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NATIONAL DEFENSE UNIVERSITY

JOINT FORCES STAFF COLLEGE

JOINT ADVANCED WARFIGHTING SCHOOL



Base Realignment and Closure: An Evolution for Harvesting Efficiencies

by

Michael A. Dillard

COLONEL, United States Army

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Base Realignment and Closure, an Evolution for Harvesting Efficiencies

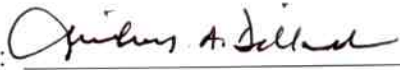
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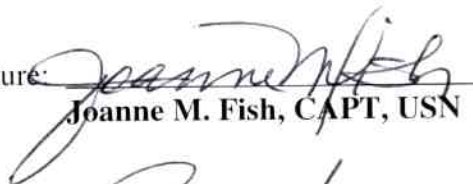
COLONEL, United States Army

A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning and Strategy. The contents of this paper reflect my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.

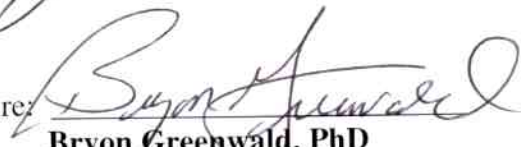
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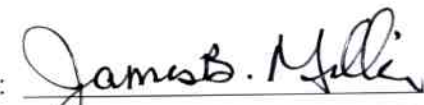
Thesis Advisor:

Signature: 
Joanne M. Fish, CAPT, USN

Approved by:

Signature: 
Bryon Greenwald, PhD
Committee Member

Signature: 
Lawrence L. Brady, PhD
Committee Member

Signature: 
James B. Miller, Col, USMC
Director, Joint Advanced Warfighting School

ABSTRACT

Is the Base Realignment and Closure (BRAC) process really saving taxpayer dollars or misleading the American public into thinking that reduced infrastructure equals savings? BRAC is a congressionally authorized process the Department of Defense (DOD) has previously used to reorganize its base structure.

The intent of the BRAC process is to reorganize DOD's base structure to more efficiently and effectively support U. S. forces, increase operational readiness, and facilitate new ways of doing business. The process also allows DOD to divest unnecessary installation infrastructure and reinvest the savings into programs that enhance security capabilities and quality of life for military forces.

To enable the United States to remain relevant and competitive in 2030, the nation needs to support the National Security and Military Strategies by focusing more on our nation as a whole as opposed to focusing on collective DOD solvency. The importance of an efficient military base structure is imperative and cannot be overstated in terms of the expenses required to operate. The base structure can remain efficient only if the difficult decisions are made to close and realign bases in a timely manner.

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DEDICATION

This thesis is dedicated to my beautiful and wonderful wife for taking care of our Family and shouldering the parental responsibilities during these last eleven months. Thank you for your love and support.

To my beautiful and talented daughters, thank you for being responsible and caring young ladies. We are very proud of you!

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INTRODUCTION

It is not what we have that will make us a great nation; It is the way in which we use it.

PRESIDENT THEODORE ROOSEVELT, JULY 4, 1886

As the U.S. enters a period of extended fiscal austerity and ends its two conflicts in Iraq and Afghanistan, the Department of Defense will face increased pressure to reduce the size of the military and find even greater efficiencies. From a purely fiscal perspective, the salary, benefits, medical costs, and training expenses associated with manning the force have made reductions in manpower a traditional reaping ground for budget hawks. Another perennial favorite for savings are underperforming, expensive, and potentially unnecessary weapons systems programs. The most politically sensitive way to find savings; however, is in Base Realignment and Closure (BRAC) since every politician at the local, state, and federal level is loathe to lose the base in their backyard and its commensurate economic impact. This politicalization occurs internal to the military as well, especially when politicians are asked to make choices between various military Service equities.

Given this politicalization, one wonders how a BRAC round could ever be truly effective enough to save money *and* simultaneously leave the U.S. Defense establishment on solid footing to meet the Nation's security needs. This thesis analyzes the BRAC process with the goal of defining its overall effectiveness in positioning the military to provide for the common defense. While never perfect, and subject to its own political and bureaucratic influences, the BRAC process, as it has evolved over the last half

century has matured to the point where, if properly implemented, it does save money and provide a solid foundation for the National Defense.

BRAC is the congressionally authorized process the Department of Defense (DOD) has used since 1989 to reorganize its base structure.¹ In theory, the BRAC process allows DOD to divest unnecessary installation infrastructure and reinvest the savings into programs that enhance security capability and quality of life for military forces. As the nation's security challenges become more complex, the U. S. military future force must continue to become an increasingly agile. It must be joint force dominant across the full spectrum of operations. The instruments of national power—diplomatic, information, military, and economic—facilitate the U.S. progressive ideals to make a safer and more prosperous Nation. The current U.S. National Security Strategy priorities are to secure the U. S. homeland from attack and protect national security interests abroad by ensuring U.S. military forces are capable and ready, and our democratic alliances are strong and enduring.²

As America fights terrorists who plan and carry out attacks on its facilities and people, the national security depends on defense installations and facilities being in the right place, at the right time, with the right qualities and capacities to protect its national resources.³ Management of these critical assets includes owning, managing, and operating installations to include the facilities, people, and internal and external

¹U.S. Department of Defense, *BRAC, Base Realignment and Closure 2005*, <http://www.defense.gov/brac/faqs001.html> (accessed April 26, 2012).

²Barack Obama, *National Security Strategy*, May 2010, <http://www.americanprogress.org/issues/security/strategy/> (accessed March 15, 2012).

³U.S. Department of Defense, *DOD 101, An Introductory Overview of the Department of Defense*, <http://www.defense.gov/about/dod101.aspx> (accessed April 17, 2012).

environment.⁴ An effective National Security Strategy is based upon a right-sized, properly organized, and resourced defense infrastructure.

Today, concerning BRAC, DOD is placing more emphasis on jointness and capabilities than basic cost cutting. In this environment, jointness is defined as selecting the appropriate organizations from two or more Services to share facilities and services in the same location in order to improve combat effectiveness while reducing costs. It also generates a more powerful military through appropriate basing. Jointness at every level will play a much greater role.⁵ Joint basing was developed as a recommendation during Base Realignment and Closure (BRAC) 2005. Joint Basing is the consolidation of two or more installations of different Services into one base that share a common boundary or are in close proximity each other. Once services are consolidated to one base, the support functions can be combined and operated by a single Service.⁶

The intended purpose of this research is to describe the approved DOD BRAC process and how it was applied over the previous BRAC rounds, 1989, 1991, 1993, and 1995.⁷ In addition, the research will look internally at BRAC 2005 and explore the intent and results of the joint basing initiative. Each chapter emphasizes and highlights four areas: purpose; selection criteria and process; Commission recommendation; and General Accounting Office (GAO) assessment. In general, the Services executed BRAC

⁴ Philip W. Grone (DUSD Installations & Environment), "2007 Defense Installations Strategic Plan," http://www.acq.osd.mil/ie/download/DISP2007_final.pdf (accessed April 16, 2012).

⁵ John H. Pearson, Aundre Piggee, Richard Kitchens, "Joint Basing: The Future of Military Basing or a Failed Experiment," Joint Forces Staff College, Joint and Combined Warfighter School, 2008.

⁶ Air Education and Training Command, *What is Joint Basing?*, 1, <http://www.aetc.af.mil/library/jointbasing/index.asp> (accessed March 9, 2012).

⁷ U.S. Government Accounting Office, "Military Bases: Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignment" GAO-05-785, by Barry W. Holman, 19, <http://www.gao.gov/assets/250/246994.pdf> (accessed March 19, 2012).

within the prescribed law. However, some Service actions and recommendations have retarded the achievements of overall mission success and true cost savings.

Chapter One establishes the motivation for BRAC and how earlier recommendations and decisions made by Secretary of Defense McNamara influenced Congress to develop and authorize a process to reduce and reorganize base structure. Additionally, the chapter will define the eight initial BRAC Selection Criteria used to determine closure or realignment of military installations. This chapter describes the BRAC process: initial threat assessment; selection criteria; DOD recommendation for base closure or realignment; independent Commission review of DOD's recommendation; the Presidential review and approval of Commission report; and Congressional review and generating law (FIGURE 1). This chapter also describes written policy to execute BRAC and the use of the Cost of Base Realignment Action Model (COBRA Model) to determine the economic analysis for base closure or realignment actions.

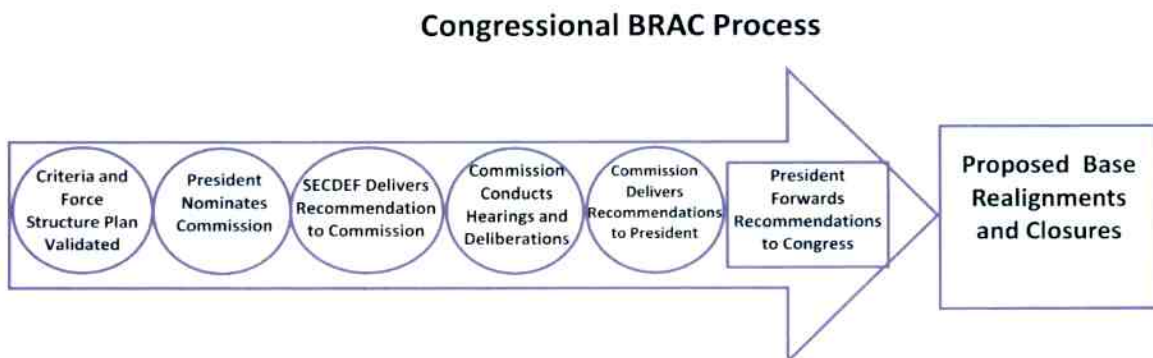


FIGURE 1

costing assumptions and not fully adhering to the DOD selection criteria, DOD's 1995 recommended list of base closures and realignments was projected to reduce infrastructure by only 7 percent. Additionally, GAO noted the shortfalls were a result of joint cross-service groups focus being too narrow and lacking the appropriate level of guidance and leadership to execute and garner savings anticipated by the cross-servicing strategy. Because of the shortfall of the DOD goal, the SECDEF suggested the need for additional BRAC rounds in 3 or 4 years. Ten years would pass before the next BRAC.

BRAC 2005 focused on military value, mission support, cost, maintenance consolidation, the cross-service use of common support services and joint basing. This was the largest BRAC round with the projected equally large savings. GAO identified implementation and operational issues that warranted further attention by the Commission. One instance was an action that was acknowledged by both the Services and joint cross-service group as having a potential for significant savings, but was later revised by the senior DOD leadership during the selection process. Others applied to assumptions and inconsistencies in developing certain cost savings estimates, lengthy payback periods, or potential impacts on affected communities.⁵ GAO's final comments related to the SECDEF taking appropriate steps to establish means for tracking and updating savings estimates concerning recommendations.

Chapter Three, Joint Basing Initiative, briefly described the successes achieved during the BRAC 2005 round that made progress fostering joint activity among the military services. Although the Joint Basing Initiative made both economical and

⁵ U.S. Government Accounting Office, Military Bases: Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignments, by Barry W. Holman. GAO-05-785, Government Accounting Office, Washington, D.C., <http://www.gao.gov/products/GAO-05-785> (accessed February 23, 2012).

Chapter Four, the conclusion, briefly summarizes the major points from each BRAC round. Specifically, distinct changes within each BRAC round to improve the process and potentially increase anticipated savings will be noted. This chapter also addresses shortfalls that hindered maximizing projected savings. The chapter concludes with a recommended way forward to be considered for future BRAC execution.

The importance of the research is an effective process for accessing DOD infrastructure. The BRAC process has the potential to validate creative ways to lower the debt and maintain effectiveness. If the projected savings and a measurable level of effectiveness are achievable, the process must be carefully managed. In light of current and future economic constraints, the relevance of this thesis is obvious. The Nation will ask the military to do more with less and will expect cost savings as well. While possible, effective national security must rest on a solid foundation. This thesis analyzes the process used to establish that foundation while saving money.

CHAPTER 1: MOTIVATION FOR BASE REALIGNMENT AND CLOSURE

In the 1960s, under the direction of President Kennedy, Secretary of Defense (SECDEF) Robert S. McNamara announced and executed the most extensive base realignment and closure program in the history of the United States. The base announcement affected 80 bases in the United States, and 15 bases abroad for 95 affected bases. The bases impacted consisted of 2 naval shipyards, 6 bomber bases, Army and Air Force training sites, arsenals, radar posts and other installations in 33 states, to include the District of Columbia. Secretary of Defense McNamara's strategic endstate was to reduce the budget by approximately \$477 million and the payroll by 63,400 personnel over a ten-year period. *The Daily Register*, a New Jersey newspaper, cited SECDEF McNamara saying his decision to shut down 95 obsolete and surplus military bases and plants is "absolutely, unequivocally, without qualification, irrevocable."¹ Although not congressionally mandated at the time, SECDEF McNamara orchestrated and executed the first unofficial Base Realignment and Closure (BRAC) round. While future BRAC rounds would add other considerations to their base closing calculus, Secretary McNamara's primary focus was cost (see FIGURE 2).

