARD, PORTSMOUTH

*NJ* NAVAL AIR WARFARE CENTER, LAKEHURST  
NAVAL WEAPONS STATION, EARLE

*NV* NAVAL AIR STATION, FALLON

*PA* NAVAL ACQUISITION CARRIER MANAGEMENT CENTER, MECHANICSBURG  
NAVAL AIR STATION, WILLOW GROVE  
NAVAL ENGINEERING SERVICE UNIT, PHILADELPHIA  
NAVAL FACILITIES ENGINEERING COMMAND, NORTHERN DIVISION  
NAVAL SEA LOGISTICS CENTER, MECHANICSBURG  
NAVAL SHIP SYSTEM ENGINEERING STATION, PHILADELPHIA  
NAVAL SUPPLY SYSTEMS COMMAND, MECHANICSBURG  
NAVY FLEET MATERIAL SUPPORT OFFICE  
NAVY INVENTORY CONTROL POINT, MECHANICSBURG  
PUBLIC WORKS CENTER, PHILADELPHIA, NORFOLK DETACHMENT

*PR* NAVAL STATION, PUERTO RICO

*RI* NAVAL EDUCATION AND TRAINING CENTER, NEWPORT  
NAVAL UNDERSEA WARFARE CENTER DIVISION, NEWPORT

*SC* NAVAL FACILITIES ENGINEERING DIVISION, SOUTHERN DIVISION  
NAVAL HOSPITAL, CHARLESTON  
NAVAL WEAPONS STATION, CHARLESTON  
SPACE AND NAVAL WARFARE SYSTEMS CENTER

*TN* NAVAL SUPPORT ACTIVITY, MEMPHIS

*TX* NAVAL AIR STATION, CORPUS CHRISTI  
NAVAL AIR STATION, JOINT RESERVE BASE, FORT WORTH

*VA* CHIEF OF NAVAL RESEARCH  
FLEET INDUSTRIAL SUPPLY CENTER, NORFOLK  
FLEET TECHNICAL SUPPORT CENTER, NORFOLK  
JOINT WARFARE ANALYSIS CENTER, DAHLGREN  
MILITARY SEALIFT COMMAND ATLANTIC, NORFOLK  
NAVAL AIR STATION, OCEANA  
NAVAL AUDIT SERVICE, FALLS CHURCH  
NAVAL BASE, NORFOLK  
NAVAL CENTER FOR ACQUISITION TRAINING  
NAVAL ELECTRONICS PROGRAM MANAGEMENT OFFICE  
NAVAL FACILITIES ENGINEERING COMMAND, ATLANTIC DIVISION  
NAVAL MILITARY PERSONNEL COMMAND  
NAVAL SEA OPERATIONS SUPPORT FIELD ACTIVITY  
NAVAL SHIPYARD, NORFOLK  
NAVAL STATION, NORFOLK  
NAVAL SURFACE WARFARE CENTER DAHLGREN  
NAVAL WEAPONS STATION, YORKTOWN  
NAVY MEDICAL CENTER, PORTSMOUTH  
NAVY TRANSPORTATION SUPPORT CENTER, NORFOLK  
PERSONNEL SUPPORT ACTIVITY, NORFOLK  
PUBLIC WORKS CENTER, NORFOLK  
SPACE AND NAVAL WARFARE SYSTEMS CENTER

*List of Installations with 300 or More Civilian Authorizations*

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*WA* SUPERVISOR OF SHIP BUILDING, NEWPORT NEWS  
SUPERVISOR OF SHIP BUILDING, PORTSMOUTH

*WA* FLEET INDUSTRIAL SUPPLY CENTER, BREMERTON  
NAVAL AIR STATION, WHIDBEY ISLAND  
NAVAL HOSPITAL, BREMERTON  
NAVAL SHIPYARD, PUGET SOUND  
NAVAL SUBMARINE BASE, BANGOR  
NAVAL UNDERSEA WARFARE CENTER DIVISION, KEYPORT  
TRIDENT REFIT FACILITY, BANGOR

