



CHAPTER 4

THE 2005 BASE CLOSURE AND REALIGNMENT PROCESS

KEY PROVISIONS OF THE LAW AUTHORIZING THE 2005 BRAC COMMISSION

The 2005 Defense Base Closure and Realignment Commission, or the first “BRAC” round since 1995, was authorized by Public Law 107-107 (the National Defense Authorization Act for Fiscal Year 2002, signed on December 22, 2001). That statute, and several later laws (especially P.L. 107-314 and P.L. 108-375), amended P.L. 101-510 (the Defense Base Closure and Realignment Act of 1990, P.L. 101-510), the authorization for the 1991, 1993, and 1995 BRAC rounds. The final result combines provisions that expired at the end of 1995 and new provisions directly authorizing and governing the 2005 BRAC process. Appendix C contains a complete copy of the 2005 BRAC authorizing statute as well as an index to the statute.

Both law and policy directed the 2005 Base Closure and Realignment Commission to conduct an open and transparent process. The Commission’s records, meetings, and hearings were (and are) open to the public, except for classified information. Testimony before the Commission is provided under oath. Notice of hearings was published in advance in the Federal Register. The statute also directed the Government Accountability Office (GAO) to analyze DoD’s recommendations and publish a report on their findings.

Congress authorized the Commission to “add” additional installations to DoD’s proposed BRAC closure and realignment recommendations only if the Commission provided the Secretary of Defense with a list of possible additions and gave him at least 15 days to explain the reasons why the installations were not originally recommended for closure or realignment; provided the Secretary with an opportunity to testify at a public hearing discussing the potential additions; and, after reviewing the Secretary’s explanation, conducting a separate “Adds Hearing” at which seven of nine Commissioners must vote in favor of any proposed “add”; fourth, publishing a notice of all successfully proposed additions in the Federal Register not less than 45 days before transmitting its recommendations to the President. At least two Commissioners must conduct base visits and public hearings must be held on all proposed additions.

The statute directs Commissioners to vote on whether each DoD recommendation deviated substantially from the force structure plan and the final selection criteria. The Commission can change, or reject entirely, those recommendations it finds deviated substantially from the submitted force structure plan and selection criteria. However, any proposed change that would (a) add an installation for closure or realignment, or (b) increase the extent of the realignment beyond what was originally proposed by the Secretary, is considered an “add” and will require the votes of seven of nine Commissioners, as described in the paragraph above. The Commission cannot change recommendations that do not deviate substantially from the force structure plan and the final selection criteria.

The Commission reports its findings and recommendations to the President and to the American people by September 8, 2005. The Commission’s final and approved changes have the force of law unless the President terminates the process by not forwarding the report to the Congress, or the Congress enacts a resolution of disapproval.

By September 23, 2005, the President must either forward the Commission’s report to the Congress (accepting all recommendations as a whole) or return the report to the Commission for further evaluation. If he returns the report to the Commission, the President can indicate his disapproval of the report as a whole or in part. The BRAC Commission would then have until October 20, 2005, to resubmit its report to the President. The deadline for the President to transmit his approval and certification of a resubmitted report to Congress is November 7, 2005.

Congress has 45 days from the day it receives the report from the President to enact a joint resolution rejecting the report in full, or else the report effectively becomes law. If both chambers of Congress enact a joint resolution of disapproval, the

President can veto the resolution. A Presidential veto of a joint resolution would be sustained unless a two-thirds majority in both chambers votes to override (like any other bill or resolution).

The 2005 BRAC Commission will, by law, terminate on April 15, 2006.

REQUIREMENTS FOR THE DEPARTMENT OF DEFENSE

The Congress directed DoD to (1) define and implement an objective set of “selection criteria” for selecting bases and facilities for closure or realignment; (2) predicate closure/realignment recommendations on a force structure plan that reflected future threats, (3) prepare a Comprehensive (i.e., global in scope) Base Inventory to be submitted to the Congress as part of the budget justification documents supporting the Fiscal Year 2005 budget request; and (4) certify, in writing, that the 2005 round of BRAC was necessary and that it would result in annual net savings for each military department beginning not later than 2011.

SELECTION CRITERIA FINALIZED

P.L. 107-107 provided DoD with basic guidance on selection criteria but gave the Department discretionary authority to modify the criteria so long as “military value is the primary consideration in the making of recommendations for the closure or realignment of military installations.” P.L. 107-107 guidance followed very closely the historical selection criteria used in the 1991, 1993, and 1995 BRAC processes.

The Department published its draft selection criteria in the Federal Register for comment and review by the public on December 23, 2003. After reviewing the draft criteria, GAO testified before Congress on March 25, 2004, that DoD’s selection criteria were generally sound and had “more specificity” in its four military value elements than the criteria used for prior rounds of BRAC. GAO expressed concern as to whether the selection criteria would adequately assess total restructuring costs and whether environmental remediation costs would be appropriately calculated.

Differences between the 2005 and prior round’s selection criteria are centered on the four military value criteria. The 2005 DoD criteria emphasized cross-service or joint operational capabilities and emphasized a facility’s location-specific attributes. Appendix E to this report provides a more complete comparison of the criteria.

DoD finalized the selection criteria without change and published them in the February 12, 2004, Federal Register. Congress later enshrined the final selection criteria into law (P.L. 108-375).

FORCE STRUCTURE, WORLDWIDE INVENTORY, CERTIFICATION REQUIREMENTS

The DoD “Force Structure Plan” (printed in Appendix D in its unclassified form) provided both end-strength levels (numbers of divisions, air wings, aircraft carriers, etc.) and the baseline military infrastructure needed at the end of the BRAC process to support the future force structure. It included only a short description of future threats. Congress later amended P.L. 101-510 to require DoD to retain sufficient additional infrastructure to accommodate unexpected “surge” or temporary increases in military activity. The 2005 BRAC Commission’s May 4, 2005, hearing discussed and evaluated the Force Structure Plan and its relationship to the BRAC process, among other issues.

The Department of Defense submitted its global inventory of military installations and facilities to Congress in March 2004. This inventory is derived from DoD’s Facilities Assessment Database (FAD), a resource updated annually from the real property records of the Military Departments. It revealed that the Department owns more than 520,000 facilities (buildings and structures), of which about 87 percent are in the United States and territories. These real property records provided the basis for identifying facilities subject to BRAC analysis.

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) prohibited DoD from revising the Force Structure Plan and Comprehensive Base Inventory after March 15, 2005, for BRAC purposes. This precluded changing the basic parameters for BRAC analysis while the selection process was under way.

DoD’s March 23, 2004, budget justification documents included the required certification by Secretary Rumsfeld that the 2005 BRAC round was needed and justified and that the end result of the recommended restructuring “would result in annual net savings for each of the military departments beginning not later than fiscal year 2011.”

OVERSEAS BASING AND BRAC

DoD conducted a comprehensive inventory of all overseas US military installations, and submitted the results to Congress during the FY 2005 budget process. DoD concluded that forward deployment of US military assets at foreign bases in Europe and the Middle East did not offer nearly as many advantages (in terms of speed of military response) as previously thought. As a result, President Bush announced on August 16, 2004 that as part of the nearly three-year Global Posture Review, approximately 60,000 to 70,000 personnel previously stationed overseas would be gradually returning home to the US.

The Commission's May 4, 2005, hearing discussed overseas realignments, their impact on BRAC, and the Global Posture Review. Overseas basing, while not explicitly mentioned in the final selection criteria, was subsequently incorporated in DoD's BRAC review and analysis, and is partially reflected in DoD's 2005 BRAC recommendations.

MAJOR DIFFERENCES BETWEEN THE 2005 AND PRIOR BRAC ROUNDS

The 2005 Commission consists of nine members rather than eight, thereby minimizing the possibility of tie votes.

For the 2005 round, the time horizon for assessing future threats in preparing DoD's Force Structure Plan is 20 years rather than five.

Moreover, prior BRAC rounds occurred during a time of declining defense budgets where the focus was on eliminating excess capacity and realizing cost savings without sacrificing military value. The 2005 BRAC process took place during a time of war, where many military capabilities are surging to meet new battlefield requirements. Consequently, the emphasis on the 2005 round was on enhancing military value without sacrificing cost savings.

In 2005, DoD shifted away from a traditional focus on end-strengths, and toward a capabilities-based approach supporting an emphasis on joint operations. The 1988, 1991, and 1993 rounds did not include a Joint Cross-Service element. The 1995 round had such an element, but the three military departments (Army, Navy/Marines, and Air Force) could reject the recommendations of Joint Cross-Service Groups (JCSGs) within DoD that examined six areas: depot maintenance, military medical treatment facilities, test and evaluation, undergraduate pilot training, laboratories, and economic impact. The final military department recommendations were forwarded to the Secretary of Defense for his final review and approval. In contrast, DoD's 2005 BRAC process established seven JCSGs: Education and Training; Headquarters and Support Activities; Industrial; Intelligence; Medical; Supply and Storage; and Technical. These seven JCSGs developed specific recommendations alongside, and in most cases in cooperation with, the three military departments. More important, JCSG recommendations were submitted directly to the DoD Infrastructure Executive Council (IEC).

The 1995 criteria stated only that "the environmental impact" had to be considered with any base closure or realignment. The 2005 criteria required the Department of Defense (and ultimately the Commission) to consider "the impact of costs related to potential environmental restorations, waste management and environmental compliance activities."

Other changes include more detailed military value criteria and, more specifically, elements containing training areas, staging grounds, and homeland defense missions. Ten years ago, before the September 11th terrorist attacks, "homeland defense" was not a criterion. It is now a significant element among the military value criteria. Language on "joint warfighting, training, and readiness" supports Secretary Rumsfeld's well-publicized use the 2005 BRAC process to advance transformation and jointness goals. Military value scores generally reflect installations' capacity to absorb new missions, or provide "surge" capabilities.

The special rules applicable if the Commission proposes a closure or realignment not originally on the Secretary's May 13, 2005, list are described elsewhere in this chapter. The 1991 Commission added 35 bases for further consideration, the 1993 Commission added 72, and the 1995 Commission added 36, whereas the 2005 Commission added only eight.