¹James C. Hogan, "McNamara Firm on Base Shutdowns." *The Daily Registrar* Volume 87, Issue 105, (November 1964): page 1, <http://209.212.22.88/data/rbr/1960-1969/1964/1964.11.20.pdf> (accessed 26 April 2012).

PRE-BRAC 1960's



FIGURE 2

Because of widespread accusations in the 1960s and again in the 1970s, that the executive branch was using base closures to punish uncooperative legislators, DOD had been unable to recognize the potential effectiveness and cost savings associated with realignment and closure of unnecessary or underutilized military bases. In 1977, Congress passed legislation mandating congressional approval for any closure affecting 300 or more civilian employees. The same legislation directed the implementation of the National Environmental Policy Act (NEPA) for all base closures. "The NEPA requires federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions."² Besides NEPA compliance, the law further requires that the selection criteria address the impact of costs related to environmental restoration as well as waste management and environmental compliance.³

² U.S. Environmental Protection Agency, *National Environmental Policy Act (NEPA)*, <http://www.epa.gov/compliance/nepa/index.html> (accessed January 19, 2012).

³ U.S. Army, *U.S. Army Base Realignment and Closure Division (BRACD)*, http://www.hqda.army.mil/acsim/brac/faq.htm#environmental_q1 (accessed January 19, 2012).

BRAC Process

For over a decade since 1977, the Department of Defense was not able to improve and garner significant savings gained through the realignment and closure of unnecessary or underutilized military bases. Regardless of the absence of closure actions, the government agreed that the national defense needed a more efficient military base structure.⁴ Based on lessons learned from the BRAC 1989 round and in order to provide a fair process that will result in timely closure and realignment of military installations, the Congress established the Defense Base Closure and Realignment Act of 1990. The BRAC process, governed by law, begins with a threat assessment of the future national security environment, followed by the development of a force structure plan and basing requirements to meet these threats. The method to execute the BRAC process entails five steps (see FIGURE 3).

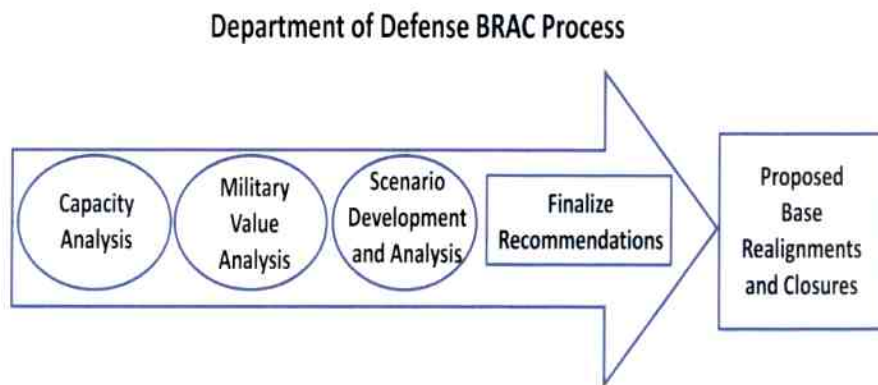


FIGURE 3

Step one (Capacity Analysis): The SECDEF publishes criteria and force structure plan for use in developing base closure and realignment recommendations. Step 2 (Military

⁴ U.S. Department of Defense, *Base Realignments and Closures, Report of the Defense Secretary's Commission*, December 1988, 6, <http://www.defense.gov/brac/docs/1988.pdf> (accessed April 2012).

Value Analysis): The SECDEF publishes a report containing the realignment and closure recommendations, forwarding supporting documentation to an independent Commission appointed by the president, in consultation with congressional leadership. Step three (Scenario Development and Analysis): The Commission reviews SECDEF recommendations to ensure consistency with criteria and force structure plan. The Commission has the authority to change the department's recommendations, if it determines that a recommendation deviated from the force structure plan and/or selection criteria. The Commission will hold regional meetings to solicit public input prior to making its recommendations. Step four (Finalize Recommendations): The Commission certifies data and testifies before Congress under oath. Step 5 (Proposed Base Realignments and Closures): The Commission forwards its recommendations to the President for review and approval, who then forwards the recommendations to Congress.⁵

COBRA Model

The Commission developed a model to capture the essential cost and savings resulted from realignments and closures. The basis for the model was to determine if the six-year payback guidance in the charter had been achieved.⁶ The BRAC Commission uses the Cost of Base Realignment Action (COBRA) model to determine the economic analysis of base closure or realignment actions. The COBRA model generates a consolidated summary report that consist of 20 detail feeder reports, including appropriations, mission costs, military construction costs, and personnel costs for each closure or realignment scenario. In addition, the summary also identifies projected

⁵ U.S. Army, *U.S. Army Base Realignment and Closure Division (BRACD)*, http://www.hqda.army.mil/acsim/brac/faq.htm#general_q4 (accessed January 3, 2012).

⁶ U.S. Department of Defense, *Base Realignments and Closures, Report of the Defense Secretary's Commission, December 1988*, <http://www.defense.gov/brac/docs/1988.pdf> (accessed April 2012).

payback period, 20-year Net Present Value (NPV), and total one-time cost of the closure or realignment action (FIGURE 4).

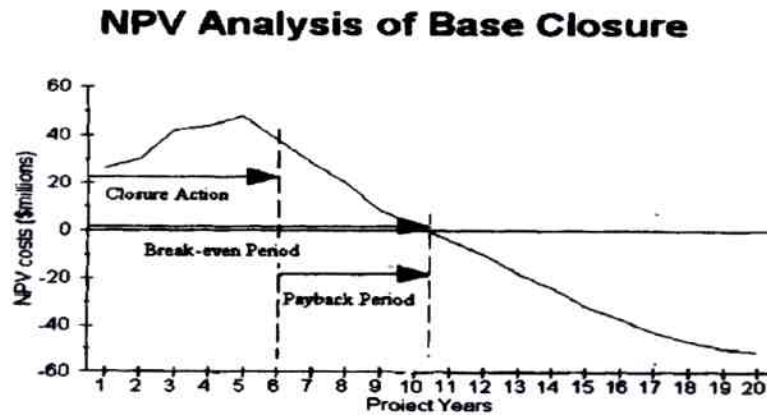


FIGURE 4

The payback period is defined as the point in time where savings generated equal costs incurred for particular investment to "repay" the sum of the original investment. In other words, the length of time required to recover the cost when the realignment/closure has paid for itself. After this point, net savings start to accrue.

The 20-year NPV is the present value of the sum of discounted cash flows minus initial investment and tells us how many dollars, today, we would be willing to spend to receive money in the future. The NPV allows for the comparison of any two investments to determine which investment is better. For instance:

A proposed land investment requires \$10,000 of cash now, and is expected to be resold for \$25,000 in four years. For the risks involved, the investor seeks a 20% discount rate (same as compounded rate of return). The \$25,000 amount to be received in four years, when discounted by 20% annually, is worth \$12,056 now. Since the investment costs \$10,000, the net present value is \$2,056.⁷

⁷ Answers, *Net Present Value*, <http://www.answers.com/topic/net-present-value> (accessed January 23, 2012).

Both the net present value and payback period are measures of effectiveness used to compare the economic impacts of one realignment or closure scenario recommendation to another.

As many as 250 or more input values can be generated as result of a single move from a closing base to a gaining base. Because of the many inputs and variables that require estimation, error can arise from a multitude of sources including faulty supplied data, lack of consistency, or incomplete information. This will generate randomness in the COBRA Model itself simply due to entry data.⁸ While the GAO concluded that the COBRA model was as a conceptually sound tool that evaluated costs, savings, and payback periods, the GAO also found several deficiencies in the model that included: 1) the exclusion of some relevant costs, 2) the use of improper discount and inflation rates, and 3) errors in the data input.⁹

The following chapter will discuss “the early BRAC rounds” in 1989, 1991, 1993, and 1995 respectively. In particular, the chapter describes how the stated purpose of each BRAC round dictated the need for additional selection criteria to maximize efficiencies and cost savings.

⁸ Douglas D. Hardman, Michael S. Nelson, “A Parametric Regression of the Cost of Base Realignment Action (COBRA) Model,” *Thesis*, October 1993, <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA270462> (accessed January 23, 2012).

⁹ Vernon P. Kemper, “An Analysis of the Cost of Base Realignment Actions (COBRA) Model,” Master of Science in Financial Management, Naval Post Graduate School, December 1993, <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA276357> (accessed May 23, 2012).

CHAPTER 2: EARLY BRAC ROUNDS

In 1982, President Ronald Reagan organized the President's Private Sector Survey on Cost Control to focus on waste and inefficiencies in the U.S. Federal government. The President selected Joseph Peter Grace as Commissioner and directed him to execute his duties and to ensure that no stone was left unturned as the committee worked to root out inefficiencies.¹ The President's Private Sector Survey on Cost Control (PSSCC), commonly referred to as The Grace Commission, recommended that a non-partisan and independent Commission be established to study closure issues. Based on the recommendation of the PSSCC, the Congress and the President subsequently endorsed and chartered the Defense Secretary's Commission on Base Realignment and Closure on May 3, 1988. The primary task and purpose for the charter was to recommend military installations within the United States, its commonwealths, territories, and possessions for realignment and closure.

BRAC is a congressionally authorized process the Department of Defense (DOD) uses to reduce and reorganize its base structure to support military forces more efficiently and effectively, increase operational readiness, and facilitate new ways of doing business. Beginning in 1988, just before the end of the Cold War, DOD recognized that a sizable amount of excess infrastructure existed so that there was a mismatch between requirements and physical capacity. The mismatch highlighted the fact that funds were being expended unnecessarily to sustain excess infrastructure creating a necessity for change. In 1989, the Pentagon performed a study that found that the military had 20 to

¹ The Grace Commission, <http://www.saylor.org/site/wp-content/uploads/2010/12/GraceCommission.pdf> (accessed May 23, 2012).

25 percent more infrastructure – installation capacity – than it needed.² DOD recognized the excess and created opportunities through the BRAC initiative to assess its installation and infrastructure requirements to determine the best size, functionality and placement to support emerging missions in support of our national security needs.

The formal DOD process to make recommendations and determine closure or realignment of military installations during the 1989 BRAC round involved the Commission developing its own list of proposed closures, which it presented to the Secretary of Defense and Congress. The 1991, 1993, 1995 and 2005 BRAC rounds consisted of independent recommendations to the President based on the Commission's review of the Secretary of Defense's proposal to close and realign bases. The later BRAC rounds were coordinated through the Joint Chiefs of Staff. In addition, a long range Force Structure Plan (FSP) based on the probable threats to national security was developed and became the basis for the initial recommended closure and realignment listing. Following the 1989 BRAC, DOD also developed the original BRAC selection criteria used as a basis for all subsequent BRAC rounds. Congress codified eight considerations for the BRAC selection criteria with a slight modification in 2005. The first four are the most important criteria and relate to the military value of the installations: (1) Current and future mission requirements; (2) availability and condition of land, facilities, and air space; (3) contingency and mobilization requirements; and (4) cost and manpower implications. The remaining four considerations address the number of years needed to recover the cost of realignment and closure: (1) Return on investment; (2) local economic impact; (3) impact on community infrastructure; and

²U.S. Army, *U.S. Army Base Realignment and Closure Division (BRACD)*, http://www.hqda.army.mil/acsim/brac/faq.htm#commission_q15 (accessed January 18, 2012).

(4) environmental impact.³ As mentioned, the selection criteria were slightly modified by Congress. More specifically, the word “surge” was added to criterion three, increasing the emphasis on potential future operational recommendations. BRAC is a continuous process and DOD continued to use the selection criteria, force structure plan, and infrastructure inventory throughout the process. The execution of BRAC required balancing the readiness of the military forces, the well-being of civilians and their families, and the needs of local community. Although BRAC is financially beneficial to DOD, it takes an emotional and economical toll on the communities that are negatively impacted. While some communities are negatively impacted, others see significant growth and welcome an expanded military presence.