**AIR FORCE**

*AK* EIELSON AIR FORCE BASE  
ELMENDORF AIR FORCE BASE

*AL*

*AR* MAXWELL AIR FORCE BASE/GUNTER ANNEX

*AZ* LITTLE ROCK AIR FORCE BASE

*AZ* DAVIS-MONTHAN AIR FORCE BASE  
LUKE AIR FORCE BASE

*CA* BEALE AIR FORCE BASE  
EDWARDS AIR FORCE BASE  
LOS ANGELES AIR FORCE BASE  
MARCH AIR RESERVE BASE  
MCCLELLAN AIR FORCE BASE  
TRAVIS AIR FORCE BASE  
VANDENBERG AIR FORCE BASE

*CO* BUCKLEY AIR GUARD BASE  
FALCON AIR FORCE BASE  
PETERSON AIR FORCE BASE  
USAF ACADEMY  
VARIOUS ACTIVITIES, DENVER

*DC*

*DE* BOLLING AIR FORCE BASE

*FL* DOVER AIR FORCE BASE

*FL* EGLIN AIR FORCE BASE  
HOMESTEAD AIR RESERVE STATION  
HURLBURT FIELD  
MACDILL AIR FORCE BASE  
PATRICK AIR FORCE BASE  
TYNDALL AIR FORCE BASE

*GA* DOBBINS AIR RESERVE BASE  
MOODY AIR FORCE BASE  
ROBINS AIR FORCE BASE

*GU* ANDERSON AIR FORCE BASE

*HI* HICKHAM AIR FORCE BASE

*ID* MOUNTAIN HOME AIR FORCE BASE

*IL* SCOTT AIR FORCE BASE

*IN* GRISSOM AIR RESERVE BASE

*KS* MCCONNELL AIR FORCE BASE

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<i>LA</i>	BARKSDALE AIR FORCE BASE
<i>MA</i>	HANSCOM AIR FORCE BASE WESTOVER AIR RESERVE BASE
<i>MD</i>	ANDREWS AIR FORCE BASE
<i>MI</i>	BATTLE CREEK SELFRIDGE AIR GUARD BASE
<i>MO</i>	WHITEMAN AIR FORCE BASE
<i>MS</i>	COLUMBUS AIR FORCE BASE KEESLER AIR FORCE BASE
<i>MT</i>	MALMSTROM AIR FORCE BASE
<i>NC</i>	POPE AIR FORCE BASE SEYMOUR-JOHNSON AIR FORCE BASE
<i>ND</i>	GRAND FORKS AIR FORCE BASE MINOT AIR FORCE BASE
<i>NE</i>	OFFUTT AIR FORCE BASE
<i>NJ</i>	MCGUIRE AIR FORCE BASE
<i>NM</i>	CANNON AIR FORCE BASE HOLLOMAN AIR FORCE BASE KIRTLAND AIR FORCE BASE
<i>NV</i>	NELLIS AIR FORCE BASE
<i>NY</i>	ROME LABORATORY
<i>OH</i>	WRIGHT PATTERSON AIR FORCE BASE
<i>OK</i>	ALTUS AIR FORCE BASE TINKER AIR FORCE BASE
<i>SC</i>	CHARLESTON AIR FORCE BASE SHAW AIR FORCE BASE
<i>SD</i>	ELLSWORTH AIR FORCE BASE
<i>TX</i>	BROOKS AIR FORCE BASE DYESS AIR FORCE BASE GOODFELLOW AIR FORCE BASE KELLY AIR FORCE BASE LACKLAND AIR FORCE BASE LAUGHLIN AIR FORCE BASE RANDOLPH AIR FORCE BASE SHEPPARD AIR FORCE BASE
<i>UT</i>	HILL AIR FORCE BASE
<i>VA</i>	LANGLEY AIR FORCE BASE
<i>WA</i>	FAIRCHILD AIR FORCE BASE MCCHORD AIR FORCE BASE

*List of Installations with 300 or More Civilian Authorizations*

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*WY*

F E WARREN AIR FORCE BASE

USMC

*AZ*

MARINE CORPS AIR STATION YUMA

*CA*

MARINE CORPS AIR GROUND COMBAT CENTER, TWENTYNINE PALMS  
MARINE CORPS AIR STATION EL TORO  
MARINE CORPS AIR STATION MIRAMAR  
MARINE CORPS BASE CAMP PENDLETON  
MARINE CORPS LOGISTICS BASE BARSTOW