In prior rounds, DoD recommendations were generally confined to one base per recommendation. Sometimes a closing/realigning base's workload was distributed among several receiving installations or activities, but only a single base would be closed or significantly realigned within the same recommendation. The 2005 DoD report often lumped several—sometimes dozens—of separate but interlinked BRAC actions under the broad title of a single "recommendation." The 1995 Commission evaluated DoD recommendations affecting 146 domestic military installations. The 2005 DoD report proposed at least 222 separately listed "recommendations," some of which were merely a broad thematic grouping for dozens of individually identifiable closures and realignments, each one affecting numerous people and communities. The figure of 222 includes 34 recommendations (affecting Navy and Marine Corps reserve centers) that the Commission counts as two recommendations. This consolidation leads to the Commission's count of 190 separate DoD recommendations that would

produce as many as 837 distinct and identifiable recommended BRAC “close” or “realign” actions; more than twice the number of BRAC actions from the 1988, 1991, 1993 and 1995 rounds combined. These 837 distinct actions involve another 160 “gaining” locations, receiving jobs from the closures and realignments. These actions include 435 actions recommended by DoD Joint Cross Service Groups, a category not identifiable in past BRAC rounds. The total number of DoD recommendations is more than double the number considered by all past BRAC Commissions combined. Appendix K of this report lists the DoD recommended BRAC actions identified by the Commission.

Congress amended the BRAC law to allow “privatization in place” only if it “is a method of closure or realignment of the military installation specified in the recommendations of the Commission” in the Commission’s Final Report, and only if the Commission determines that privatization in place is “the most-cost effective method of implementation of the recommendation.”

Similarly, the Congress prohibited the conversion of military facilities to “inactive status” in the 2005 BRAC. In prior rounds, “inactive” status mothballed a building, production line, or capability while preserving it for possible reactivation at a future date. Bases in inactive status still require substantial funds for maintenance while putting significant obstacles in the way of site reuse by the local community.

Finally, prior BRAC rounds did not take place in the face of the planned movement of tens of thousands of troops from abroad back to the United States.

COMPOSITION OF THE 2005 BASE CLOSURE AND REALIGNMENT COMMISSION

The nine Commissioners chosen to serve on the 2005 Defense Base Closure and Realignment Commission have diverse backgrounds. Two served in Presidential Cabinet-level positions, two are former Members of Congress, four are former flag or general officers, and others offer decades of government, private sector, and science-based careers in public service. Commissioners were nominated as follows:

Nominated by President George W. Bush:

Commission Chairman Anthony J. Principi

General James T. Hill, US Army (Ret.)

Brigadier General Sue E. Turner, US Air Force (Ret.)

Nominated by President George W. Bush in consultation with House Speaker J. Dennis Hastert:

The Honorable Samuel K. Skinner

The Honorable James V. Hansen

Nominated by President George W. Bush in consultation with House Minority Leader Nancy Pelosi:

The Honorable Philip E. Coyle, III

Nominated by President George W. Bush in consultation with Senate Majority Leader Bill Frist:

General Lloyd W. “Fig” Newton, US Air Force (Ret.)

Admiral Harold W. Gehman, Jr., US Navy (Ret.)

Nominated by President George W. Bush in consultation with Senate Minority Leader Harry Reid:

The Honorable James H. Billbray

Full biographical information on each Commissioner can be found in Appendix G.

The Commission staff, numbering over 100 persons, was drawn from diverse backgrounds encompassing government, law, academia, and the military. In addition to those hired directly by the Commission, or brought on as consultants, other staffers were detailed from the Department of Defense, the Government Accountability Office, the Department of Commerce, the Environmental Protection Agency, and the Federal Aviation Administration. Detailees’ expertise contributed significantly to the Commission’s independent review and analysis. Additional staff assistance was provided by the Analytic Services (ANSER) Corporation.

The Commission created a review and analysis staff with five teams: Army, Navy/Marines, Air Force, Interagency Issues, and Joint Cross-Service. As required by law, a direct-hire civilian managed each of the teams. Department of Defense detailees

were limited to a maximum of 20 percent of the Commission's analysts. A complete list of all 2005 BRAC Commission full-time staff, as well as the organizational charts, can be found in Appendix H.

Commissioners pledged to recuse themselves from Commission decision-making potentially in conflict with their prior positions or that could cast doubt on the validity and legitimacy of the Commission's final recommendations. Commissioner Gehman recused himself from all official business dealing with military facilities in the Commonwealth of Virginia. Commissioner Coyle recused himself from Commission decisions affecting the State of California. Former Congressmen James Hansen and James Bilbray recused themselves from Commission decision making affecting the states of Utah, and Nevada, respectively.

To further protect the integrity of the 2005 process, all BRAC Commission staff members were required to receive special ethics briefings and were encouraged to meet with the Commission's legal team to disclose any potential or perceived conflicts of interest that might affect their work. Potential hires and contractor personnel were instructed during their interviews that maintaining the public's confidence in the integrity of the BRAC process was vital to the successful completion of the Commission's statutory mission. All Commission staff members were required to complete financial disclosure forms designed to uncover potential financial conflicts of interest and flag such items for further discussion with the General Counsel's legal team.

DEPARTMENT OF DEFENSE BRAC PROCESS

The Secretary of Defense initiated the Department's BRAC process with his November 15, 2002, memorandum, *Transformation Through Base Realignment and Closure*. The Secretary emphasized eliminating excess capacity and transforming DoD by rationalizing infrastructure. Further policy guidance established policies, procedures, and authorities for selecting installations for realignment or closure.

The Secretary established the Infrastructure Executive Council (IEC) to oversee and operate the Department's BRAC 2005 process, set policy, and provide oversight. It was chaired by the Deputy Secretary of Defense and included the Secretaries of the Military Departments and their Chiefs of Service, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense (Acquisition, Technology & Logistics) (USD(AT&L)). The IEC met more than 20 times during the BRAC process and presented a package of recommendations to the Secretary of Defense for his final review and approval.

The subordinate Infrastructure Steering Group (ISG), was chaired by the USD(AT&L) and composed of the Vice Chairman of the Joint Chiefs of Staff, the Military Department Assistant Secretaries for Installations and Environment, the Service Vice Chiefs, and the Deputy Under Secretary of Defense (Installations and Environment). The ISG oversaw the joint cross-service (JCSG) analyses of common business-oriented functions and ensured the integration of that process with the Military Departments' analysis of all other functions. The ISG met more than 60 times during the BRAC process, setting milestones and resolving issues as the analyses unfolded.

Secretary of Defense Rumsfeld submitted Volume I (parts 1 and 2) of the Defense Department's recommendations for military base closures and realignments to the Commission, and to the public (including Congress), on Friday, May 13, 2005, earlier than required. Much of the primary back-up data, meeting minutes, and scenario evaluations used to develop and justify DoD's closure and realignment recommendations was initially deemed classified or sensitive information, and not de-classified and transmitted to the Commission and to Congress until June 17, 2005. This lengthy delay occurred despite language in Section 2903(c)(2) and Section 2903(c)(4) of the BRAC statute which required that the Department make "all information used by the Secretary to prepare the recommendations ... available to Congress ... [and] the Commission" within seven days of the recommendations' transmittal.

THE ARMY PROCESS

The Army's BRAC analysis unit, The Army Basing Study (TABS) Group directed by the Deputy Assistant Secretary of the Army for Infrastructure Analysis, assessed Army installations, ensured consistency with DoD's force structure plan, the installation inventory, selection criteria, and the BRAC statute.

The Army collected data on each of its 97 installations, including 10 leased sites, determined excesses and shortages, and, using the Force Structure Plan, assessed its requirements and capacity, including a surge analysis to ensure capacity to accommodate uncertainty and future requirements.

The military value of each facility was then calculated using a common set of 40 attributes linked to the military value criteria. The Army defined military value broadly, capturing facility capability, not just current use. This approach permitted the Army to assess relative installation capabilities to contribute to current and future base uses. The military value (MV) is the summed collective scores of weighted attributes, ranked from 1 (highest) to 97 (lowest).

The Army then developed strategy-based scenarios facilitating transformation, rebasing of overseas units, Joint operations, and Joint business functions. Scenarios moved units and activities to installations with higher MV, taking advantage of excess capacity and divesting less relevant or less effective installations. The Army augmented its MV analysis with military judgment. Recognizing the unique aspects of US Army Reserve Component (USARC) stationing and infrastructure, the Army used a bottom-up review that involved USARC Commanders, state governors, and Adjutants General. After military value analyses were completed, the Army then determined the impact of the remaining four selection criteria.

The BRAC Senior Review Group (SRG), co-chaired by the Army's Under Secretary and Vice Chief of Staff, evaluated recommendations for the Army's Executive Office, Headquarters to consider for submission to the Secretary of Defense through the Infrastructure Executive Council (IEC).

THE NAVY PROCESS

The Navy's BRAC recommendations were developed by its Infrastructure Evaluation Group (IEG), consisting of nine senior military and civilian personnel and supported by the DoN Analysis Group (to analyze Navy-unique functions) and the Infrastructure Analysis Team (IAT) (providing analytic and staff support).

The IEG ensured evaluations complied with the Base Closure Act, implemented guidance from higher levels and considered the concerns of operational commanders. The IEG applied the selection criteria to the recommendations, ensured consistency with the 20-year Force Structure Plan, infrastructure inventory, and surge and homeland defense requirements.

The Navy analyzed 590 of the Navy and Marine Corps' 889 unique functions while Joint Cross Service Groups (JCSGs) analyzed 469. Some activities were analyzed by both the Navy and one or more JCSGs. Data calls collected information for the base structure database and subsequent analyses. Capacity analyses, conducted on a functional basis (e.g., ship berthing) rather than by installation category (e.g., naval stations), compared the current base structure to future force structure requirements and identified excess capacity within a functional area. Military values were then assigned to functional activities using an objective, quantitative methodology.

Configuration analysis, combining military value and capacity analyses of each function, identified activities best meeting the needs of the Navy and Marine Corps in light of future requirements while eliminating the most excess capacity. These solutions were the starting point for DoN Analysis Group evaluation of closure and realignment scenarios. These assessments—combined with calculations of return on investment, Cost of Base Realignment Actions (COBRA) analyses and inputs from senior Defense leadership—were used to craft additional options through an iterative process.

THE AIR FORCE PROCESS

The Base Closure Executive Group (BCEG), consisting of 12 senior military and civilian executives, assisted in the development of the Air Force's BRAC recommendations. The Air Force BRAC analysis was rooted in the 20-year Force Structure Plan, the Air Force's facility inventory, and the selection criteria. Air Force analyses were shaped by three underlying rules: military value, both quantitative and qualitative—the primary factor; equal treatment for all installations; and determination of military value on the basis of capacity to support other core missions as well as current missions.