BRAC 1989

As mentioned earlier, in the mid-1980s and prior to BRAC 1989, it was widely recognized and observed that a rapid military expansion was occurring because of an increase in defense spending. It was also recognized in the mid-1980s that DOD had excess capacity in infrastructure. Despite the absence of closure actions, there was a general consensus within the government that the national defense would improve, at less cost, if a more efficient way to manage military base structure was developed and executed.⁴ From the outset of BRAC 1989, the Commission focused on criteria that would govern the nomination of installations for realignment or closure. The Commission acknowledged cost reduction was the reason for its chartering, but also

³ U.S. Department of Defense, *Base Closure and Realignment Report*, Volume 1, May 2005, <http://www.brac.gov/docs/final/AppendixE.pdf> (accessed January 18, 2012).

⁴ U.S. Department of Defense, *Base Realignments and Closures, Report of the Defense Secretary's Commission, December 1988*, 6, <http://www.defense.gov/brac/docs/1988.pdf> (accessed April 2012).

recognized that military value was the primary factor in making decisions.⁵ Military value is defined by four selection criteria: 1) the current and future capabilities needed and the impact on operational readiness of a post, base, range or installation. 2) the availability and condition of land, facilities and associated airspace, 3) a "surge capability" that allows the department to accommodate mobilization, and 4) the cost of operations and manpower implications.⁶

As a result, the Commission's focus was not the cost savings; instead, it concentrated on military value (see FIGURE 5). Military value focuses on defense installations and facilities being in the right place, at the right time, with the right qualities and capacities to protect our national resources.⁷

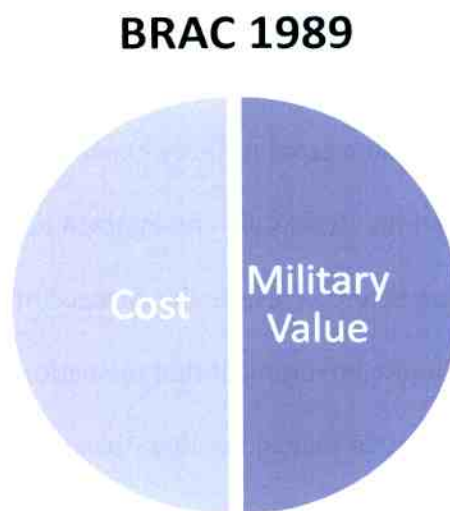


FIGURE 5

⁵ U.S. Department of Defense, *Base Realignments and Closures Report of the Defense Secretary's Commission, December 1988*, <http://www.defense.gov/brac/docs/1988.pdf> (accessed January 19, 2012).

⁶ Jim Garamone, "News Analysis: Military Value at Heart of BRAC," American Forces Press Services, May 2005, http://www.hqda.army.mil/acsim/brac/Military_Value.pdf (accessed May 2, 2012).

⁷ U.S. Department of Defense, *DOD 101, An Introductory Overview of the Department of Defense*, <http://www.defense.gov/about/dod101.aspx> (accessed April 17, 2012).

The Commission's review of the military force structure and basing requirements was geared towards identifying installations that afforded adequate available acreage, airspace for realistic combat training, and provisions for survivability of strategic forces. During the initial assessment, the Commission discovered that urban expansion and encroachment degraded military value. The Commission acknowledged that to achieve the desired military value, additional funding to purchase adjacent land was required. After the initial assessment, the Commission received input from the Services with their appropriate recommendation for bases realignment and closure.

The Commission's methodology for executing BRAC 1989 was a two-phase approach with six internal steps. Phase I, with a sub-set of two steps, grouped the bases into 22 overall categories, such as training bases and administrative headquarters, and then focused on determining the military value. Step one-entailed grouping installations with similar missions to streamline and facilitate consistent analysis. After completing the analysis, step two began by screening and comparing the base size and whether or not it was appropriately sized to support its current and projected future requirements.

Phase two, with a subset of steps 3-6, focused on assessing the cost and savings of base realignment and closure options. Step three began when the results showed that a base size was not comparable with its mission requirements. These bases became candidates for relocation. Additional analysis was done to determine whether the costs of the closure and realignment package could be paid back with savings in six years. Step four considered potential environmental impacts. This step began after the Commission determined candidates for realignment or closure by taking a preliminary and unofficial look at the potential environmental impacts.

This initial environmental assessment was not official and did not replace the Congressional NEPA, but allowed early engagement with the community. Step five informed the public of the potential economic impact. Importantly, history showed that closures were less traumatic than anticipated. In the final step, the Commission considered future alignments and closing based on military strategy and force structure changes.

GAO Assessment

The General Accounting Office (GAO) was instrumental in the process and participated by providing field staff to assist the Commission during its internal review of the data. GAO generated its own BRAC report to capture the DOD and Commission's intent and execution for the applicable BRAC round. In general, the GAO concluded that the Commission used information primarily provided by the military Service and was greatly dependent on the judgments of the individual Commission members. GAO determined that the methodology adopted by the Commission was generally sound, but the execution lent itself to errors during implementation of the methodology and the estimates of annual savings were overstated. GAO noted an estimated \$170 million discrepancy between what the Commission submitted and what GAO estimated as the cost. Even though \$170 million is notable discrepancy, GAO concluded that the Commissioners recommendations were still sound and logical.⁸

GAO noted that the Commission's process also considered the environmental and community economic impacts, and concluded that neither of the two considerations was a

⁸U.S. Government Accounting Office, Military Bases: An Analysis of Commission's Realignment and Closure Recommendations GAO/NSIAD 9042, by Frank Conahan, 3, <http://www.defense.gov/brac/docs/1988gao.pdf> (accessed January 22, 2012).

critical component to determine what bases would be realigned or closed. GAO generally agreed with the DOD and Commission noting that although already existing hazardous waste should not be a part of the calculation for closure, the cost incurred to clean up the waste post-realignment could be a substantial cost. Pertaining to community economic impact assessment, GAO concluded that the Commission did not execute a deliberate assessment due to a tight time constraints, thereby accepting risk with the assumption that cost would be minimal.⁹

GAO Recommendation

GAO concluded the majority of the noted discrepancies and errors were a result of utilizing old data, double-counting square footage for some facilities and inaccurately reporting acreage. During phase two, the GAO found that the Commission's overall savings estimates were overstated because of data errors, inaccurate estimates, and the exclusion of certain relevant costs.¹⁰ The GAO determined there were two primary reasons for overstating the anticipated savings. First, the Commission operated under a tight time constraint of two months, meaning it rushed through its work. Secondly, the Commission did not have effective management control procedures.

In conclusion, DOD generally agreed with GAO's report's findings, with a few exceptions, and agreed with the report's recommendations.¹¹ The major differences between the two reports were the way each calculated reoccurring military construction savings. The Commission anticipated an increase in military construction because of the

⁹ U.S. Department of Defense, *Base Realignments and Closures, Report of the Defense Secretary's Commission, December 1988*, 19, <http://www.defense.gov/brac/docs/1988.pdf> (accessed May 23, 2012).

¹⁰ U.S. Government Accounting Office, *Military Bases: An Analysis of Commission's Realignment and Closure Recommendations* GAO/NSIAD 9042, by Frank Conahan, 3, <http://www.defense.gov/brac/docs/1988gao.pdf> (accessed January 22, 2012).

¹¹ Ibid.

realignments and base closures, and therefore developed conservative estimates for savings that allowed for new cost. Even though GAO's estimates were for a specific point in time, it believed the Commission's conservative approach was correct.

The following section will discuss BRAC 1991, the first of three rounds directed by President George Bush with emphasis on mission support.

BRAC 1991

The world had changed in 1989 with the falling of the Berlin Wall and the formal dissolution of the Warsaw Pact. President Bush and his administration viewed the changing world as an opportunity to implement measured defense reductions. Now entering the post-Cold War era, Congress seized upon the reduced threat to national security and mandated a reduction and reshaping of military forces. As a result, DOD initiated planning to decrease the U.S. military by approximately 25 percent over the next five years. DOD and the Congress both acknowledged the fact that fewer forces would require fewer bases, which generated another BRAC round to harvest and reallocate potential savings towards other vital military needs.¹²

The 1991 Commission process to submit its recommendations differed from the previous 1989 Commission on how the results and recommendations were submitted. The 1991 Commission was to make independent recommendations to the President based on its review of the SECDEF's proposal to close and realign bases. The 1989 DOD Commission, on the other hand, developed its own list of proposed closures and presented them to the SECDEF and Congress.

¹² U.S. Government Accounting Office, Military Bases: Observations on the Analysis Supporting Proposed Closures and Realignment GAO/NSIAD-91-224, by Charles A. Bowsher, v. <http://www.defense.gov/brac/docs/1991gao.pdf> (accessed January 22, 2012).

With some minimum differences, BRAC 1991 was executed within the same statutory requirements developed for the 1989 BRAC Commission. Additionally, the 1991 BRAC round focused on cost, military value and mission support (see FIGURE 6). Mission support is the logistical and infrastructure support in conjunction with installation management that contributes to overall mission readiness.

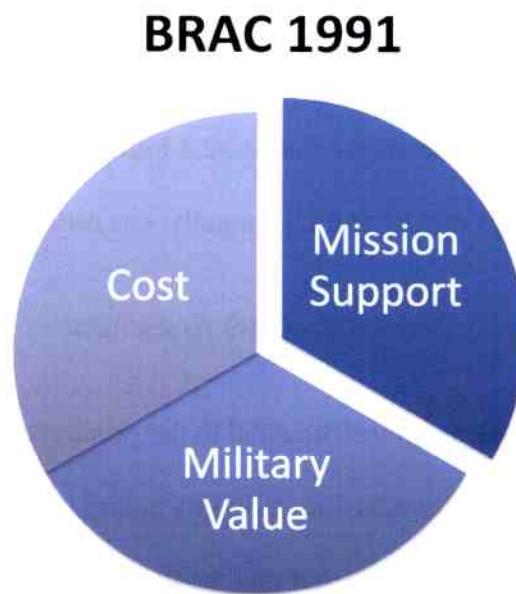


FIGURE 6

The force structure plan, eight selection criteria and public comment input did not change. What changed was the Commission introducing legislative initiatives that called for the BRAC process execution in 1991 and repeated in 1993 and 1995.

Unlike the 1989 BRAC round, the 1991 BRAC Commissions' recommendations had a significant impact resulting from an open process that solicited testimony and input from the communities and congressional leaders. This shielded the Commission from being accused of favoritism or politics. All meetings, transcripts, and data collection during site visits were open to the public for review. In order for the Commission to gain

firsthand knowledge and validate its commitment to the public, at least one Commissioner visited the communities that would be impacted by a recommendation to close or realign a major facility. The Commission capitalized on these public sessions, encouraging communities to synchronize their thoughts, efforts and initiatives to overcome the potential hardships caused by base closures. Based on the Commission's review and input from the affected communities, Secretary of Defense Cheney recommended 26 bases to the President for closure, and another 49 bases for realignment. The five year estimated savings equaled \$2.3 billion after a one-time cost of \$4.1 billion. An additional savings of \$1.5 billion annually was estimated after 1997.¹³

GAO Assessment

The GAO was again instrumental in the process and participated by providing field staff to assist the Commission during its internal review of the data. As reported during the 1989 BRAC, GAO noted that the overall lesson learned from BRAC 1991 included the need for sufficient time to collect, analyze, and verify data and adequate management controls over those task. Additionally, GAO concurred that a reduced military force structure requires military installations to be closed. GAO agreed that the BRAC 1991 submittal of 26 bases for closure and 49 for realignment represented a solid plan for execution over a six-year period. GAO concluded that both the U.S. Army and U.S. Air Force documented execution procedures in compliance with DOD Force Structure Plan and the four military value criteria. GAO generally agreed with the U.S.

¹³ U.S. Government Accounting Office, Military Bases: Observations on the Analysis Supporting Proposed Closures and Realignments GAO/NSIAD-91-224, by Charles A. Bowsher, 13, <http://www.defense.gov/brac/docs/1991gao.pdf> (accessed January 22, 2012).

Army and U.S. Air Force implementation. The differences that existed within the way they executed and used their quantifiable attributes to compare installations were not significant. GAO was not able to evaluate the U.S. Navy process because of insufficient supporting documentation, which resulted in the GAO developing an alternate means of assessment. They assessed the Navy berthing ship requirements and capacity in comparison to the Force Structure Plan. GAO discovered that significant excess berthing capacity would remain if the Navy only closed the recommended facilities. As the report stated, "GAO found that changes have occurred in the strategic homeporting concept, which when combined with excess available pier space for berthing ships, supports the recommendation for fewer Navy bases."¹⁴ As differences in functions and composition of each Service exist, GAO was concerned that the Commission did not establish a standard for costing estimates and cost factors, Services cost estimates varied. The variation between estimates hindered the ability to accurately prepare for recovering closing costs and the length of the projected payback period, which skewed an increase in one-time cost as much as 50 and 100 percent. Because of the differences and on the contrary, the payback period did not substantially increase.