*DC*

HEADQUARTERS UNITED STATES MARINE CORPS

*GA*

MARINE CORPS LOGISTICS BASE ALBANY

*HI*

MARINE CORPS BASE HAWAII

*NC*

MARINE CORPS BASE CAMP LEJEUNE  
MARINE CORPS AIR STATION CHERRY POINT

*SC*

MARINE CORPS AIR STATION BEAUFORT  
MARINE CORPS RECRUIT DEPOT PARRIS ISLAND

*VA*

MARINE CORPS BASE QUANTICO

DEFENSE AGENCIES AND FIELD ACTIVITIES

*AL*

DISTRIBUTION DEPOT ANNISTON

*CA*

DEFENSE DISTRIBUTION DEPOT, SAN DIEGO  
DEFENSE CONTRACT MANAGEMENT DISTRICT, EL DORADO  
DISTRIBUTION DEPOT MCCLELLAN  
DISTRIBUTION DEPOT SAN DIEGO  
DISTRIBUTION DEPOT SAN JOAQUIN  
DISTRIBUTION DEPOT SAN JOAQUIN (TRACY SITE)  
SAN BERNARDINO OPERATING LOCATION  
SAN DIEGO DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION

*CO*

DEFENSE FINANCE AND ACCOUNTING CENTER, DENVER

*FL*

DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, ORLANDO

*GA*

DISTRIBUTION DEPOT WARNER ROBINS

*IN*

DEFENSE FINANCE AND ACCOUNTING CENTER, INDIANAPOLIS

*MD*

LINTHICUM HEIGHTS - DEFENSE INVESTIGATIVE SERVICE

*MI*

DEFENSE LOGISTICS SERVICE CENTER, BATTLE CREEK  
DEFENSE REUTILIZATION AND MARKETING OFFICE, BATTLE CREEK

*MO*

DEFENSE FINANCE AND ACCOUNTING CENTER, KANSAS  
DEFENSE FINANCE AND ACCOUNTING ST LOUIS OPERATING LOCATION

*NE*

DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, OMAHA

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*OH*

COLUMBUS - DEFENSE INFORMATION SYSTEMS AGENCY  
DEFENSE FINANCE AND ACCOUNTING CENTER, CLEVELAND  
DEFENSE FINANCE AND ACCOUNTING CENTER, COLUMBUS  
DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, DAYTON  
DEFENSE SUPPLY CENTER, COLUMBUS

*OK*

DISTRIBUTION DEPOT OKLAHOMA CITY

*PA*

DDRE/DDSP MECHANICSBURG  
DEFENSE INDUSTRIAL SUPPLY CENTER, PHILADELPHIA  
DEFENSE SUPPLY CENTER PHILADELPHIA  
DISTRIBUTION DEPOT AND REGIONAL HEADQUARTERS, SUSQUEHANNA

*SC*

DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, CHARLESTON

*TX*

DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, SAN ANTONIO  
DISTRIBUTION DEPOT RED RIVER  
DISTRIBUTION DEPOT SAN ANTONIO

*UT*

DISTRIBUTION DEPOT HILL

*VA*

ARLINGTON - DEFENSE INFORMATION SYSTEMS AGENCY  
DEFENSE AUTOMATED PRINTING AND SUPPORT CENTER  
DEFENSE FINANCE AND ACCOUNTING OPERATING LOCATION, NORFOLK  
DEFENSE FINANCE AND ACCOUNTING SERVICE HEADQUARTERS, ARLINGTON  
DEFENSE FUEL SUPPLY CENTER  
DEFENSE LOGISTICS AGENCY, HEADQUARTERS  
DEFENSE SUPPLY CENTER, RICHMOND  
DEPARTMENT OF DEFENSE EDUCATION ACTIVITY HEADQUARTERS  
DEPARTMENT OF DEFENSE INSPECTOR GENERAL HEADQUARTERS  
DISTRIBUTION DEPOT NORFOLK  
DISTRIBUTION DEPOT RICHMOND  
FALLS CHURCH - DEFENSE INFORMATION SYSTEMS AGENCY  
RESTON - DEFENSE INFORMATION SYSTEMS AGENCY  
VARIOUS DoD HUMAN RESOURCE ACTIVITIES, ARLINGTON  
WASHINGTON HEADQUARTERS SERVICE