Estimates of the maximum capacity of each installation (based on data call responses, information from Headquarters, and weapons system templates) were used to identify an optimal set of bases to support a specified force. In using certified data to assess military value, the Air Force stressed installation characteristics that were (a) immutable, e.g., geographic location and proximity to other physical features or defense activities, terrain, and prevailing weather, (b) outside the control of the Air Force, or (c) difficult to replicate elsewhere due to expense or complexity, e.g., the installation's transportation infrastructure, missile silos, or basic airfield infrastructure.

Operational capability data, the military value criteria, and the weighing guidance assigned by the BCEG, were combined to assign a Mission Capability Index (MCI) score for eight mission areas (fighter, bomber, tanker, airlift, special operation/combat search and rescue, intelligence/surveillance/reconnaissance, unmanned aerial vehicles, and space control) to all 154 Air Force installations. All Active and Reserve Component installations were assessed on an equal basis and rank-ordered on their relative ability to support each of the eight missions.

The BCEG refined “first-look” scenarios through iterative deliberation, rejecting options that failed to improve aggregate military value or ran counter to compelling military rationale. The process continued until it reached potential force structure deployments conforming to Air Force principles and imperatives; improved aggregate military value; and were consistent with sound military judgment.

A Joint Action Scenario Team (JAST) coordinated and managed the development of joint operational basing scenarios, and passed along scenarios affecting other service department installations. Opportunities for joint basing were worked into Air Force scenarios and formal analyses and were briefed to BCEG as part of the development of the Air Force’s candidate recommendations.

The BCEG reviewed potential closure and realignment options and selected the most promising for application of the COBRA model and criteria 5 through 8. The results of these analyses—i.e., payback (as determined by COBRA), community infrastructure support capability, and economic and environmental impacts of each scenario—were briefed to the BCEG and, if approved by the Secretary of the Air Force, sent to DoD’s review group, the Infrastructure Executive Council (IEC).

THE JOINT CROSS-SERVICE GROUP PROCESS

EDUCATION AND TRAINING JOINT CROSS-SERVICE GROUP

The Education and Training Joint Cross-Service Group (E&T JCSG) reviewed common business-oriented education and training functions, including flight training, professional development education, specialized skill training, and range activities. The Principal Deputy Under Secretary of Defense (Personnel and Readiness) chaired the E&T JCS. Principals included senior members from each Military Department, the Office of the Secretary of Defense, and the Joint Staff. The E&T JCSG was organized into subgroups corresponding to the categories of functions evaluated and was chaired by a flag/general officer or civilian equivalent to evaluate the potential of cross-service, joint, and transformational opportunities to improve DoD’s education and training programs.

The JCSG analyzed existing education and training capacity using certified data and developing recommendations best satisfying current and future DoD requirements. Military value was the primary consideration, balanced by other selection criteria and the future force structure to evaluate and document realignment and closure recommendations. Each subgroup calculated capacity for each function and sub-function using defined attributes and metrics. Questions, formulas, and filters were developed and tested for validity, adequacy, and quality. Certified data were obtained from responses to Military Department/Agency-controlled data calls. Each E&T subgroup analyzed installations’ capacity, including potential surge requirements. Locations performing the full scope of each function were identified and assessed for military value based on a facility’s functional capability. The military value criteria analyses dealt with each facility’s mission capability, condition, potential for future contingencies, and cost of operation. The subgroups calculated the military value of facilities performing similar education and training functions, and the results were examined to identify strategy-based, data-supported realignment or closure scenarios. After scenarios were developed, the E&T JCSG applied criteria 5 through 8, using DoD BRAC standard procedures and/or models. DoD’s Inspector General (DoD IG) independently validated the data’s adequacy and quality throughout the process.

The 295 E&T JCSG subgroup-generated ideas were refined into 164 proposals which, after deliberation, were developed into 64 declared scenarios. After detailed analysis, 17 fully developed candidate recommendations were forwarded to the Infrastructure Steering Group (ISG) for consideration. ISG disapproved two candidate recommendations, and the Infrastructure Executive Council (IEC) disapproved another two. During JCSG and MILDEP integration of candidate recommendations, four E&T candidate recommendations were absorbed into Military Department recommendations resulting in nine E&T JCSG recommendations.

THE HEADQUARTERS AND SUPPORT ACTIVITIES JOINT CROSS-SERVICE GROUP

The Headquarters and Support Activities Joint Cross-Service Group (HSA JCSG) was created to address common business-related functions across DoD, Military Departments, and Defense agencies. The HSA JCSG had no counterpart in previous BRAC rounds and therefore had to define appropriate functions and sub-functions for analysis. The HSA JCSG had six members representing OSD, the Joint Staff, and the four services, chaired by the Army member. The HSA JCSG formed three subgroups: the Geographic Clusters and Functional (GC&F) Subgroup (Air Force lead) analyzed common functions of financial management, communications/information technology, personnel management, corrections, installation

management, and selected Defense Agencies. The Mobilization Subgroup (Marine Corps lead) analyzed joint mobilization. The Major Administration and Headquarters (MAH) Subgroup (Navy lead) analyzed all headquarters located within 100 miles of the Pentagon (the “DC area”), including leased space, selected headquarters outside the 100-mile radius, and common support functions (headquarters “back-shop” functions).

The HSA JCSG conducted a comprehensive review of assigned functions, evaluated alternatives, and developed and documented realignment and closure recommendations. The HSA JCSG established internal policies and procedures consistent with: DoD policy memoranda, the force structure plan and installation inventory; BRAC selection criteria; and the requirements of the BRAC statute. The HSA JCSG’s strategy was guided by the principles of: improving jointness; eliminating redundancy, duplication and excess capacity; enhancing force protection; exploiting best business practices; increasing effectiveness, efficiency, and interoperability; and reducing costs.

JCSG capacity analysis focused on functions and activities with the highest potential for payoff. Functions and activities with excellent potential were placed initially into a middle tier from which they were either moved into the top tier and fully analyzed, or placed in a lower tier. In the lower tier they were either eliminated or sent to the Military Departments for an appropriate level of review. After capacity analyses were complete, the JCSG concluded that each functional area it reviewed had excess capacity, and it compiled target lists for further military value analyses.

Military value, as the primary consideration, was assessed by HSA JCSG using quantitative methods to examine headquarters, organizations, and activities performing assigned functions at current locations. Throughout the process, the military value scoring plans were reviewed and updated as necessary to ensure that the quantitative results were valid and fair and that the entities in the model could be differentiated.

Initial military value analyses served as the starting point for scenario development. The results of optimization, consideration of the overarching strategy, and military judgment contributed to the family of strategy-driven, data-verified scenarios the JCSG brought forward to its members for deliberation. The three HSA JCSG subgroups developed 204 ideas, which generated 194 proposals, 117 of which were analyzed fully as scenarios using criteria 1 through 8. Fifty scenarios were forwarded to the ISG as candidate recommendations. The ISG and IEC approved 47 and disapproved three. Integration of the HSA JCSG’s recommendations with the Military Departments and the other JCSGs led to 21 final recommendations.

THE INDUSTRIAL JOINT CROSS-SERVICE GROUP

The Industrial Joint Cross-Service Group (Industrial JCSG) reviewed DoD’s industrial functions: maintenance (depot and intermediate), munitions and armaments (including their storage), and ship overhaul and repair. The Principal Deputy Under Secretary of Defense (Acquisition, Technology and Logistics) chaired the Industrial JCSG, which included members from each military service and the Joint Staff.

The Industrial JCSG conducted a comprehensive review of assigned functions, evaluated alternatives, and developed and documented realignment and closure recommendations. The Industrial JCSG established internal policies and procedures consistent with: DoD policy memoranda, the force structure plan, and installation inventories; BRAC selection criteria; and the requirements of the BRAC statute.

After establishing three subgroups based on the three main functions being analyzed, subordinate functions were identified, and the chair of each subgroup was a principal member of the Industrial JCSG and a subject matter expert. The subgroups comprised members from each service and, as needed for support, contract personnel.

Each subgroup identified installations related to its assigned functions and developed defined capacity measure attributes and metric questions related to the assigned functions. The Military Departments reviewed all questions, and the Infrastructure Steering Group (ISG) approved them prior to each installation responding to the controlled data call with certified data. The subgroups used the certified data to analyze the capacity, including surge requirements, for their assigned functions, and created an inventory of installations performing industrial functions.

The subgroups developed strategy-based, data-supported realignment or closure scenarios to advance joint capabilities, maximize the use of capacity, align infrastructure with operations, save money, provide for future expansion capability, and maximize military value. The subgroups assessed the scenarios based on the remaining selection criteria (5 through 8) and using DoD’s standard procedures and/or models.

The disparate nature of the functions did not lend themselves to a “one-size-fits-all” analytic approach or strategy. The functions can overlap, and to obtain a meaningful analysis the Industrial JCSG initially examined maintenance, munitions and armaments, and ship overhaul and repair as discrete functions.

The maintenance subgroup established a strategy to minimize the number of sites performing maintenance while retaining sufficient redundancy within the industrial base and maximizing military value at the commodity level. The munitions and armaments subgroup addressed the entire life-cycle of munitions, except RDT&E, and sought to create multi-functional installations that avoided single-point failures while eliminating excess capacity through closures versus realignments. The ship overhaul and repair subgroup efficiently and effectively addressed ship maintenance requirements as the Navy reallocated fleet forces by rationalizing the number of organic shipyards and the workloads flowing from the 2025 force structure. Finally, the subgroup consolidated ship maintenance support functions and consolidated and regionalized intermediate-level ship maintenance within geographic regions. The final outcome resulted in reduced excess capacity.

The Industrial JCSG reviewed and selected the most promising 120 of subgroup-developed scenarios for further analysis. After full development and JSG review of 34 candidate recommendations, all were sent to the Infrastructure Executive Council (IEC). The IEC reviewed and approved all but three, while several candidate recommendations were either combined or integrated into larger Military Department candidate recommendations.

THE INTELLIGENCE JOINT CROSS-SERVICE GROUP

The Deputy Under Secretary of Defense (Counterintelligence and Security) chaired the Intelligence Joint Cross-Service Group (JCSG) review of intelligence functions. The Group included senior members from the Defense Intelligence Agency, National Geospatial-Intelligence Agency, National Reconnaissance Office, National Security Agency, each Military Department, the Joint Staff/J2, and representation from the Director of Central Intelligence Community Management Staff. The Chair of the Intelligence JCSG represented Counterintelligence Field Activity and the Under Secretary of Defense, Intelligence elements.