The GAO assessed that much of the U.S. Army's success was a result of their establishment of the Total Army Basing Study group. This group was responsible for developing the Army's two-phased approach to evaluate potential bases for closure and realignments. Phase one, which also involved the Army Audit Agency, categorized all its installations by major mission categories and then evaluated their military value in

¹⁴ U.S. Government Accounting Office, Military Bases: Observations on the Analysis Supporting Proposed Closures and Realignment GAO/NSIAD-91-224, by Charles A. Bowsher, 22, <http://www.defense.gov/brac/docs/1991gao.pdf> (accessed January 22, 2012).

quantitative terms and analysis. Phase two was a more quantitative and comprehensive approach that included results from phase one, the command plan, and the Force Structure Plan. In addition, phase two included the preliminary estimates for determining the required economic payback, as well as socioeconomic and environmental impacts on local communities. GAO concluded that the Army process was aligned with Army Audit Agency and well documented to facilitate a proper evaluation by GAO.¹⁵

While the Air Force process differed slightly from the Army's process in that the Air Force treated all bases equally regardless of function, the process was rational and adequately supported by documentation. Like the U.S. Army, the U.S. Air Force established the Air Force Base Closure Executive Group, which was supported by a working group, to assist in their assessment to determine potential bases for closure and realignments. GAO noted that the basis for the Air Force's approach was consistent with the Army and utilized the approved DOD selection criteria and Force Structure Plan.

The GAO reported that the U.S. Navy's documentation lacked sufficient detail due to not establishing internal controls that would have ensured the accuracy of the required data to determine base closing. GAO further determined the inadequacy and lack of proper paperwork hindered their ability to evaluate the relative military value of the bases considered. Although the U.S. Navy, like the Army and Air Force, organized an internal oversight committee, its Base Structure Committee with working groups was found to be inefficient. GAO contributed the lack of sufficient documentation to senior Navy leadership's approach, which was biased in favor of keeping bases open as opposed to closure and realignment. GAO's final comment pertaining to the Navy was that "the ship berthing capacity studies found that there would be significant excess space beyond

¹⁵ Ibid, 4.

what the Committee calculated, even if the bases recommended for closure were included.”¹⁶

GAO acknowledged that the revised COBRA Model was not properly used by the Services. The model was designed as an analytical tool used to calculate the costs, savings, and return on investment. Because differences in functions and composition of each Service exist, GAO was concerned that the Commission had not established a standard for costing estimates and cost factors, and therefore the Services’ cost estimates varied. The variation between estimates hindered the accuracy of predicted closing costs and the projected length of the payback period. This caused an increase in one-time cost by as much as 50 to 100 percent. In many cases, the Services input inaccurate data and their cost estimating process ignored the cost of Medicare to the federal government. GAO noted that lack of DOD oversight allowed the individual Services to approach common problems differently. Because DOD did not require the Services to submit estimates expressed in fiscal year 1991 dollars as their baseline, both costing and savings estimates reflected errors. The costing and savings errors caused the payback calculations to also have errors that would affect the overall estimated annual savings and possibly lengthen the payback period for bases considered for realignment and closure.¹⁷

GAO Recommendation

GAO final recommendation for BRAC 1991 was to require the Secretary of the Navy to resubmit a comprehensive detailed report to the BRAC Commission describing their methodology for comparing bases and the process utilized to develop closure and

¹⁶ Ibid. 5.

¹⁷ Ibid. 52.

realignment recommendations. GAO suspected that after the Commission looked at the Navy's updated comprehensive report, that excess space for ships berths would generate a reduced requirement. GAO also recommended, for future BRAC closures and realignment reviews, the Services adhere to established procedures and practices. In conclusion, GAO recommended that the Commission adopt its GAO Sensitivity Analysis Model when considering cost and savings estimates for future BRAC recommendations. The GAO Sensitivity Analysis Model has twelve steps: (1) Define the estimate's purpose, (2) Develop an estimating plan, (3) Define the Project (or Program) characteristics, (4) Determine the estimated work breakdown structure, (5) Identify ground rules and assumptions, (6) Obtain data, (7) Develop a point estimate and compare to an independent cost estimate, (8) Conduct sensitivity analysis, (9) Conduct risk and uncertainty analysis, (10) Document the estimate, (11) Present the estimate for management approval, and (12) Update the estimate to reflect actual costs and changes. Per GAO, estimates should satisfy four characteristics as established by industry best practices—they should be credible, well documented, accurate and comprehensive.¹⁸

The subsequent section will discuss BRAC 1993, the second of three rounds with an emphasis on maintenance consolidation and potential possibilities to garner additional potential savings.

BRAC 1993

BRAC 1993 was the second of three rounds directed by President George Bush and governed by the Defense Base and Realignment Act of 1990. The execution of BRAC 1993 was similar in execution to BRAC 1991 and recommendations were based

¹⁸ U.S. Department of Energy, Office of Information Resources, Directives, Delegations, and Requirements, 2, <https://www.directives.doe.gov> (accessed January 23, 2012).

on our national goals of maintaining military effectiveness, drawing down the force, reducing the deficit, and reinvesting in America. The 1993 BRAC round focused on cost, military value, mission support and maintenance consolidation (see Figure 7).

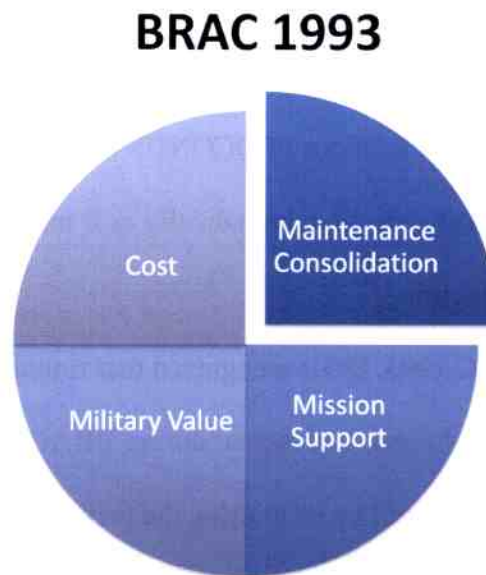


FIGURE 7

Maintenance consolidation is defined as consolidating supply, storage, and distribution functions.¹⁹ The Commission approached BRAC 1993 similar to how a major corporation downsizes by focusing on reductions in infrastructure, personnel, and overhead cost. The Office of the Secretary of Defense (OSD) established guidance for determining base closures and realignments and then depended on military departments and defense agencies to make the initial base recommendation.²⁰ The policy had five realistic characteristics: (1) save money that would normally go to excessive overhead

¹⁹ U.S. Government Accounting Office, Military Base and Realignment Closures: DOD Needs to Update Savings Estimates and Continue to Address Challenges in Consolidating Supply-Related Functions at Depot Maintenance Locations, GAO 09-703, by Brian J. Lapore, <http://www.gao.gov/products/GAO-09-703> (accessed May 29, 2012).

²⁰ U.S. Government Accounting Office, Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignments GAO/NSIAD-93-173, by Charles A. Bowsher, 3, <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 24, 2012).

cost, (2) support military effectiveness by reducing competition for fewer resources, (3) maintain fairness and objectivity, (4) assess overseas bases more aggressive than bases at home, and (5) be supportive of the investment necessary to foster economic growth.²¹ Previous BRAC rounds focused on CONUS recommendations for base realignment and closures. In BRAC 1993, however, DOD announced overseas troop reductions that cleared the way for considerations of OCONUS locations by the commission. DOD's base spending would also decline dramatically as it reduced the replacement value by 35-40% of base infrastructure.

During BRAC 1993, DOD recognized that timing was the key factor affecting the community economic impact assessment during BRAC 1991. DOD determined that it could help economic growth by supporting the private sector reuse of base facilities and real estate. To alleviate the problem during BRAC 1993, DOD developed a viable reuse strategy. The goals of this strategy were to close bases and make them available for reuse quicker, promote reuse opportunities in conjunction with community efforts, and refocus the trade-offs between DOD needs and local community needs. Besides Federal assistance programs that provided grants for adversely affected communities, the SECDEF was given additional authority by law to determine the disposition of land and whether to sell or give it away, and to whom it should go.²²

DOD continued to emphasize the importance of environmental cleanup as not being a barrier, but as a part economic recovery. Although DOD contributed internal resources, additional funding from Congress and help from the Environmental Protection Agency were required to achieve and sustain a desired level of environmental restoration.

²¹ U.S. Department of Defense, *Base Closure and Realignment Report, March 1993, I*, <http://www.defense.gov/brac/docs/1993dod.pdf> (accessed January 24, 2012).

²² *Ibid.*, 5.

In coordination with other Cabinet agencies, DOD created a community economic redevelopment fund to assist communities affected the most. This generated funds by setting aside a portion of the net savings garnered by the base realignments and closures.

The Commission submitted two additional points for DOD to review, examine, and consider for future BRAC rounds. First, the Commission reasoned there was not sufficient time for it to review maintenance depots and all potential inter-service possibilities. Secondly, there was not sufficient time for the Commission to review installations that hosted nondefense government activities and the full net impact for those activities.²³

Based on the Commission's review and analysis of DOD's recommendation, the Commission recommended to the President that 130 bases be closed and 45 bases be realigned. The net savings projected for FY 1994-99 was approximately \$7.43 billion. The estimated annual savings for the next twenty years was \$2.33 billion annually.²⁴

²³ Ibid.

²⁴ U.S. Government Accounting Office, Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignments GAO/NSIAD-93-173, by Charles A. Bowsher, 3, <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 24, 2012).

GAO Assessment

GAO overall assessed the BRAC 1993 process as generally sound. However, the recommendations and selection process were not without problems. In some instances, GAO noted that some savings were overstated, but still substantial. Although the OSD plan provided guidance, GAO reported that OSD was not actively involved and lacked sufficient oversight during the overall process for evaluating BRAC 1993 recommendations. Unlike previous BRAC rounds, the Services were directed by DOD to look internally for excess depot maintenance capacity and look for opportunities for joint depot maintenance. Unfortunately, as noted by GAO, OSD missed the opportunity to consolidate and close excess depot maintenance facilities due to a lack of sufficient leadership and increasing Service parochialism. Another failed opportunity occurred because DOD did not review cost model outputs leaving several DOD components to overstate its savings estimates significantly. Similarly, DOD subjectively approached and assessed the cumulative economic impact, as opposed to establishing an observed, measurable standard.

GAO's assessed the Navy's selection process as being generally good based on identifying and reducing excess capacity in regards to their bases, shipyards and air stations, while considering military value. Although the Naval Audit Service validated the Navy's process, the process established and accepted certain assumptions, therefore some opportunities and savings were missed because they did not take into account alternate solutions for bases not considered for realignment or closure. In another instance, the Navy documented a base's military value as medium, but later recommended it for closure because of incorrectly grouping it with lower military value

bases. GAO concluded that the Army's proposals were validated properly by the Army Audit Agency and well documented. Shortcomings for the Army entailed making some recommendations based on the projected environmental cleanup cost. GAO noted that regardless of the environmental cleanup cost, DOD was responsible for the cost when a base was considered for realignment, closure or to remain in its original configuration. The Air Force proposal lacked clarity and sound documentation in certain categories during the final stages of selection recommendations.²⁵

GAO noted that the Defense Logistics Agency (DLA) recommended realignment and closures based on cost as opposed to military value. Although DLA documentation was found to be in good order, some errors were made in applying the DOD cost and savings model that resulted in overstated savings. GAO found the Defense Information Systems Agency (DISA) documentation to be in good order and well documented. DISA benefited from DOD corrections to the data accuracy problems which enabled them to validate recommendations.²⁶

GAO Recommendation

GAO final comments found that although DOD had made improvements to its cost modeling process, opportunities for additional improvements existed. As the GAO report stated:

In addition, DOD has not validated the accuracy of the basic formulas that are used in the model. GAO's revised estimate of the savings shows a reduction of about \$940 million from DOD's \$12.8 billion savings

²⁵ U.S. Department of Defense, *Base Closure and Realignment Report*, March 1993, I, <http://www.defense.gov/brac/docs/1993dod.pdf> (accessed January 24, 2012).

²⁶ Ibid., 3.

estimate for the major bases for the 20-year return-on-investment period. GAO's estimate did not include any government wide cost implications.²⁷

Although recommended in the past to consider other worldwide governmental agencies that influenced cost implications, DOD continued to limit costs and savings solely within DOD. GAO also recommended that the SECDEF consider implementing five actions to improve future DOD processes when considering base realignments and closures. The five processes were: (1) improve OSD's oversight of the process; (2) establish procedures and milestones for considering the closure and realignments of similar military Service activities; (3) develop a supportable standard for measuring cumulative economic impact; (4) improve data documentation and accuracy; and (5) include government wide cost implications of closure and realignment decisions.²⁸ Besides the recommendations for SECDEF, GAO recommended the BRAC Commission consider analyzing Navy recommendations where the base recommended for closure had a higher rated military value than ones recommended to remain open. In addition, GAO recommended that the Commission request supporting information from the Air Force in those cases where data does not align and adequately explain base category rating. GAO acknowledge that although the Army's process and procures were well documented, the Commission should review the Army's list of bases recommended for closure. Per GAO's request, DOD did not submit official comments, but received informal feedback from GAO commenting on its findings, conclusions and recommendations.²⁹

²⁷ Ibid., 6.

²⁸ U.S. Government Accounting Office, Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignments GAO/NSIAD-93-173, by Charles A. Bowsher, 6. <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 26, 2012).

²⁹ U.S. Government Accounting Office, Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignments GAO/NSIAD-93-173, by Charles A. Bowsher, 3. <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 24, 2012).

The succeeding section will discuss BRAC 1995, the final of three rounds directed by President George Bush with a discussion on cross service function and potential for future savings.

BRAC 1995

BRAC 1995 is the last of the three biennial reviews directed by President George Bush and governed by the Defense Base and Realignment Act of 1990. BRAC 1995 also included matters for Congress to consider regarding continuing legislature to authorize further Commission reviews and authorize changes, as needed, to prior decisions. The execution of BRAC 1995 was similar in execution to BRAC 1991 and 1993; recommendations were based on supporting the national goals of maintaining military effectiveness, drawing down the force, reducing the deficit, and reinvesting in America. The 1995 BRAC round focused on cost, military value, mission support, maintenance consolidation and the cross-service use of common support services.³⁰ The cross service function focus involved people from all levels of the organization with different functional expertise working toward a common goal of greater efficiency in the delivery of common support services (see Figure 8).

³⁰ U.S. Department of Defense, *Headquarters and Support Activities Joint Cross-Service Group, Summary of Selection Process*, http://www.defense.gov/brac/pdf/pt2_07_hsa0.pdf, (accessed March 9, 2012); The Secretary of Defense established the Headquarters and Support Activities Joint Cross-Service Group (HSA JCSG) to address Base Realignment and Closure (BRAC) implications for common business-related functions and processes across the Department of Defense, the Military Departments, and Defense agencies. The JCSG had no counterpart in previous BRAC rounds and therefore was charged with defining appropriate functions and sub-functions for analysis. The JCSG had six members representing the four services, OSD, and the Joint Staff. To focus its analyses, the HSA JCSG formed three subgroups: the Geographic Clusters and Functional (GC&F) Subgroup (Air Force lead), the Mobilization Subgroup (Marine Corps lead) and the Major Administration and Headquarters (MAH) Subgroup (Navy lead). The Army member chaired the JCSG.

BRAC 1995

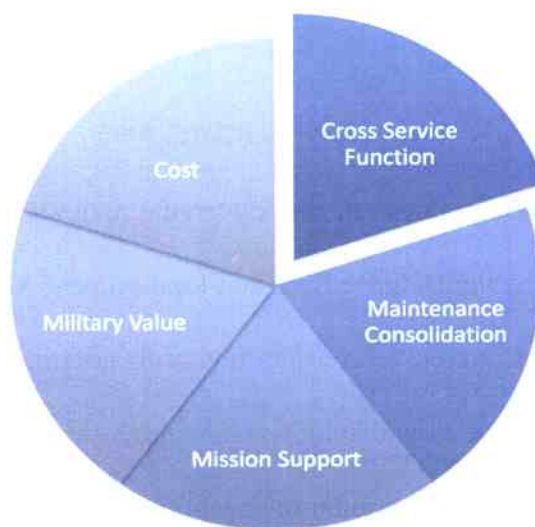


FIGURE 8

Beyond a more budget exercise, the BRAC 1995 Commission's approach included recommendations to reduce the nation's defense infrastructure while simultaneously maintaining opportunities for long-term military readiness. BRAC 1995 also included recommendations from previous BRAC rounds to use certified data that was accurate and complete to overcome concerns about the consistency and reliability. In addition, the Commission focused on improving the Federal government's performance in the area of conversion and reuse of military installations.

Based on previous experience and results, DOD directed the BRAC 1995 Commission to explore opportunities during the recommendation phase for cross-service use of common support services. Common support services areas to be considered were depot maintenance, laboratories, test and evaluation facilities, undergraduate pilot training, and medical treatment facilities. The Commission designated and chartered the Joint Cross Service Group (JCSG) to analyze and assess DOD's potential for shared

services. The JCSG assessed and made recommendations to the service for consideration based on military value, functional value and infrastructure capacity. The services considered the recommendations in whole by implementing and modifying some and declining others because of a unique military value of a base and Service. In general, the JCSG was overall successful.³¹

The JCSG reduced excess capacity and made recommendations for cross-servicing in the future. Additionally, the JCSG identified and determined where joint or collocated functions made functional and economic sense.³² In general, the Commission's process, in conjunction with the eight selection criteria developed by DOD in 1991, remained unchanged. Additionally, the Commission summaries of recommendations were provided in a different format from previous submittals with paragraphs entitled "Secretary of Defense Recommendations," "Secretary of Defense Justification," and "Community Concerns." Besides projected savings recommended by the JCSG, the Services and DLA executed strategies that included closing major depots and/or shipyards. The unique and complex logistical facilities of the Air Force offered significant, additional savings by removing five air logistics centers and consolidating sites for DLA storage activities.

Based on the Commission's review and analysis, the Commission recommended to the President that DOD close or realign 132 bases in the United States. The net savings projected for FY 1996-2001 was approximately \$7.43 billion. The projected net

³¹ U.S. Government Accounting Office, *Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closures and Realignment* GAO/NSIAD-95-133, by Charles A. Bowsher, 6, <http://www.defense.gov/brac/docs/1995gao-2.pdf> (accessed February 1, 2012).

³² U.S. Department of Defense, *Headquarters and Support Activities Joint Cross-Service Group, Summary of Selection Process*, http://www.defense.gov/brac/pdf/pt2_07_hsa.pdf (accessed February 1, 2012).

savings over the next twenty years was approximately \$18.4 billion, with an annual savings of \$1.8 billion once implemented. BRAC 1995 and the four previously approved BRAC programs closed and realigned 70 major bases and several hundred smaller facilities. DOD infrastructure was reduced by approximately twenty-one percent (measured by replacement value). This produced about \$6.0 billion in annual savings with a twenty year projected total savings of \$57 billion.³³

GAO Assessment

GAO noted that during BRAC 1995 DOD improved their cost and savings process. Although the process was generally sound, as DOD underwent substantial downsizing in funding, personnel, and force structure, commensurate infrastructure reductions were not achieved. Despite some progress in reducing excess infrastructure, it was generally recognized that much excess capacity would remain after the 1995 BRAC round. The military components and JCSG concurred with GAO that the BRAC 1995 analysis should have identified more excess capacity than what SECDEF recommended.

GAO identified a number of concerns about the process that needed to be addressed by Congress and the Commission to better facilitate future BRAC rounds. The attempt by DOD to reduce excess capacity by consolidating cross-service depot maintenance functions and laboratory facilities was limited by the service agreements between two or more Services. The Services reduced infrastructure, but gained little through the concept of cross-servicing. GAO noted that the DOD initiative to establish the CSJG was sound and some infrastructure in common support areas like hospitals and

³³ U.S. Government Accounting Office, Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closures and Realignments GAO/NSIAD-95-133, by Charles A. Bowsher, <http://www.defense.gov/brac/docs/1995gao-2.pdf> (accessed February 1, 2012).

training facilities were consolidated. Other similar work opportunities between two or more Services were not realized. GAO described the CSJG focus as being too narrow and lacking the appropriate level of guidance and leadership to execute and garner the savings anticipated by the cross-serving strategy.³⁴

GAO found the Services processes were generally sound, however each had issues. In particular, while the Air Force's process improved, concerns centered on its processes being largely subjective *and not* sufficiently documented. As a result, the insufficient documentation of the Air Force's process caused GAO to question its recommendations resulting in changes to preliminary base closing estimates. Later in the process, as a suggestion by the CSJG, the Air Force relooked at some of its cross-service recommendations and found that the closing costs were much lower. Without input from the CSJG, the Air Force would have missed an opportunity to reduce excess capacity and produce savings.³⁵ In another instance, GAO noted and commented that during the process, the Air Force recognized that it had excess capacity within its five maintenance depots and initially recommend closing two, but decided later to realign the workload and continue to operate all five facilities. This was a result of the Air Force prematurely submitting recommendations based on incomplete data. Ultimately, their recommended inputs were not cost effective and did not solve the problem of excess depot maintenance capacity.³⁶

Regarding the Navy, GAO noted that the Navy did not consistently apply the DOD selection criteria, particularly when recommending exclusion for certain facilities closure or realignment because of the potential economic impact. The exclusion of

³⁴ Ibid., 41.

³⁵ Ibid., 6.

³⁶ Ibid., 51.

certain facilities was based on concern about the loss of civilian positions during the three previous BRAC rounds and its cumulative effect.³⁷

Regarding the Army, GAO noted that the Army did not always adhere to its process to assess and recommend installations in accordance with the DOD selection criterion of military value. For instance, GAO noted that the Army yielded to the major commands and senior Army leadership for recommendations when deciding what facilities were excess and of low military value. Again, when determining the lease facility recommendation, the Army relied on its stationing strategy and its guidance to reduce leases. In another instance, the Army reversed a previous decision made during BRAC 1993 to consolidate all tactical missile maintenance at one location – Letterkenny Army Depot. Then during the BRAC 1995 recommendation process, the Army recommended the workload be split amongst Letterkenny Army Depot, Tobyhanna Army Depot and Anniston Army Depot. The recommendation was counter to the previous recommendation to consolidate like functions and maintenance. GAO concluded that although the Army considered additional facilities for closure and realignment, it ultimately rejected them due to operational and cost considerations.³⁸

GAO Recommendation

GAO concluded that after implementation, DOD's plan to reduce domestic bases by 15 percent or an amount at least equal to the three previous base closure rounds would fall short. Because of the previously mentioned shortcomings – insufficient documentation, unvalidated costing assumptions, and not fully adhering to the approved

³⁷ Ibid., 7.

³⁸ Ibid., 73.

DOD selection criterion – DOD’s 1995 recommended list of base closures and realignments was projected to reduce infrastructure by only 7 percent.³⁹ The SECDEF acknowledged the shortfall and stated that additional BRAC rounds would be required to further reduce excess infrastructure suggesting the need for additional BRAC rounds in 3 to 4 years. As a result the U.S. National Security Strategy addressing challenges posed by international terrorism, the proliferation of weapons of mass destruction, ungoverned areas, rogue states, and non-state actors, the next BRAC round did not happen until 2005.⁴⁰

Both the General Accounting Office and the Congressional Budget Office supported DOD’s view that the four previous BRAC rounds had proved, thus far, to produce a net savings of approximately \$16.7 billion and the successful elimination of approximately 20 percent of DOD’s infrastructure capacity that was identified as excess. “DOD has also reported that the recurring savings beyond 2001 are approximately \$6.6 billion annually.”⁴¹

The final section of this chapter will discuss BRAC 2005 and an emphasis on jointness. Jointness is described as cross section service cooperation in the military process to include research, procurement and execution.

BRAC 2005

In spite of repeated efforts to gain congressional authorization for an additional BRAC rounds, a decade passed before DOD conducted its next BRAC round. Dramatic changes had occurred in the global security environment with an increase of international

³⁹Ibid., 8.

⁴⁰U.S. Department of Defense, *Base Closure and Realignment Report*, Volume 1, May 2005, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed April 22, 2012).