The Intelligence JCSG reviewed all intelligence functions except those already evaluated by the Military Departments and other JCSGs. The Group evaluated alternatives and developed and documented realignment and closure recommendations for submission to the Secretary of Defense. The Group ensured consistency with Department of Defense policy memoranda, the 20-year Force Structure Plan, selection criteria, and the BRAC statute. Four analytical frameworks were used to evaluate intelligence functions: re-locate and upgrade facilities onto protected installations as appropriate; reduce vulnerable commercial leased space; realign selected intelligence functions/activities and establish facilities to support Continuity of Operations and Mission Assurance requirements; and provide infrastructure to improve the flow of information between analysts, collectors and operators at all echelons and to achieve mission synergy.

Its review identified facilities performing intelligence functions and developed attributes, metrics and questions for analysis. Data calls gathered certified data on intelligence facilities, and capacity analyses led to identification of excess capacity/shortage. A military value scoring plan was developed, and scores were computed for each facility. Afterwards, strategy-based, data-supported, realignment or closure scenarios consistent with the 20-year Force Structure Plan were developed, registered, and assessed against the remaining selection criteria (5 through 8) using DoD's standard procedures and models.

The Intelligence JCSG developed 21 ideas that led to 18 proposals. From these, 13 scenarios were declared. After using the BRAC selection criteria and military judgment, six candidate recommendations were presented to the Infrastructure Steering Group (ISG). The ISG and Infrastructure Executive Council approved three candidate recommendations. During the integration process, one of these recommendations was incorporated by the Headquarters and Support Activities Joint Cross-Service Group into their own proposal.

THE MEDICAL JOINT CROSS-SERVICE GROUP

The Medical Joint Cross-Service Group (JCSG) reviewed DoD healthcare functions and provided base closure and realignment recommendations for the following functions: Healthcare Education and Training; Healthcare Services; and Medical and Dental Research, Development and Acquisition (RD&A). The Air Force Surgeon General chaired the Medical JCSG with membership drawn from Service Department senior medical leadership, the Joint Staff, and OSD.

The Medical JCSG established internal policies and procedures consistent with DoD policy memoranda, the force structure plan, installation inventory, final selection criteria, and the requirements of the BRAC statute.

Its efforts were focused on: supporting the warfighters (in garrison and deployed) and their families; maximizing military value while reducing infrastructure footprint and maintaining adequate surge capability; maintaining or improving access to care for all beneficiaries, including retirees; enhancing jointness; identifying and maximizing synergies from collocation or

consolidation opportunities; and examining out-sourcing opportunities. The group organized categories of functions into corresponding subgroups, and guided by the selection criteria, evaluated them on the Medical JCSG's key focus areas.

This iterative process was conducted concurrently with the Military Departments and the other Joint Cross Service Groups. The subgroups generated ideas, proposed overall scope for analyses and sent its recommendations for higher-level consideration.

The subgroups used data call responses to perform a capacity analysis and review surge requirements. All data collection was conducted and certified in accordance with BRAC process guidance, and at each step the DoD Inspector General independently validated the data's adequacy and quality.

After the capacity analysis was complete, a military value assessment of each function at each installation was developed, and military value data calls generated data for the quantitative portion of military value, which included both quantitative data, as well as military judgment. After reviewing the responses, the subgroups identified data-supported realignment or closure scenarios corroborating their strategies. Scenarios that advanced jointness, achieved synergy, capitalized on technology, exploited best practices, and minimized redundancy, while maintaining fundamental healthcare missions were selected for further analysis. Then DoD's standard procedures and/or models assessed selection criteria 5 through 8.

Twenty-two candidate recommendations were presented to the Infrastructure Steering Group (ISG) and Infrastructure Executive Council (IEC) with final recommendations completed after review and adjudication by the ISG and IEC.

THE SUPPLY AND STORAGE JOINT CROSS-SERVICE GROUP

The Supply and Storage (S&S) JCSG reviewed common business-oriented supply and storage logistics functions. The Director, Defense Logistics Agency chaired the S&S JCSG, a deliberative body of senior flag and general officer logisticians from each Military Department, the Defense Logistics Agency (DLA), and the Joint Chiefs of Staff (JCS). The S&S JCSG examined logistics economies and efficiencies with a goal of transforming military logistics into a networked, force-focused operation utilizing fewer sites and less capacity. The S&S JCSG's BRAC analysis followed those of the service departments and other JCSGs because continuing supply and storage functions at specific locations could depend on BRAC actions of another JCSG or defense component.

The S&S JCSG used an optimization model to rationalize capacity, maximize military value, and synchronize both with force structure capabilities. Given the inherent limitations of the computer-based optimization modeling tool, the S&S JCSG explored ancillary methodologies to identify business process improvements, better fiscal management, and reduce excess infrastructure.

To determine capacity, individual activities' infrastructure were examined for productivity of key resource inputs, e.g., labor (man hours) and actual space (office, warehouse, etc.). Capacities and functions were calculated from FY 2003 data responses. Questions, formulas, and filters were developed and tested for validity, adequacy, and data quality. A controlled data call obtained additional certified data. The information was sorted and assessed, with clarifications sought as needed, and then COBRA data were used to develop scenarios.

A quantitative scoring plan arrayed the relative military value of supply and storage activities across DoD and within categorical groupings of activities: Inventory Control Points (ICPs), Defense Distribution Depots (DDD), and Defense Reutilization and Marketing Offices (DRMOs). The group identified strategy-based, data-supported business realignment scenarios to advance jointness, achieve synergy, capitalize on technology, exploit best business practices, and/or minimize redundancy. After the scenarios were developed, selection criteria 5 through 8 were then assessed using DoD's standard procedures and/or models.

In accordance with the BRAC statute and OSD guidance, the S&S JCSG assessed the relationship between the 20-Year Force Structure Plan and required supporting supply and storage capabilities. The correlation between the plan and actual supply and storage capabilities is indirect, making it difficult to ascertain the formal measurement of the impacts of recommendations. However, using military judgment, the group evaluated known and potential impacts of candidate recommendations. Comments submitted by the Military Departments and the JCS concerning supply, storage, and distribution requirements were also considered.

A sensitivity analysis assessed whether enough capacity remained to handle surges. The S&S JCSG deliberative body determined that demand on the system due to the global war on terrorism was an extraordinary demand on surge, and therefore 20 percent at the high end of surge was sufficient for the 20-year planning horizon associated with the force structure plan. Excess capacity was still visible when performance was calculated at these rates. This enabled the S&S JCSG to ensure that the post-BRAC supply and storage system would be able to handle future surge demands.

The recommendations applied BRAC criteria, capacity and military value analysis, assessment of requirements to support the 20-year force structure plan, and the use of military judgment. The S&S JCSG concluded its proposals would create a supply storage and distribution structure enabling DoD to more efficiently and effectively support joint and coalition forces in a transformed global environment while at the same time introducing new world-class business processes.

THE TECHNICAL JOINT CROSS-SERVICE GROUP

The Technical Joint Cross-Service Group (TJCSG) reviewed Research, Development and Acquisition and Test and Evaluation (RDAT&E) functions. The Director, Defense Research and Engineering, chaired the TJCSG, which included senior members from each Military Department and the Joint Staff. The TJCSG coordinated with other JCSGs to consider outdoor ranges, medical research, some intelligence functions, and headquarters functions.

The TJCSG examined installations' RDAT&E functions including basic research, exploratory development, and advanced development. The development/acquisition function included system development and demonstration, systems modifications, experimentation and concept demonstration, product/in-service life-cycle support and acquisition. The test and evaluation function included the formal developmental test and evaluation (DT&E) and the formal operational test and evaluation (OT&E).

The TJCSG sought to establish multifunctional and multidisciplinary technical (RDAT&E) Centers of Excellence to provide scientific and technical advances enabling development of technologically superior capabilities and weapons. Existing DoD technical facilities with a disciplinary focus would complement the newly developed Centers. TJCSG infrastructure analysis and recommendations were configured to adapt to future uncertainties and surge capability.

The TJCSG established five subgroups: Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance (C4ISR); Air, Land, Sea, and Space Systems (ALSS); Weapons and Armaments (W&A); Innovative Systems (IS); and Enabling Technology (ET). Each evaluated technical activities and conducted detailed analyses for military value, capacity, scenario development and analysis, and finally, the development and evaluation of candidate recommendations for ISG review. A Capability Integration Team (CIT) and an Analytical Team supported the subgroups. The TJCSG also coordinated with other JCSGs, especially the Education and Training JCSG, the Headquarters and Support Activity JCSG, the Medical JCSG, and the Intelligence JCSG.

The TJCSG delineated RDAT&E functions using the FY 2003 Defense Technical Area Plan (DTAP) to identify discrete technical facilities that could be appropriately compared to one another; 39 technical facility categories were defined as "a collection of people and physical infrastructure that performs a technical function (or functions) in a specific technical capability area at a specific location." The TJCSG analyzed the technical capacity for each of these 39 technical facility categories and considered current capacity, surge capacity estimates, and possible future capacity estimates. The group issued standardized data calls to installations, and created a DoD database for comparative analyses of responses. A similar analysis was performed for military value. For both military value and capacity analyses, the general attributes of people, physical environments, physical structures and equipment, operational impact, and synergy were used to characterize the capacity and military value of technical functions.

The subgroups identified scenarios using military value and technical capacity to meet current and future needs and presented them to the TJCSG for deliberation and approval. If approved, the subgroups applied final Selection Criteria 5 through 8 to each scenario using DoD standardized procedures. The TJCSG deliberated and approved all assumptions prior to conducting analyses.

The TJCSG generated over 100 ideas that were developed into 69 declared scenarios and later narrowed into 23 candidate recommendations. In the recommendation coordination process, nine candidate recommendations associated with closures or other proposed actions were transferred to the Military Departments or other JCSGs for their use. The IEC disapproved one candidate recommendation, resulting in 13 TJCSG recommendations approved by OSD to create Centers of Excellence in the following three areas: Defense Research Laboratories; Integrated RDAT&E Centers; and Integrated C4ISR Centers.