⁴¹U.S. Army, *U.S. Army Base Realignment and Closure Division (BRACD)*, http://www.hqda.army.mil/acsim/brac/faq.htm#PastBRACRounds_q4 (accessed January 19, 2012).

terrorism, proliferation of weapons of mass destruction (WMD), and the rise of non-state actors. DOD reported that previous BRAC rounds in 1989, 1991, 1993, and 1995 had saved billions of dollars on an annual recurring basis and reduced its domestic infrastructure by about 20 percent of its plant replacement value. DOD also reported that hundreds of thousands of unneeded acreage with associated property (plants and facilities) were transferred to other federal and non-federal entities.

During this time, the national security environment in America changed. The military base structures from which forces were organized, trained, equipped, and deployed played an important role in ensuring mission effectiveness and efficiency.⁴² As Dr. Dorothy Robyn, Deputy Under SECDEF (Installation & Environment) stated before the House Appropriations Committee Subcommittee “in order for the military to maintain its preeminence, it must adjust to new and evolving threats. It must be able to adopt the latest technologies, by taking on new missions and eliminating old ones, and by altering the number of troops recruited, trained and positioned around the globe.”⁴³

Past BRAC rounds served as a powerful management tool for DOD to align base structure with force structure. As a means of counterbalancing the complex conditions effecting the national security posture and environment, the SECDEF and Chairman of the Joints Chief of Staff (CJCS), in compliance with the Infrastructure Steering Group (ISG), initiated the process by directing geographic combatant commanders to prepare draft overseas basing plans for their respective areas of responsibility. These draft plans

⁴² U.S. Department of Defense, *Base Closure and Realignment Report*, Volume 1, May 2005, http://www.defense.gov/brac/pdt/Vol_1_Part_1_DOD_BRAC.pdf (accessed April 22, 2012).

⁴³ Dr. Dorothy Robyn, *Statement of Dr. Dorothy Robyn Dep Under SECDEF (I & E) Before the House Appropriations Committee Subcommittee on Military Construction, Veterans Affairs and Related Agencies*, 2, http://appropriations.house.gov/UploadedFiles/03.07.12_-_MilConVA_-_Defense_Installations_and_Environment_-_Dr._Dorothy_Robyn_-_Testimony.pdf (accessed April 26, 2012).

directed by the CJCS were a part of a larger DOD interagency initiative entitled “Integrated Global Presence and Basing Study” (IGPBS). The goal was to assess and determine requirements for long-term overseas force projection and basing needs. In addition to the study determining size, character, and location of long-term overseas forces, it concluded that some forces would return to the United States over a period of years. Unlike previous BRAC rounds, directly addressing overseas basing was not viewed as a means for achieving savings, but was merely a byproduct, or the resultant, of the directed action or activity.⁴⁴

Besides the IGPBS assessment, DOD conducted an analysis in accordance with section 2912, of the BRAC statute 2005, to determine facility inventory and whether its excess capacity warranted another BRAC round. This particular BRAC statute resulted in a comprehensive world-wide inventory of military installations for each military department, with specifications as to the number and type of facilities in the active and reserve forces of each military department.⁴⁵ DOD compared the inventory data for 1989 base loading requirements with the projected 2009 infrastructure requirements. The results indicated that DOD would have an aggregate 24 percent of excess capacity. Neither report included an assessment to determine the criticality nor the relationship between particular characteristics of specific bases and their relative military value. Two and half years of intense work by DOD, the Inspector General, the Service audit agencies and GAO certified and validated the need for discussion to determine if an additional BRAC round was warranted. Based on the preliminary findings, the Secretary certified

⁴⁴Congressional Research Service, U.S. Military Overseas Basing: New Developments and Oversight Issues for Congress, <http://www.fas.org/sgp/crs/natsec/RL33148.pdf> (accessed May 29, 2012).

⁴⁵U.S. Department of Defense, Report on 2005 Defense Base Closure and Realignment Implementation, Volume 1, 2, <http://www.defense.gov/brac/docs/legis05.pdf> (accessed February 4, 2012).

an additional BRAC round on March 23, 2004.⁴⁶ The 2005 BRAC round focused on cost, military value, mission support, maintenance consolidation, cross-service function and jointness (see figure 9).⁴⁷ Seven joint cross-service teams that included the development of options across common business-oriented functions, such as medical services, supply and storage, and administrative activities, compared and evaluated common services. Jointness also encompassed joint war fighting, readiness and training capabilities.

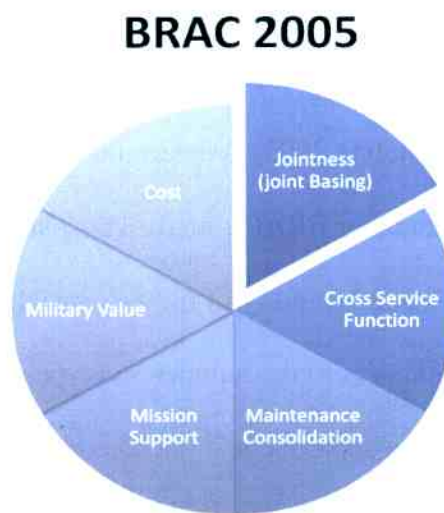


FIGURE 9

By connecting infrastructure requirements to the defense strategy, Congress emphasized the need for BRAC 2005 to eliminate excess physical capacity; the operation, sustainment and recapitalization of which diverts scarce resources from

⁴⁶ U.S. Government Accounting Office, Military Bases: Analysis of DOD's 2005 Process and Recommendations for Closures and Realignments GAO-05-785, by Barry Holman, J., <http://www.gao.gov/products/GAO-05-785> (accessed February 22, 2012).

⁴⁷ U.S. Government Accounting Office, Military Bases Realignments and Closures: Key Factors Contributing to BRAC 2005 Results, GAO-12-513T, by Brian J. Lepore, 6, <http://www.gao.gov/products/GAO-12-513T> (accessed May 29, 2012).

defense capability.⁴⁸ Congress directed two senior groups to oversee and operate the BRAC 2005 process. Their goal was to reconfigure the current infrastructure while maximizing both warfighting capability and efficiency (see FIGURE 10).⁴⁹

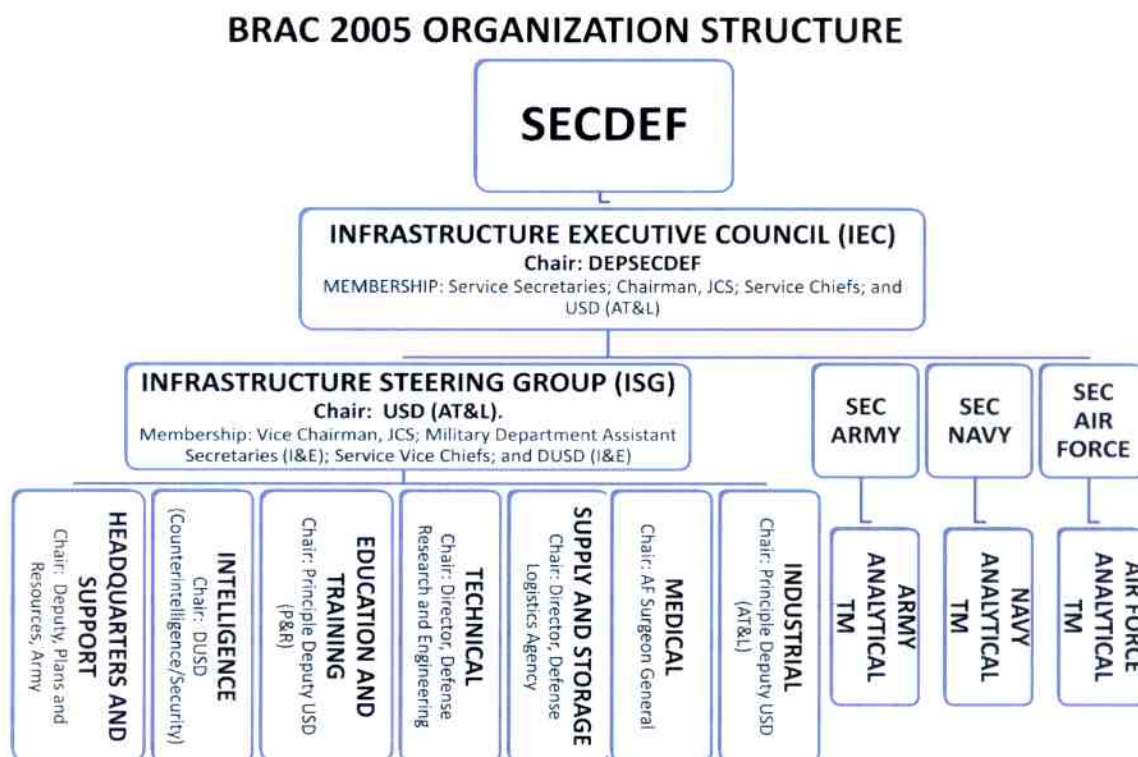


FIGURE 10

The first group, the Infrastructure Executive Council (IEC), chaired by the Deputy Secretary had policymaking and oversight for BRAC.⁵⁰ The second group, Infrastructure Steering Group (ISG), was subordinate to the IEC and oversaw the joint cross-service analysis of common business oriented functions, and ensured the integration of that process with the Military Departments and Defense Agencies. The ISG was chaired by the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD

⁴⁸ U.S. Department of Defense, *Base Closure and Realignment Report*, Volume 1, May 2005, E-1, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed February 11, 2012).

⁴⁹ Ibid., 14.

⁵⁰ U.S. Army, *U.S. Army Base Realignment and Closure Division (BRACD)*, http://www.hqda.army.mil/acsim/brac/faq.htm#commission_q15 (accessed January 18, 2012).

(ATL&L)) and was responsible for policymaking and oversight of the entire BRAC 2005 process.⁵¹ The ISG retained the authority and responsibility for developing and implementing operational policies and guidance necessary to conduct the BRAC 2005 analysis.

BRAC 2005 was the fifth evolution of the most recent series of BRAC efforts. The BRAC 2005 process; however, differed in a number ways from procedures established by previous rounds and offered opportunity for more savings due to excess capacity and facilities that exceeded the approved force structure. The primary changes reflected congressional legislative requirements and alterations to DOD analytical process designed to capture a more cohesive and comprehensive overview of the DOD's infrastructure inventory. The following list summarizes legislature changes:

- (1) The SECDEF was required to provide a detailed report with justification documents regarding the need for an additional BRAC round.
- (2) The force structure plan would be based on a 20-year threat assessment as opposed to the 6-year threat assessment required during earlier BRAC rounds.
- (3) Authority to proceed during BRAC 2005 was contingent upon SECDEF's certification that additional BRAC implementation was required and that an annual net savings would be made for each of the Military Departments not later than 2011.
- (4) Military value and other selection criteria had to be addressed as opposed to the past execution when military value was the primary consideration as a matter of policy.
- (5) A ninth member was added to the Commission.
- (6) The Commission could add an installation to the SECDEF list of recommended closures only if: seven of the nine members agreed; at least two Commissioners had to visit the installation; and SECDEF has fifteen

⁵¹ U.S. Department of Defense, *Base Closure and Realignment Report, Volume 1*, May 2005, E-1, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed February 11, 2012).

days to respond to as why it did not originally include the installation as a recommendation.

(7) The Commission was required to invite the SECDEF to testify in both open and closed hearings if the Commission proposed changes to the SECDEF recommendations.

(8) Key dates were adjusted for nominating members to the Defense BRAC Commission.

(9) DOD authorized no-cost conveyance regarding implementation and reuse of an installation, but directed to seek fair market value, as determined by the SECDEF (reduction up to 100 percent of fair market value).

(10) The SECDEF could authorize closure through privatization when recommended by the Commission and when it would be the most cost-effective method of implementation.

In addition to the legislative changes, BRAC 2005 was the first BRAC round focused on military force transformation and infrastructure reduction. It was also the only stand-alone BRAC round authorized by Congress as opposed to the SECDEF and was the only round to form part of a worldwide defense infrastructure review. Finally, BRAC 2005 was the first BRAC to impact the National Guard significantly.

Excess infrastructure was defined as fragmented, underused, or unused infrastructure that generated unwarranted and additional operational maintenance cost. BRAC 2005 was designed to be an opportunity to garner savings by consolidating and sharing like functions, services and facilities, creating jointness and joint capabilities as opposed to just basic cost cutting. DOD concluded that selecting the appropriate organizations from two or more Services to share facilities in the right location could significantly improve combat effectiveness and reduce overall operating costs. The intended result was a capable and powerful military properly aligned and based. Thus

recognizing joint opportunities to achieve efficiency among activities was a key goal during the execution of BRAC 2005.