COMMISSION REVIEW

The Commission established five teams within its Directorate of Review and Analysis (R&A)—one team to review each respective Service application of the military value criteria to the base closure process, an Interagency Issues Team that reviewed Criteria Five through Eight, and a Joint Cross-Service Team to review the application of military value by the recommendations issued by the seven Joint Cross-Service Groups (JCSGs). Each team analyzed the services' and JCSGs'

methodology to ensure general compliance with the law, to confirm accuracy of data, and to determine if base-specific recommendations were properly offered by the Secretary of Defense.

In addition, the Interagency Issues Team analyzed the final four criteria—Return on Investment, Economic Impacts, Community Infrastructure, and Environmental Impacts—across all services. The Interagency Issues Team also provided analysis on airspace issues when applicable.

ADDITIONS TO THE SECRETARY'S RECOMMENDATION LIST

After reviewing and analyzing DoD's certified data, senior level review group deliberations, prior BRAC reports, assessing information obtained during base visits, regional hearings and other public input, reviewing the GAO report, and the personal impressions of Commissioners, the Commission identified 12 recommendations to consider adding to the Secretary's list. In a July 1, 2005, letter to the Secretary of Defense, the Commission posed questions about specific recommendations and installations, and requested the Department's rationale for not recommending the facilities closure, realignment, or significant restructuring in the original May 13, 2005, recommendations. The letter also invited the Secretary to testify at a special public hearing on July 18. The Department responded in writing on July 14.

On July 19, after reviewing the Department's testimony and responses, the Commission met and voted to consider eight of the 12 proposed "adds" for possible closure or realignment. In accordance with the law, seven of the nine Commissioners voted to "add" the facilities to the Commission's review. A complete list of the proposed additions is found in Appendix L. Notice of the proposed additions was published in the Federal Register on July 22.

At least two commissioners then visited each of the affected bases, and the Commission held two additional public regional hearings on the proposed additions. A complete list of all regional hearings and site visits is found in Appendices I and J.

In order to finally approve a recommendation to close or realign a facility added by the Commission, the Commission was required to (1) determine that the Secretary deviated substantially from the force-structure plan and final selection criteria by not including the base on the May 13th list, (2) determine that the additions would be consistent with the force-structure plan and final selection criteria, and (3) vote separately on each added facility recommendation with seven of the nine Commissioners voting in favor of the addition.

CRITERIA 1 THROUGH 4: MILITARY VALUE

In accordance with P.L. 101-510, as amended, all of the information used by the Secretary of Defense to prepare his recommendations must be sent to Congress, the Commission, and the Comptroller General (i.e., the Government Accountability Office (GAO)). Within the Commission, each R&A team began its review and analysis with an examination of the documents provided by the Department.

Although the Base Closure Law required DoD to submit its explanatory and justification documents within seven days of the release of its selection list, DoD classified much of this information as SECRET and slowly declassified it over the period of a month. DoD delivered the supplemental information (consisting of Volumes III thru XII) to the Commission between May 18 thru 28, 2005. A reading room was established on June 1 for information that had been deemed classified, and by June 14 the vast majority of the back-up and justification data had been declassified and provided to the Commission. As the full range of documents was provided, the R&A teams utilized them to fully assess each recommendation in an objective manner.

First, all teams determined whether DoD's recommendations were based on the Force Structure Plan and the eight final selection criteria and whether all bases were considered equally. The teams then considered if functions, categories, subcategories, and base exclusions were reasonable.

Each of the teams reviewed the military departments' and JCSGs' process for assessing military value, as well as the reasonableness of the data they used and the comparisons they made. Each team examined the services' capacity analyses and identified installation functions and categories requiring additional scrutiny. Specific data analyses included a review and independent analysis of COBRA input data and military construction cost estimates, as well as the capacity of receiver installations to accept the proposed additional missions.

Throughout the review and analysis process, the Commission staff maintained an active, open, and ongoing dialogue with base-associated communities. Staff members accompanied Commissioners on base visits, attended regional hearings, and visited closure and realignment candidates and receiving installations. Site visits, regional hearings, and community

presentations (via meetings, mailings, and web site feedback) provided valuable context to the information provided by the Department of Defense.

ARMY TEAM PROCESS

The Army Team's process for analyzing each DoD recommendation was to assess its justification against established Military Value selection criteria. In accordance with the statute, Army Team analysts sought to confirm for each recommendation the consistency of basing and organization plans with final selection criteria and DoD's Force Structure Plan. Each recommendation's justification was analyzed for effects on operational readiness, training, and jointness. All Army rebasing and closure initiatives were assessed to verify the basing potential for each gaining and losing location, and to ensure that potential operating and training space, and existing and proposed facilities, supported each recommendation's objectives. Every Army-related recommendation was assessed to identify its compatibility with ongoing and planned reorganizations of Army units, rebasing units from overseas into the US, and strategic repositioning of forces inside the US to support both operational readiness, training, mobilization, surge, and deployment considerations. DoD's estimates for costs and manpower resources to support each realignment or closure action were adjusted for new information, recomputed, and compared to DoD's assumptions to confirm or correct characterizations of each recommendation's effect.

For each military value criteria, community concerns about possible DoD deviations were also evaluated by the Army Team for accuracy, validity, relevancy, and magnitude. The Commission found that the Army generally followed established Military Value Selection Criteria in developing its BRAC recommendations. The Army's Reserve Component-related recommendations were recognized DoD-wide as properly developed and coordinated in a way that increased the military value of Reserve Component units nationwide. As the Army developed its BRAC recommendations, it was also waging war in Iraq and Afghanistan as part of the Global War on Terrorism, restructuring its units into modular forces to increase the number of combat brigades, and rebasing units from Germany and Korea into the US. Consequently, the Army matched its base structure to its force structure to support plans for both current and future training, operations, and deployment missions. Examples of recommendations that achieved increases in military value include consolidating Infantry and Armor training at a single base, consolidating human resources functions at a single base, restationing overseas units to US bases from which they can readily deploy, and creating new combat brigades with force structure generated from realignments to reduce soldier assignments to base support functions. On occasion, correctly locating a command to better perform its mission meant relocating it to a lower ranked installation and exercising military judgment. The Commission found this was the case for a major Army command that could better perform its command and control mission from a central US location because of its nationwide mission focus.

Although the vast majority of Army recommendations adhered to the Military Value Selection Criteria, the Army Team's analysis did find some errors and substantial deviations. For example, an aviation logistics recommendation miscalculated the cost of operations and manpower implications, prompting the Commission to amend and correct the deviation. In addition, the use of 2003 for a workload base year proved particularly troublesome in the area of depots because current vehicle maintenance workload due to wartime wear-and-tear had increased. Although Army industrial and depot recommendations to reduce excess capacity appeared reasonable on their face, the Commission chose to proceed cautiously due to statutorily mandated surge assessments and a 20-year force structure analytic horizon, and limited several depot closings during this time of war and uncertain future workload.

NAVY-MARINE CORPS TEAM PROCESS

The Navy-Marine Corps Team first evaluated each DoD recommendation, in accordance with the Base Closure Law, against the approved military value criteria and the Force Structure Plan to ensure that no proposals would degrade operational readiness. The potential affect on future mission growth was then assessed to ensure that proposed actions did not limit growth in any area, whether force structure, training, or support capability. Finally, the potential impact on jointness (war fighting, training, and readiness) was analyzed to ensure that there were no unintended limitations on future mission flexibility. The team then assessed the status of facilities slated to be closed, realigned, and gain forces and functions, to determine if the recommendations would enhance or degrade the capacity of the Navy and Marine Corps to sustain, train, and operate its forces. Similarly, future capacity was analyzed taking into consideration future uncertainties that could require surges in geographic areas or mobilizations to meet some future crisis. Finally, the Navy-Marine Corps Team assessed the ramifications of the recommended changes on the cost of operating the force in the changed environment and the effects on personnel.

For each military value criteria, community concerns about possible DoD deviations were also evaluated by the Navy/Marine Corps Team for accuracy, validity, relevancy, and magnitude. The Commission's conclusion was that in general, the Department of the Navy was consistent in its application of quantifiable data in each of the military value criteria. The Commission found that in the case of Portsmouth Naval Shipyard, while some excess capacity would exist even if closed, the margin of 8 percent was insufficient to provide enough flexibility for surge or future force structure growth. Hence the Commission voted to retain the shipyard. Although the Department's analytic case for closing Submarine Base New London was valid, the Commission felt that the unquantifiable aspects of Military Value Criteria 1, especially with respect to the synergies in place at the Sub Base, outweighed the solid business case presented by Navy.

AIR FORCE TEAM PROCESS

The Air Force Team focused on assessing the DoD justification against the military value selection criteria and the DoD Force Structure Plan, as required by law. The accuracy of installations' Air Force's Mission Compatibility Index scores was a key component of this analysis. Each recommendation was also analyzed for effects on operational readiness, training, and joint warfighting. The Air Force Team also considered the ability of installations to support mobilization, surge operations, and deployments. All proposed Air Force closure and realignments were assessed to verify the ability of receiving locations, including land, facilities, airspace and ranges, to accommodate the forces it was to receive. Finally, the Air Force Team evaluated the accuracy of cost and manpower implications of each recommendation.

In the case of the Air National guard, the Commission's recommendations were based on the military value criteria; the Air Force's objective of creating optimally-sized flying squadrons in light of the availability of fewer total aircraft; the interests of States in using Air National Guard resources for certain missions, such as homeland security; and the geographic distribution of units across the United States with special consideration to areas of strategic interest.

In making recommendations on each Guard and Reserve Component installation, the Commission did not direct the relocation of a specific number of aircraft from one to another. The Commission believes that decision is best made by the Secretary of Defense and that the Secretary must have full authority to move weapon systems, and their directly associated manpower, within the parameters of Commission recommendations. To this end, the Commission's recommendations, rather than citing specific aircraft movements from "losing" to "gaining" bases, instead established an end-state at "gaining" bases in terms of the number of primary aircraft authorized.

JOINT CROSS SERVICE TEAM PROCESS

The Joint Cross Service Team confirmed current and future mission capabilities and the impact of DoD's recommendations on military value, operational readiness, including the impact on joint war fighting, training, and readiness with DoD's Force Structure Plan, as required by law. Rebasing and closure initiatives were assessed to ensure the gaining and losing locations had available land, facilities and associated requirements to ensure that existing and proposed facilities supported the recommendation's objectives. Joint Cross Service Team-related recommendations, for both existing and potential receiving locations, were assessed to ensure the recommendations adequately considered contingency, mobilization, and surge requirements. DoD's cost of operations and manpower estimates were reviewed and adjusted when required to reflect current cost data and manpower information. Additionally, DoD's cost and savings estimates were clarified when individual components within a broad recommendation required visibility.