Additionally, and in support of the DOD's long-term strategic capabilities, the SECDEF initiated the BRAC 2005 process to rationalize DOD's base infrastructure within the United States.⁵² The process was designed to be objective, open, and fair and measured against eight criteria that were previously subjected to both congressional review and public comment. The BRAC 2005 strategic focus was to strengthen national security by aligning U.S. base structure with the force structure needed over the next two decades. The SECDEF's initial BRAC planning guidance focused on five key goals: (1) transform the current and future force and its support systems to meet new threats; (2) eliminate excess physical capacity; (3) rationalize the base infrastructure with the new defense strategy; (4) maximize both warfighting capability and efficiency; and (5) examine opportunities for joint activities.

In addition, the SECDEF recommended the following themes in relation to the long-term strategic U.S. goals:

(1) *Support force transformation.* Through technology enhancements and capabilities restructuring, transform and align units returning from overseas into required and capable training infrastructure. Develop capabilities—based Active and Reserve Army components by combing support functions.

(2) *Rebase forces to address new threat, strategy, and force protection concerns.* To increase combat power, enhance security, and promote efficiency, consider placing dispersed forces and activities within the U.S. on more secure, military controlled sites. Through consolidation and rebasing of forces and services, a significant savings could be generated and realized.

⁵² Ibid., 3, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed February 4, 2012).

(3) *Consolidate business-oriented support functions.* In order to capitalize on proven state-of-the-art business technologies and practices, consolidate supply, maintenance, medical functions, and technical facilities, including research and development laboratories to encourage better-focused investment strategies.

(4) *Promote joint and Multi-Service basing.* Create and establish a joint training environment for key administrative functions and selected training missions to include initial pilot training for the new Joint Strike Fighter.

(5) *Achieve savings.* The savings from restructuring support functions, reducing the number of support personnel and disposing of unneeded land and facilities will almost equal the total savings of all previous BRAC rounds. Restructuring support functions will generate unprecedented savings. The savings from the reduction of support personnel and disposal of land and facilities are less predictable. DOD projected that BRAC 2005 one-time cost to the total net present value, will realize two dollars in savings for every dollar in BRAC costs.⁵³

In addition to the recommended long-term strategic themes, the SECDEF recommended seven overarching guiding principles for BRAC to lead the analytical process and assist during the development of scenarios during the recommendation and selection phase:

(1) *Recruit and Train.* DOD must attract, develop, and retain active, reserve, civilian, and contractor personnel. Recruits must be highly skilled, educated and have access to effective, diverse, and supportable training facilities with current, expandable and joint interoperability to support advances in technology, doctrine and tactics.

(2) *Quality of Life.* DOD must provide a quality of life with appropriate living standards for service members, Civilians and Family members with quality workplace that supports recruitment, learning, and training that enhances retention.

(3) *Organize.* In order for DOD to meet and match the demands of the National Military Strategy, its force structure must be organized, equipped, and properly based. In an addition to proper basing, DOD forces require proper alignment of headquarters with other DOD

⁵³ Ibid., 4, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed February 6, 2012).

organizations to achieve effectiveness, efficiencies and opportunities for joint basing.

(4) *Equip*. DOD needs to retain, or make available evaluation capabilities within the private sector to capture research, development, acquisition, test and evaluation capabilities. By effectively and efficiently developing and placing superior technology in the hands of the warfighter and through knowledge-enabled and net-centric warfare, current and future threats are identified and addressed.

(5) *Supply, Service, and Maintain*. DOD must be integrated and responsive to operational forces, in order to demonstrate the ability to provide support in an agile and responsive global national industrial basing environment. Access to logistical and industrial infrastructure capabilities is critical.

(6) *Deploy & Employ (Operational)*. DOD must be supportive of power projection, rapid deployment, and expeditionary force requirements with reach-back capability; sustain the capability to mobilize and surge; and to ensure strategic redundancy, it must secure installations that are optimally located for mission accomplishment.

(7) *Intelligence*. DOD must be able to provide predictive analyses, warning of impending crises, persistent surveillance of our most critical targets, and achieve horizontal integration of networks and databases. It must provide the needed intelligence capabilities to support the National Military Strategy.⁵⁴

In addition to the SECDEF's recommended themes and principles for BRAC 2005, the Chairman of the Joint Chief of Staff recommended an additional five objectives. The five objectives were: (1) better integrate active and reserve units; (2) position and organize forces to be able to act around the globe; (3) make the military more flexible and agile; (4) improve cooperation between military service branches while training and fighting; and (5) convert unneeded capacity into warfighting capability. Philip W. Grone, who was Deputy Under Secretary for Defense, Installations & Environment at that time stated:

⁵⁴ Ibid., 19, http://www.defense.gov/brac/pdf/Vol_1_Part_1_DOD_BRAC.pdf (accessed February 7, 2012).

As the nation's security challenges become more complex, our military must become an increasingly agile and joint force dominant across the full spectrum of operations. Installations are a critical component of capability and with the ongoing global repositioning of forces; they must continue to provide focused capabilities to generate the required combat power.⁵⁵

In addition to the SECDEF's recommendation for realigning the base structure to meet post-Cold War force structure, the SECDEF challenged the respective Services to reconfigure current infrastructure into one in which operational capacity maximized both warfighting capability and efficiency. Additionally, the SECDEF challenged the Services to look beyond its internal service boundaries for opportunity for greater joint activity. The SECDEF noted that while unique functions may have existed, he insisted there were functions common across the Services. These functions were analyzed by categories. Category one activities, common business-oriented support functions, were analyzed by a joint cross-service that which reported their results through the ISG to the IEC. The second category, service unique functions, was analyzed by the Military Departments who reported their results directly to the IEC. The base structure and force structure realignment set the conditions for DOD to establish global force repositioning through transformation of U.S. forces to meet the challenges of the 21st Century. Besides the two categories, DOD developed and adopted a Business Plan process that provided an added benefit. It not only ensured a more efficient plan, but also created conditions in which potentially problematic issues could be identified and resolved prior to implementation.

⁵⁵ Philip W. Grone (DUSD Installations & Environment), "2007 Defense Installations Strategic Plan," p. 4-5, available from http://www.acq.osd.mil/ie/download/DISP2007_final.pdf (accessed April 26, 2012).

This was of particular importance where Commission recommendations resulted in new methods of operation such as with "Joint Basing."⁵⁶

GAO Assessment

GAO's objectives for assessing BRAC 2005 were to (1) determine if DOD's proposals achieved its stated BRAC goals, (2) confirm DOD's process for developing recommendations were logical and reasoned, and (3) identify issues with accompanying recommendations. Because of time constraints, GAO's ability to examine the implementation details fully was limited.⁵⁷

DOD had varying success in achieving its BRAC 2005 goals of reducing excess infrastructure, advancing transformation, and promoting jointness. DOD's BRAC 2005 number of recommendations exceeded all prior rounds combined, with many of the proposals focused on reserve bases as opposed to the closing of active bases. Although this was the largest BRAC round with equally large projected savings, most of the savings would result from 10 percent of the recommendations. The estimated overall upfront cost was \$24 billion with a limitation associated with a projected savings of \$50 billion over a 20-year period. The majority of the projected savings did not come from eliminating infrastructure, but were associated with eliminating jobs currently held by military personnel. The plan appeared to achieve savings through reducing endstrength

⁵⁶ Dr. Dorothy Robyn, *Statement of Dr. Dorothy Robyn Dep Under SECDEF (I & E) Before the House Appropriations Committee Subcommittee on Military Construction, Veterans Affairs and Related Agencies*, 2, http://appropriations.house.gov/UploadedFiles/03.07.12_-_MilConVA_-_Defense_Installations_and_Environment_-_Dr._Dorothy_Robyn_-_Testimony.pdf (accessed April 26, 2012).

⁵⁷ U.S. Government Accounting Office, *Military Bases: Analysis of DOD's 2005 Process and Recommendations for Closures and Realignments* GAO-05-785, by Barry Holman, 1, <http://www.gao.gov/products/GAO-05-785> (accessed February 22, 2012).

levels, but DOD's plan entailed reassigning positions to other areas, which may enhance capabilities but also limited dollar savings available for other uses.⁵⁸

Some recommendations represented attempts to foster jointness and transformation, for example, establishing joint training for the Joint Strike Fighter. Progress was limited because of a lack of understanding and agreement on various transformation options. DOD developed 77 draft transformational options to constitute a minimum analytical framework for both groups to utilize throughout the selection process. The draft options were never formally approved, because of disagreements and lack of acceptance by the Services and OSD. Although not approved, the analytical teams considered these options throughout the BRAC recommendation selection process. The determination criteria for final recommendation to the SECDEF was a consolidated and comprehensive infrastructure analysis that examined a wide range of options for stationing and supporting forces and functions, rather than just reducing capacity. Both the Military Departments and the joint cross-service analytical teams reviewed and endorsed recommendations submitted from the IEC. Both the Military Department and joint cross-service analytical teams could consider additional options, but could not modify or dismiss without approval from the IEC.

In addition, many of the decisions reflected consolidations within, rather than across the Services. DOD's process for conducting its analysis was logical, well-documented and placed strong emphasis on data, which was appropriately tempered by military judgment. The military Services and seven joint cross-service groups focused on common business-oriented functions and analytical approaches for respective areas. The

⁵⁸ Ibid., I, <http://www.gao.gov/products/GAO-05-785> (accessed February 23, 2012).

DOD Inspector General and service audit agencies enhanced the data accuracy by requiring certified data inputs and then checking the process. Because DOD recommended an unprecedented 837 closure and realignment actions across the country, binned into 222 individual recommendations, GAO focused more on evaluating major cross-cutting issues as opposed to individual recommendations.⁵⁹

GAO identified implementation or operational issues that warranted further attention by the Commission. In some instances, closure or realignment action that was acknowledged by both the Service and joint cross-service group as having a potential for significant savings was later either deleted or substantially revised by senior DOD leadership during the latter phases of the selection process. Others applied to assumptions and inconsistencies in developing certain cost savings estimates, lengthy payback periods, or potential impacts on affected communities.⁶⁰

GAO Recommendation

The GAO recommended that the SECDEF take appropriate steps to establish a means for tracking and updating savings estimates concerning individual recommendations. They also recommended DOD place emphasis on savings related to the more traditional realignment and closure actions as opposed to the newly adopted business process reengineering.

DOD concurred with GAO's recommendation and subsequently issued guidance on BRAC 2005 Implementation Planning to the Secretaries of the Military Departments and others in September and October of 2005. "Unlike in prior BRAC

⁵⁹ Ibid., 1.

⁶⁰ Ibid.

rounds, that guidance required the Military Departments to submit business plans that addressed the implementation of each BRAC 2005 recommendation for which they had responsibility, to OSD in its BRAC oversight role.”⁶¹ These plans included updated cost and savings estimates with updates every six months submitted to OSD.

⁶¹ Ibid.

CHAPTER 3: JOINT BASING INITIATIVE

In March of 2004, SECDEF Rumsfeld certified DOD's report submitted to Congress acknowledging the need for the closure or realignment of additional military installations and that an additional BRAC round would create annual net savings for each of the military departments.¹ As stated earlier, the 2005 BRAC Act called for reducing excess infrastructure, advancing transformation, and promoting jointness. To obtain these goals, the act called for a new generation of multi-mission and multiservice bases. Transformation both within individual services and among services through joint initiatives was critical to supporting the national security strategy. During an interview in 2005, Raymond DuBois, Deputy Undersecretary of Defense for Installations and Environment, said that BRAC 2005 was much bigger than simply saving money. "If we were to approach BRAC from simply a basing or an infrastructure-footprint-real property assessment point of view, it would be simplistic and ineffective. We must approach BRAC from a warfighting, mission-oriented point of view."²

In order to execute BRAC 2005 and as mentioned in the previous chapter, the SECDEF organized two senior groups to oversee and operate the BRAC 2005 process. The Infrastructure Executive Council (IEC), chaired by the DUSD, was the policy maker and oversight body for the entire BRAC 2005 process. The subordinate Infrastructure Steering Group (ISG), chaired by the USD (AT&L) oversaw joint cross-service analysis of common business oriented functions and ensures the integration of that process with

¹ U.S. Department of Defense, *Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2003*, 3, http://www.defense.gov/brac/docs/04_01_body032403.pdf (accessed February 26, 2012).

² Government Executive, "Next Base-Closing Round will aim to Create Joint Facilities," 1, <http://www.govexec.com/defense/2002/11/next-base-closing-round-will-aim-to-create-joint-facilities/12965/> (accessed February 25, 2012).

the Military Departments and Defense Agency. As a means to achieving greater joint activity and to build upon prior BRAC analysis that considered functions on a service-by-service basis, BRAC 2005 analyzed functions and common services across the services on a joint basis. The Military Departments executed their duties with relatively little change in relation to previous BRAC rounds. However, the joint cross-service team, being newly organized as result of anticipated savings for jointness, offered something completely different from previous BRAC rounds.