The Joint Cross Service Team analysts applied the military value criteria to DoD's recommendations. The team found that, generally, DoD followed the established Military Value Selection Criteria in developing its BRAC proposals.

In the Headquarters and Support Activities recommendations, the military values dealing with leased space appeared biased because DoD's assumptions concerning leased space led to a predetermined outcome.

The Industrial recommendations followed military value selection criteria except when similar functions were grouped together or were evaluated separately without regard to the collective mission value or operational costs of the affected organization. For example, DoD analysis of three recommendations affecting the Cryptologic Systems Group at Lackland Air Force Base evaluated military value of individual elements of the Cryptologic Systems Group, and the collective military value of the Group was not captured. Taken separately, the recommendations did not represent fairly the costs associated with individual or collective costs. The team also found instances of infrastructure problems severely limiting the ability to accomplish mission, facilities undervalued, and errors resulted in excessive manpower savings.

The Commission observed a lack of depot consolidation recommendations within the Air Force. DoD recommendations recognized and encouraged centers of excellence within individual military services such as the Fleet Readiness Centers in

the Navy but did not propose the same for Defense-wide centers of excellence, especially within DoD aircraft depot maintenance.

Overall, DoD's Supply and Storage recommendations followed military value principles, but military judgment took precedence over military value when the Army established three life cycle centers of excellence to provide the best possible support to the war fighters. In that case, one chosen center ranked lower than the losing center. Additionally, the numbers of positions identified to transfer were incorrect, which resulted in understated cost estimates.

The Commission found that the Technical Joint Cross-Service Group (TJCSG) generally followed established military value selection criteria in developing its recommendations. However, the Commission overturned three of the TJCSG recommendations because of substantial deviation from BRAC military value criteria. One of the recommendations attempted to combine facilities with dissimilar functions, thereby limiting gains in efficiency and military readiness at the receiving activity. Another recommendation, if implemented, would have resulted in a significant mission impact and loss of existing synergy because the receiving installation did not have the mission. While collocation would have been achieved, the overall efficiency gains would have been limited. Last, another recommendation was rejected by the Commission because of the potential loss of highly experienced personnel supporting electronic warfare systems currently in use and scheduled to be phased out in the near future.

CRITERION 5: COSTS AND SAVINGS

The military service departments and Joint Cross Service Groups used the Cost of Base Realignment Actions (or COBRA) model to assess Selection Criterion #5, Return on Investment, for all proposed realignment and closure scenarios. COBRA is a quantitative cost model providing a uniform methodology to estimate and itemize the projected costs and savings associated with closure and realignment scenarios. While COBRA does not provide "budget quality" estimates, its consistent methodology supports comparative analysis of competing scenarios. COBRA employs extensive algorithms using data sets of standard and dynamic factors. Standard factors are generally constant values such as demographics, pay and allowances, and construction costing factors. Dynamic factors are scenario-specific values, including personnel realignments and eliminations, equipment moving requirements, and time-phasing of events. Using these data sets, COBRA calculates scenarios' costs, savings, 20-Year Net Present Value, and Return on Investment. Twenty-Year Net Present Value is the cumulative value (in 2005 dollars) of all costs and savings of a particular scenario from 2006 through 2025. Return on Investment is the period required (in years) before savings offset all the scenario's costs. Appendix M provides the COBRA (cost/savings) statistics for each Commission-approved recommendation. Appendix N compares the 2005 BRAC summary COBRA statistics to previous BRAC rounds.

DoD provided the Commission with COBRA data for each recommendation, as well as for alternative scenarios used in DoD deliberations but not ultimately recommended. Bundling of multiple scenarios into single recommendations produced over 225 individual COBRA runs supporting 190 DoD recommendations. The Commission verified all DoD COBRA submissions, resolving questions and concerns directly with DoD. DoD submitted revised COBRA runs correcting self- or Commission-identified mistakes or irregularities in its original runs.

The Commission produced over 600 independent COBRA runs developing and supporting comparative analysis of alternative scenarios, or variations of existing scenarios. Local communities also provided their own COBRA runs, which were verified by the Commission's COBRA Team, for Commission review and analysis. Communities displayed exceptional capabilities with the model, and their COBRA submissions frequently provided the Commission with valuable insights.

The COBRA model, while valuable as a comparative tool employing a uniform methodology, produces realistic results only if the model reflects unique scenario requirements, the input data are accurate, and output results are correctly interpreted. A DoD Joint Process Action Team adapted the model to current-day conditions and addressed shortcomings identified during previous BRAC rounds. As a result, COBRA runs reflected additional installation-specific data (e.g., locality rates and freight rates); the costs and savings of enclaves; and improved algorithms (e.g., Base Operating Support (BOS) costs and military construction).

Nevertheless, the Commission was compelled to address several key issues in DoD's assessment of Criterion 5, Return on Investment. GAO published similar concerns with respect to return on investment calculations. These concerns are addressed individually below.

Key Commission Concerns with DoD's Return on Investment Calculations

- Military Construction Cost Estimates
- Exclusion of Environmental Remediation Cost from Calculations
- Use of Authorized Positions Instead of Assigned Positions when Determining Savings from Personnel Eliminations
- Validity of Projected Savings from Business Process Reengineering Efforts

DoD policy guidance mandated the use of certified data for all analysis, including cost and savings analysis. GAO reports the DoD Inspector General, along with Services' Inspectors General, played significant roles in ensuring accuracy and senior-level certification of all data. The Commission had concerns, however, about the accuracy of some certified input data, especially military construction requirements. The Commission had the opportunity to review some post-recommendation site surveys and saw some with significant cost escalation, which would reduce projected savings.

DoD policy excluded environmental remediation from its COBRA calculation of costs and savings. DoD's exclusion of environmental remediation costs from COBRA results required the Commission to separately assess the effect of these costs on a recommendation's total return-on-investment. Previous BRAC rounds' environmental remediation costs usually exceeded original cost estimates. While the Commission is well aware of the difficulties in accurately estimating these costs and supports DoD's continued efforts to produce more precise cost estimates, the Commission is concerned that any significant increase in costs would further diminish the savings of this BRAC round.

It is the view of the Commission that DoD's depiction of military personnel savings (as opposed to cost avoidances) further distorts assessment of actual savings attributable to DoD's BRAC recommendations. DoD counted as "savings" the salary and other personnel costs of individuals eliminated from installations recommended for closure or realignment. DoD projected that its recommendations, if approved, would generate approximately \$47.8 billion in savings over 20 years, including the elimination of almost 27,000 military personnel. However, DoD's 20-Year Force Structure Plan projects no reduction in military end strength by any service except the Navy. Thus, while personnel "slots" now assigned to installations recommended for closure or realignment might be redeployed elsewhere, DoD's net personnel costs would remain constant and no "savings" realized if "savings" are defined to mean reduced costs. The Commission remains adamant that military personnel savings projected by DoD mask the amount of expenditures that would be reduced through implementation of BRAC recommendations. Recalculating projected savings of DoD's recommendations, excluding savings attributed to military personnel eliminations, reduces net 20-year savings to \$18.6 billion, or 39% of the initial projection.

The Commission is also concerned about (a) savings DoD claims for business process re-engineering recommendations, and (b) savings that are computed on the basis of positions authorized for a process or installation rather than the positions actually assigned. GAO thoroughly reviewed and analyzed these two issues, and the Commission echoes the concerns stated in GAO's July 1, 2005 report. Specifically, the Commission questions DoD's assumptions supporting projected savings attributed to recommendations of the Industrial and Supply and Storage Joint Cross Service Groups that purport to improve the business process. While the Commission does not doubt these recommendations may create efficiencies, no savings would be realized if savings are calculated based on staffing levels actually filled or intended to be filled. For example, DoD's Fleet Readiness Centers recommendation estimates saving 1,187 civilian and contractor positions and 353 military positions. The Commission found that 776 of the civilian and contractor positions and 303 of the military billets projected to be "saved" are not currently filled and hence have no current costs. Exclusion of these "savings" has a significant effect on assessment of this recommendation, which has the highest 20-year net present value savings of all of DoD's recommendations.

It is the Commission's conclusion that, (1) given the magnitude of the DoD reported savings associated with military personnel costs; (2) the potential to not realize the amount of savings attributed to business process reengineering; (3) the high probability that actual implementation costs, including the costs of environmental remediation, will exceed original estimates; and (4) the use of authorized rather than filled positions in calculating personnel-based savings; the Department could assume a high financial risk during the BRAC implementation period, 2006-2011. The Commission therefore recommends that DoD produce a detailed BRAC implementation plan to mitigate the financial risks (in addition to operational and force management risks) implicit with base realignment and closures. In fact, the Commission is concerned that, given the combined potential effect of all of these factors, there is a likelihood that the 2005 BRAC round could produce only marginal net savings over the 20-year period.

CRITERION 6: ECONOMIC IMPACT

The Commission's economist, detailed from the Department of Commerce, was directed to assess DoD's compliance with BRAC selection criterion 6: "the economic impact on existing communities in the vicinity of military installations." Three major aspects of DoD's approach were evaluated: methodology, identifiable geography, and data reliability for all areas affected by the recommendations.

The Commission commends DoD for its uniform and consistent estimates of the regional economic impact on affected areas. The Joint Process Action Team 6 (JPAT6) consistently identified BRAC-affected economic areas, carefully calculated the impact of each recommendation using reliable data sources and meticulously documented data sources and findings. Further, the Commission concurs with GAO's finding, in its July 1 report, that DoD's economic impact "methodology has limitations but is reasonable for BRAC purposes."

DoD's analysis assumed that other socioeconomic or financial outcomes—such as the area's housing market, fiscal conditions, or school funding—would eventually correlate with employment changes in the affected areas. While it would be preferable to not have to make this assumption, the Commission realized that alternative methods to comprehensively estimate the impact of BRAC actions on regional economies would be just as debatable, lack uniformity, and be costly and time-consuming to implement for all affected areas.

EVALUATION

Because the 2005 BRAC language for Criterion 6 is little changed from 1995, DoD decided to retain the 1995 BRAC methodology to estimate economic impact, or more precisely, employment impact for affected areas. However, unlike prior rounds, DoD did not enumerate a cumulative BRAC impact for BRAC 2005 because the impacts of the 1993 and 1995 BRACs have been realized by now. The Commission agrees that this approach was consistent and compliant with criterion 6's guidance.

Methodology and Geography: DoD calculated the economic impact of its proposals for areas physically containing the affected installations and labeled these areas as regions of influence (ROIs). ROIs could be metropolitan statistical areas (MSAs), micropolitan statistical areas (MISAs), or Metropolitan Divisions, collectively referred to as metro areas for brevity. DoD designated the appropriate counties as ROIs for installations located in counties not belonging to a metro area. Accurate assessment of the regional economic impact depends upon identification of the correct ROI.

Although some communities disputed DoD's use of metro areas for its ROI assignments, the Commission believes DoD's assignment of installations to certain metro areas or counties before calculating economic impact was sound.

Except for isolated errors (e.g., Hawthorne and Tobyhanna Army Depots), the Commission finds DoD assigned affected installations to appropriate ROIs (i.e., affected metro areas or counties). The Commission finds that DoD treated all affected installations and areas on a consistent and equal basis.

The Commission was concerned by ROI assignments for about a dozen installations whose economic impacts may not be correctly identified and allocated. In these instances, the installations were assigned to specific metro areas, although they were physically located close to borders of additional metro areas or counties, whose impacts were not reflected in the model. For example, Naval Shipyard Portsmouth, which is recommended for closure, is located on the border of the Portland-South Portland-Biddeford MSA and the Boston-Cambridge-Quincy MSA. DoD allocated all employment impact (-2.8%) to the latter area and none to the former.

Calculator: DoD's approach and methodology, including the model used in BRAC 2005, were very similar to those used in BRAC 1995. In determining regional economic impact, DoD used products (input-output employment multipliers) from a proprietary economic modeling source to calculate the total employment effects—gains or losses in jobs—of a specific DoD recommendation on a region's economy. This device is a popular method to estimate the economic consequences of external changes to a regional economy.

DoD created the Economic Impact Tool (EIT) to uniformly estimate direct and indirect job changes and aggregate them to get total net changes from 2006 through 2011 for all affected regions.

Unlike mathematical tools used in previous BRAC rounds, EIT allows users to track personnel changes and movements for any actions in affected installations. In order to capture the relative economic impact on all affected regions, DoD used impact ratios, expressed as a fraction or percent of total job change, to ROI employment level. These ratios allow analysts to assess the magnitude of impact regardless of the regional economic structure. For example, 200 job losses in small, remote

areas like Aroostook County (Maine) had a different impact than the same job losses in larger, urban areas like Portland-North Portland MSA (also in Maine).

The Commission believes that the estimated impact on most of the 250 ROIs affected by its 190 recommendations in BRAC 2005 are in an acceptable range. In addition, the Commission finds that the DoD's direct job multipliers are generally higher than those computed by communities with different economic models. This issue met DoD's goal of erring on the high end of job impact estimates.

The Commission found, and GAO also observed, that DoD's methodology is an acceptable tool for determining the total employment impact on affected regions; however, the Commission also noted community concerns about the static nature of DoD's model, which can only account for:

- Job Changes: EIT equates economic impacts with potential job gains or losses only. It offers no insight into other important factors such as excess housing capacity, infrastructure, or public schools. DoD addressed community infrastructure capabilities for gaining installations only in Criterion 7.
- Snapshot Condition: EIT assumes job losses or gains occur instantly rather than actually and gradually over a six-year period (2006–2011).

The model also lacks the capability to account for other regional issues such as:

- Fiscal Impact: Revenue losses by state and local government through lower income, property, or sales tax collections.
- Brain Drain: The loss of skilled labor force, including contractors or military family members.

The Commission concluded that while DoD should continue to refine its economic impact models, projecting the impact of BRAC actions is an inherently imprecise science. Any new theoretical model for comprehensively estimating other impacts of BRAC actions on regional economies could depend upon debatable methodology, lack a uniform approach, and be costly and time-consuming to implement for all affected areas equally.

Economic Data: Direct job changes, EIT's most important input for determining indirect effects, were extracted from COBRA's database. EIT reports also compared an area's annual job growth for the 1988–2002 period, unemployment rates for 1990–2003, and per capita incomes 1988–2002 to national averages.

The Commission found that EIT data were appropriate and timely for BRAC 2005 purposes and deadlines. However, the Commission also found that the EIT reports were designed mainly for DoD's decision makers to broadly understand how BRAC 2005 recommendations might affect particular ROIs. They provide little interpretation of economic conditions in affected areas.

The reports are informative, but provide little context for communities to explore or digest their unique economic structures or conditions. For example, EIT results are less helpful in understanding the huge differences between closing or realigning facilities in densely populated urban areas with diversified economies and shutting down or downsizing facilities like DFAS Limestone in Aroostook County (Maine), realigning Eielson AFB in Fairbanks MSA (Alaska), or closing Hawthorne Army Depot in Mineral County (Nevada).

Finally, the Commission is also concerned about underestimated economic impacts due to the failure of the EIT to consider non-BRAC programmatic changes, which also have economic impacts, as well as BRAC changes. The Commission realizes that although the DoD approach completely complies with the law, the cumulative impact of both BRAC and non-BRAC changes on affected communities may be underestimated.

Based on DoD's recommendations, the Commission estimated that 10 communities would have high negative impacts (due to both closures and realignments) while seven communities would have high positive impacts (due to realignments). The model is too static to incorporate other factors that may take place regardless of any BRAC actions. The Commission's assessment of the estimated economic impact of its final recommendations can be found in Appendix O.

RECOMMENDATIONS FOR FUTURE BRAC ROUNDS

1. DoD should use a consistent standard in designating geographic units for all BRAC selection criteria. Currently, geographic areas are defined differently for different purposes:
 - Criteria 1–4: 50-mile radius from the installation to determine labor pool and resources for the installation.
 - Criterion 6: ROIs, i.e., MSAs, MISAs, or counties (2004 redefinition by OMB).

- Criterion 7: MSAs and PMSAs (Primary Metropolitan Statistical Areas based on 1990 definitions by OMB) for demographic, cost of living, employment data. MHAs (Military Housing Areas) which are a combination of data collecting by zip codes, 20-mile radius from the installations, and 60-minute commuting time.
2. For data consolidation and maintenance, DoD should do one of the following:
 - Incorporate EIT into COBRA because EIT's database can be designed to be a subset of COBRA's and draw installations' personnel data from COBRA's database.
 - Merge EIT's database with selection criterion 7's database to create a common database eliminating inconsistencies and reducing maintenance and data updating.
 3. Eliminate redundancy in data collection and maintenance for criteria 6 and 7.
 - Population and unemployment rates are collected in both criteria separately.

CRITERION 7: COMMUNITY INFRASTRUCTURE

A DoD Joint Process Action Team (JPAT), with representatives of the three Military Departments and OSD, assessed each DoD recommendation, using a consistent Department-wide approach, for compliance with BRAC selection criterion 7, “the ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.” The JPAT identified ten common attributes – demographics, child care, cost of living, education, employment, housing, medical providers, safety/crime, transportation, and utilities – to evaluate the ability of a community's infrastructure to support existing and potential additional forces, missions, and personnel. The Military Departments and Joint Cross-Service Groups used the JPAT final report in their BRAC 2005 analyses.

Army analysts compared the number of common attributes at gaining and losing installations to assess the gaining community's ability to absorb additional units relative to the losing community. The goal was to locate units at installations with the capacity to absorb additional missions, and assess the need for additional local-area infrastructure support. The Army identified an issue at Fort Gillem based on local community concerns that the infrastructure of the installation would not be accessible for reuse if multiple enclaves were established. The Commission directed the establishment of a contiguous enclave.

The Navy created installation profiles summarizing common community attributes. In addition, the Navy collected certified data regarding community infrastructure impacts in scenario data calls. The Navy identified no significant, quantifiable community infrastructure impacts that would hinder any of its closure or realignment recommendations.

The Air Force summarized data for each installation affected by proposed BRAC actions, based on analysis of detailed reports submitted to OSD as supporting documentation. The Air Force identified no significant, quantifiable community infrastructure impacts for any of its closure or realignment recommendations.

Each Joint Cross-Service Group evaluated communities affected by their recommendations using the common attributes and associated questions established by the JPAT. JCSGs identified no significant, quantifiable community infrastructure impacts for their closure or realignment recommendations.

The Commission reviewed the Community Infrastructure Assessments for all DoD oriented recommendations, and took these assessments into account in considering the Secretary's compliance with this selection criterion.

CRITERION 8: ENVIRONMENTAL IMPACT AND REMEDIATION

While the BRAC statute requires “priority consideration to the military value criteria” DoD, and the Commission, are also required to consider “the environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities,” a broader and more detailed environmental standard than applied in prior rounds.

DoD assessed environmental resource impacts, the impact of costs related to potential environmental restoration, and the impact of costs related to potential waste management and environmental compliance activities. A DoD Joint Process Action Team (JPAT) developed procedures, analytical tools, and databases to facilitate a common analytical approach for the Services and Joint Cross Service Groups (JCSGs) assessing environmental selection criteria.

The JPAT obtained environmental data from all DoD installations and provided procedural instructions for environmental assessment. It developed three templates—1) Installation Environmental Profiles; 2) Summary of Scenario Environmental Impacts; and 3) Summary of Cumulative Scenarios' Environmental Impacts—to facilitate use of the data.

ENVIRONMENTAL RESOURCES IMPACTS AND COSTS

DoD used these templates, profile information, and other certified data to summarize impacts on ten resource areas for both losing and gaining installations—air quality; cultural/archeological/tribal resources; dredging; land use constraints/sensitive resource areas; marine mammals/marine resources/marine sanctuaries; noise; threatened and endangered species/critical habitat; waste management; water resources; and wetlands. A Summary of Cumulative Environmental Impacts was generated for installations affected by more than one scenario under final DoD consideration.

DoD did not include environmental restoration costs in Cost of Base Realignment Actions (COBRA) estimates on the grounds those costs would be incurred without regard to BRAC. BRAC certified data included only estimated “costs-to-complete” for Installation Restoration (IR) sites managed and reported under the Defense Environmental Restoration Account (DERA). DERA costs are calculated on a “clean-to-current-use” standard. The presence of DERA-managed sites was a land use constraint for installations receiving missions as a result of a potential realignment decision.

The cost to remediate munitions contamination was not captured in estimated-cost to-complete for IR sites with operational ranges, due to the unknown nature of munitions contamination and reuse requirements. Auditable or certifiable cost estimates for operational ranges require site surveys and analysis not attainable within the BRAC timeframe. Experience shows range remediation costs vary from small to very significant depending on the type, quantity, and location of munitions used over the entire life of the range, other uses of the range such as open burn, open detonation and burial sites, potential future uses of the land, and the lack of an agreed-upon process for hazard identification and removal.

DoD's exclusion of environmental restoration costs in payback calculations avoided the perverse incentive of rewarding (through retention) polluted sites or encouraging closure of clean sites. DoD's approach was consistent with procedures used in prior BRAC rounds and responds to the Government Accountability Office (GAO) concerns. GAO stated that final restoration cost determinations could be problematic before a closure decision, since neither reuse plans nor studies to identify related restoration requirements would have been initiated.

Although the cost of environmental restoration did not dictate closure decisions, these costs are noted in installation environmental profiles, the summaries of scenarios' environmental impacts, and the summary of cumulative scenarios' environmental impact.

COBRA MODEL ASSESSMENT OF ENVIRONMENTAL COSTS

The COBRA model captures both recurring and non-recurring environmental compliance and waste management activity costs. These expenses are included in the Base Operating Support (BOS) statistics and in Criterion 5 using COBRA estimates for each evaluated scenario. COBRA also includes one-time costs associated with waste management or compliance activities specific to shutdown or realignment of a facility. These costs are then included in COBRA's estimated payback calculations, as noted in the Summary of Scenario Environmental Impact.

COMMISSION ANALYSIS OF ENVIRONMENTAL RESTORATION COSTS

The Commission reviewed DoD's environmental cost data as clarified or corrected, when necessary, through the DoD Clearing House. A summary of the environmental restoration cost data is provided below, with more detailed information in Appendix P.

In general, DERA includes the costs associated with remediation of pre-1986 contamination. After this time frame, costs are generally included in facilities' operating or compliance budgets.

The estimated costs to complete environmental restoration of DERA-managed sites and the military munitions response program (MMRP), at the 33 major facilities proposed for closure by DoD are as follows:

| DoD Proposed | Commission Results |
|--|---|
| Army, 14 major closures, \$615,940,000; | Army, 12 major closures, \$170,180,000; |
| Navy, 9 major closures, \$121,6100,000; | Navy, 6 major closures, \$50,610,000; |
| Air Force, 10 major closures, \$180,590,000. | Air Force, 5 major closures, \$5,390,000. |
| Total cost: \$918,140,000. | Total cost: \$226,180,000. |

These environmental cost estimates include neither cleanup of currently operational ranges nor costs such as underground storage tanks, oil/water separators, waste water treatment plants and wash racks. Estimates for some of these costs are not available to the Commission. Through FY 2003, DoD had already spent \$684,700,000 on environmental restoration at the 33 major facilities proposed for closure.

Eight Army installations indicated they have operational ranges. The cost to close or remediate these ranges could be \$70,000,000 to \$655,200,000. Remediation cost estimates at four additional installations (Newport Chemical Depot, Deseret Chemical Depot, Umatilla Chemical Depot and Fort Monroe) with some type of ordnance or other explosive material are incomplete or impossible to estimate without future studies.

Environmental clean-up “cost-to-complete” also does not include controlled burning or decontamination or demolition of industrial structures heavily contaminated with explosives. This could be an issue for six of the 33 major closures, with costs ranging from \$1 to \$10 million each.

Completion dates for DERA-managed-sites range from 2011 to 2032, indicating that additional resources may be needed to complete cleanups within the BRAC timeframe.

In summary, the Commission’s review of environmental restoration costs found that:

- the costs associated with the military munitions response program (MMRP) are substantial
- DoD’s MMRP primarily addresses closed ranges and other closed/abandoned areas with unexploded ordnance, discarded munitions, and munitions constituents but does not address restoration of currently operational ranges
- DoD may need to decontaminate heavily contaminated structures at closing facilities, but these costs are not included in Environmental Restoration “costs-to-complete.”
- costs to close other types of environmental sites could be substantial and are unknown at this time
- current completion dates for environmental restoration may impact reuse
- land-use controls will restrict reuse at some facilities.

GOVERNMENT ACCOUNTABILITY OFFICE (GAO) ENVIRONMENTAL IMPACT ASSESSMENT

GAO’s July 1, 2005 report on the DoD’s recommendations and selection process generally accepted DoD’s process and discussed estimated environmental restoration costs. The report concludes that increased costs may be incurred as closures are implemented, more intensive environmental investigations occur, and additional hazardous conditions arise. Finally, the report concludes the services’ preliminary estimates are based on restoration standards applicable for the current use of the base property. Community reuse plans sometimes reflect different uses which could lead to more stringent, and thus more expensive, restoration.

GAO indicated a \$949,100,000 cost to complete environmental restoration using data from the DoD’s Scenario Summaries. Some Military Departments provided data from sources other than the FY2003 DERA reports to Congress. The Commission used revised cost-to-complete remediation figures from certified answers to questions submitted to DoD.

The BRAC Commission generally agrees with GAO’s assessment of potential environmental restoration impacts due to unknown factors and land-use changes. The Commission notes that, except for the emerging Military Munitions Response Program, DoD’s environmental program appears to be further along than in previous BRAC rounds.

THE ROLE OF THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO)

The law authorizing the 2005 base closure process directed the Comptroller General to independently assess the Department of Defense process and recommendations and provide his findings to the Congress and the BRAC Commission by July 1, 2005. The Government Accountability Office (GAO) was also invited to testify before the Commission and delivered sworn testimony on May 3 and July 18, 2005.

In preparing its July 1 report, the GAO's stated objectives were to (1) determine the extent to which DoD's recommendations achieved DoD's stated BRAC goals, (2) determine if the process for developing recommendations was logical and reasoned, and (3) identify issues warranting further attention by the Commission. GAO noted that the sheer number of individual DoD recommendations (more than all previous rounds combined) made it impossible to separately analyze and evaluate each proposal. Instead, the GAO assessed major trends and common themes cutting across multiple recommendations.

GAO's July 1, 2005 report concluded that DoD had varying degrees of success in achieving its 2005 BRAC goals of (a) reducing excess infrastructure and producing savings, (b) furthering transformation, and (c) fostering jointness.

Specifically, GAO concluded the DoD, military department, and Joint Cross Service Group selection process "was generally logical, reasoned, and well documented." DoD's process was marked by an emphasis on objective certified data, backed up by subjective military judgment in those instances when numbers could not tell the whole story.

GAO gave high marks to the military services and seven joint cross-service groups, (which focused on common business oriented functions) for adapting their analytical approaches to the unique aspects of their respective responsibilities while still remaining consistent in the use of military value criteria, including new considerations introduced in this round, such as surge and homeland defense needs.

GAO noted that many DoD proposals focused on reserve bases while closing relatively few active bases. Importantly, GAO wrote that "Projected savings are almost ... as large ... as all prior BRAC rounds combined, but about 80 percent of the projected 20-year net present value savings (savings minus up-front investment costs) are derived from only 10 percent of the recommendations." The report also pointed out several instances in which DoD bundled otherwise unrelated recommendations with long payback periods with a recommendation providing substantial savings and a rapid payback, thereby creating a combined recommendation with an attractive savings and payback profile. GAO analysts found that approximately 36 of all DoD recommendations had a payback of six years or more, while 25 did not produce savings in excess of costs for a decade or more.

Overall, GAO estimated that the DoD proposals would reduce the total plant replacement value of all military facilities by five percent, or \$27 billion. GAO forecast that an up-front investment cost of \$24 billion would be required to implement the DoD recommendations. GAO also cautioned that "there are clear limitations associated with DoD's projection of nearly \$50 billion in savings over a 20-year period. Much of the projected net annual recurring savings (47 percent) is associated with eliminating jobs currently held by military personnel. However, rather than reducing end-strength levels, DoD indicates the positions are expected to be reassigned to other areas, which may enhance capabilities but does not result in actual dollar savings available for other uses. Sizeable savings were projected from efficiency measures and other actions, but "underlying assumptions have not been validated and could be difficult to track over time."

GAO raised questions about several specific recommendations, such as the Red River Army Depot, Submarine Base New London, Portsmouth Naval Shipyard, Ellsworth Air Force Base, Hawthorne Army Depot, and Watervliet Arsenal.

GAO also recommended that the Commission pay special attention to those major recommendations approved by the military departments, Joint Cross Service Groups, and/or Infrastructure Steering Group, but changed or dropped in the final weeks by the Infrastructure Executive Council (sometimes for reasons of "military judgment" that are hard to quantify).

This GAO's concern was partly reflected in the questions and possible "adds" sent to Secretary of Defense Rumsfeld on July 2, 2005. The Commission's potential additions list included at least five installations about which GAO expressed specific concerns (Pearl Harbor, HI; Naval Postgraduate School, CA; Air Force Institute of Technology, OH; Naval Air Station Brunswick, ME; and Grand Forks Air Force Base, ND).

GAO generally found that the 2005 round made measurably greater progress on DoD's transformation and jointness goals than in prior BRAC rounds. The Joint Cross-Service Groups had a greatly expanded role in 2005 and were allowed to develop their own candidate recommendations and scenarios for direct ISG and IEC consideration. The military service

departments could not block JCSG recommendations by not forwarding them to the Secretary of Defense, as occurred in 1995. Indeed, many of the JCSG proposals were accepted or incorporated into military service department recommendations. GAO stated there was unprecedented coordination between the JCSGs and the service departments.

However, GAO also noted several missed opportunities and noted that “progress in each area varied, with many decisions reflecting consolidations within, and not across, the military services. In addition, transformation was often cited as support for proposals, but it was not well defined, and there was a lack of agreement on various transformation options.”

GAO also noted that while the Army did not use the same military value analysis for Reserve Component facilities, it sought extensive national and state-level Reserve and Guard input and feedback when putting together its Reserve and Guard recommendations. In contrast, the Air Force and Navy/Marine Corps applied the same military value analysis to their Reserve Components, but the Air Force in particular did not involve any state-level officials or Adjutants General in their decision-making processes.

Last, GAO identified four other issues for the Commission’s consideration: “(1) instances of lengthy payback periods (time required to recoup up-front investment costs), (2) inconsistencies in how DoD estimated costs for BRAC actions involving military construction projects, (3) uncertainties in estimating the total costs to the government to implement DoD’s recommended actions, and (4) potential impacts on communities surrounding bases that are expected to gain large numbers of personnel if DoD’s recommendations are implemented.”