There was a joint cross-service group for each of the following seven functions (depicted in FIGURE 10): Education and Training (E&T), Headquarters and Support Activities (H&SA), Industrial Activities (IND), Intelligence (INTEL), Medical Support (MED) Supply and Storage (S&S), and Technical (TECH). Each function had a chairman empowered to formulate their own recommendations for SECDEF review. In this round of BRAC, the joint cross-service groups had established a greater breadth of execution than BRAC 1995. As an example, Philip Grone, Deputy Undersecretary of Defense for Installations and Environment said, "So rather than looking at, as we did in 1995, depot maintenance in this round of BRAC, we're looking at all of the industrial activities of the department on a joint basis."³

BRAC 2005 consisted of over 1,200 alternatives and after an exhaustive examination, the SECDEF forwarded 222 recommendations to the BRAC Commission for its review. In one key initiative, the Headquarters and Support Activities Joint Cross Service Group developed BRAC recommendation #146 calling for consolidating 26 separate components military installations into 12 Joint Bases in order to reduce

³ U.S. Department of Defense, News, *Grone: BRAC 2005 Important for Many Reasons*, by Samantha L. Quigley, 1, <http://www.defense.gov/News/NewsArticle.aspx?ID=31444> (accessed February 9, 2012).

installations support cost while simultaneously improving services to the military.⁴ The joint basing initiative was an opportunity to create the conditions for more consistent and effective delivery of installation support. Joint basing entailed the consolidation of two or more installations of different Services into one base that share a common boundary or are close to each other. Once services were consolidated to one base, the support functions were combined and operated by a single Service. This suggested an opportunity to harvest savings by consolidating and sharing like functions, services and facilities, creating jointness and capabilities as opposed to a simple cost-cutting exercise.

The DEPSECDEF, Gordon England, signed the Joint Basing Initial and Implementation Guidance (JBIG) on 22 January 2008 authorizing the two phased approach. Phase 1 identified five Joint Bases that would reach initial operational capability (IOC) on 31 January 2009 and full operational capability (FOC) on 1 October 2009. Phase 2 identified seven Joint Bases that would reach IOC on 31 January 2010 and FOC on 1 October 2010.

The following table depicts the Joint Basing evolution. The first column identifies the installations prior to joint base consolidation. The second column represents joint basing consolidation and the final column represents the lead Service responsible for providing installation support for the entire joint base (depicted in Table 1). Figure 11 identifies the actual locations of the joint bases.

⁴Wayne Army, Deputy Under Secretary of Defense, *Statement before the Subcommittee on Military Construction, Veteran Affairs and Related Agencies of the House Appropriations Committee*, 1, April 2009, http://www.acq.osd.mil/ie/download/army_042209.pdf (accessed March 1, 2012).

JOINT BASING BRAC 2005		
<u>INSTALLATIONS</u>	<u>JOINT BASE</u>	<u>LEAD</u>
Fort Lewis/McChord AFB	Joint Base Lewis-McChord	ARMY
Fort Myer/Henderson Hall	Joint Base Myer – Henderson Hall	ARMY
Anacostia Annex/Bolling AFB	Joint Base Anacostia-Bolling	NAVY
NAB Little Creek-Story	Joint Base Little Creek-Story	NAVY
NS Pearl Harbor/Hickam AFB	Joint Base Pearl Harbor-Hickam	NAVY
Navy Base Guam/Andersen AFB	Joint Region Marianas	NAVY
Andrews AFB/NAF Washington	Joint Base Andrews – Naval Air Facility Washington	AIR FORCE
NWS Charleston	Joint Base Charleston	AIR FORCE
Elmendorf AFB/Fort Richardson	Joint Base Elmendorf – Richardson	AIR FORCE
McGuire AFB/NAES Lakehurst	Joint Base McGuire – Dix – Lakehurst	AIR FORCE
Lackland AFB/Randolph AFB	Joint Base Lackland - Sam Houston - Randolph	AIR FORCE

TABLE 1

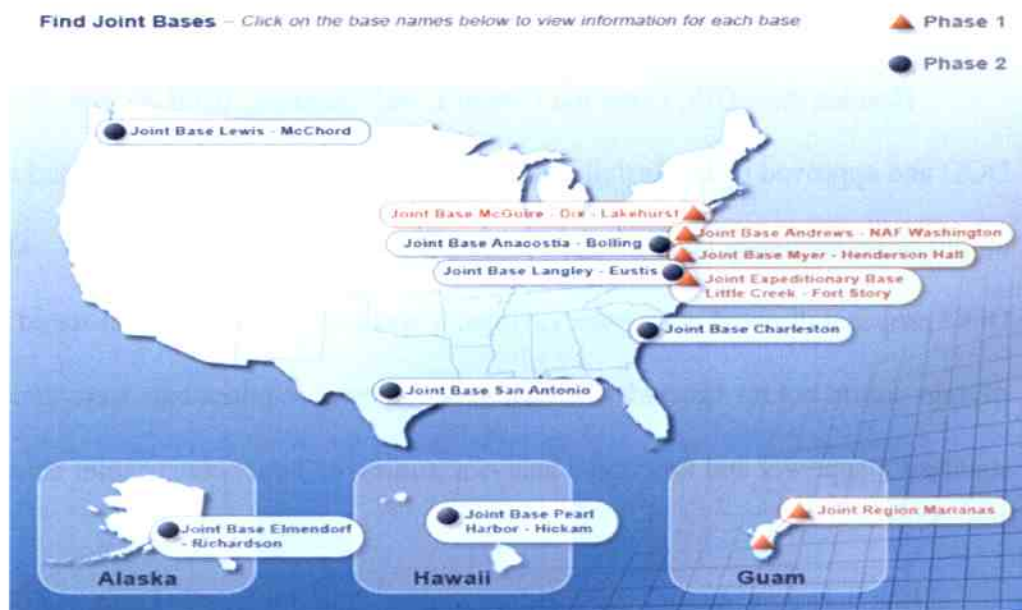


FIGURE 11

The Services expressed concern that when controls of its operating and support functions for their installation were transferred to another Service, fearing an impact to primary mission readiness. In particular, they were concerned that a decision would be made that would inadvertently reduce support and quality of service. There was also concern that the various Service cultures and emphasis on mission tasks would negatively impact quality of life and family support programs. The expected resultant was the establishment of a DOD-wide framework for programming, delivery, and assessment of all aspects of installation support to be known as Common Delivery of Installation Support (CDIS).⁵ The Joint Basing Initiative Guidance (JBIG) regulated this disparity by providing detailed installation support function definitions, requirements, frameworks, duties and responsibilities among the Joint Base participating organizations. The CDIS purpose was to provide acquisition, management, resourcing and delivery of installation support with the best available business practices and operational risk management. In addition, DOD directed CDIS to provide consistent high standards in support of the warfighter mission by the most effective and efficient means available.

Besides the CDIS, Common Output Level Standards (COLS) were developed by DOD and approved by the Installation Capabilities Council. These provided a common output or performance level for each expected level of installation support. Although the DOD proposal directed manpower savings, it was the Commission that stated manpower savings would not be directed. Instead, the manpower requirements were derived from standard manpower and functional analysis studies, and cooperative joint determinations

⁵ John H. Pearson, Aundre Piggee, Richard Kitchens, *Joint Basing: The Future of Military Basing or a Failed Experiment?* 11, file:///A:/fscs7001/SC/HOOLES/CAPAPERS/JCWS_08-03/Joint_Basing_The_Future_of_Military_Basing_or_a_Failed_Experiment.doc (Accessed March 9, 2012)

between the affected installations.⁶ Efforts are still ongoing. The COLS framework was based on a DOD-wide common framework of definitions, outputs, output performance metrics, and cost drivers. The framework served as a basis for developing COLS for each function of installation support and as well as service-wide capabilities-based planning models for all installation support functions at projected joint bases. As appropriate, COLS were tiered to provide options for managing risk.

The COLS were aligned along 10 Functional Working Groups (FWG), with more than 40 like functional areas and 139 sub-functions. The final product consisted of 267 joint base service-level standards:⁷ The 11 FWGs were:

- (1) Command Support. Safety, public affairs, legal, inspector general, procurement, chaplain, history, financial management
- (2) Community Services. Morale, welfare & recreation, youth programs, family services, lodging operation
- (3) Environmental Services. Compliance, pollution prevention, conservation, restoration
- (4) Facilities. Utilities, pest control, custodial & refuse collection, grounds & pavement maintenance, real property leases, management & engineering
- (5) Fire & Emergency Services. Fire department, emergence response services, readiness (crisis response)
- (6) Housing. Family housing, dormitory management
- (7) Human Resources. Military personnel, management analysis
- (8) Information Technology. IT services
- (9) Logistics. Supply, munitions, laundry, vehicle operations, food services

⁶ Interview with Jane Goldberg, Office of the Secretary of Defense Basing Office, October 14, 2011.

⁷ U.S. Department of Defense, News, *Bases Get New Names in Realignment*, Lisa Daniel 1, <http://www.defense.gov/news/newsarticle.aspx?id=58450> (accessed March 9, 2012).

(10) Operational Mission Services. Airfield operations, small arms & firing ranges

(11) Security Services (military police). Law enforcement, physical security, installation protection⁸

The DEPSECDEF chartered the Joint Management Oversight Structure (JMOS) to have overall responsibility for development, approval and compliance of the Joint Base Memorandum of Agreement (MOA). The JMOS composition included the BRAC 2005 Infrastructure Steering Group (ISG), Installation Capabilities Council (ICC) and Senior Joint Basing Working Group (SJBWG), which was led by the DUSD (I&E). Issues raised from the Joint Base Functional Groups or installations were filtered vertically through the Joint Base Partnership Council (JBPC), Intermediate Command Summit (ICS), and Senior Installation Management Group (SIMG) to the ICC.⁹ The purpose of the MOA was to provide an equitable basis for conflict resolutions and resource allocation between the Components at a Joint Base. It was expected that the Joint Basing Initiative would provide both common standards and the opportunity for the Services to

⁸ Air Education and Training Command. *What is Joint Basing?*, 1, <http://www.aetc.af.mil/library/jointbasing/index.asp> (accessed March 9, 2012).

⁹ U.S. Department of Defense. Defense Procurement eBusiness Conference, Sandra Ross, February 2010: 4, <http://www.ebizprocurement.com/eBiz/TX2010-Presentations/2-24-1045-Ross.pdf> (accessed March 1, 2012): Joint Management Oversight Structure – Structure established for each Joint Base that is responsible for development, approval and compliance of the Joint Base MOA and provide a basis for equitable conflict resolution and resource allocation between the Components at a Joint Base. ICC & SJBWG – The ICC’s primary role is to oversee development and implementation of DoD Installation Support policy and resolve disputes on Installation Support between DoD components. SIMG – Consist of the senior representatives of the Military Departments Installation Management Organizations. The group reviews Joint Base issues and resolves any questions that are passed from the ICS. Also makes Joint Basing policy recommendations to the ICC. ICS – The summit has representation from the Component installation management echelon immediately above the Joint Base installations; chaired by the supporting Component. JBPC – Chaired by the Joint Base Commander, the council’s primary role is to implement Joint Base guidance. He has the authority and responsibility for effectively using available resources for planning, organizing directing, coordinating and controlling the delivery of Installation Support as detailed in the MOA. JBIWG – The IWG primary role is to detail the process of consolidation for each function for the purpose of developing the optimal organizations.

optimize installation management by developing efficient methods of installation support throughout the DOD.¹⁰

GAO Assessment

Based on a broad definition of joint activity, the GAO determined DOD's recommendations made progress fostering joint activity among the military Services. DOD's definition for joint activity included consolidating some training functions within the same military Services and collocating like organizations and functions on the same installation. The definition also encompassed moving some organizations or functions closer to installations in order to further opportunities for joint training. Overall progress was achieved; however, GAO found other instances where DOD adopted a Service-centric solution even though the joint cross-service groups proposed a joint scenario. For example, a sizeable savings was projected in regards to the initial joint training for the Joint Strike Fighter, but progress varied and many decisions reflected consolidations within, and not across, the military Services.¹¹

GAO's objectives for assessing BRAC 2005 were to (1) determine if DOD's proposals achieved its stated BRAC goals, (2) confirm DOD's process for developing recommendations were logical and reasoned, and (3) identify issues with accompanying recommendations.¹² The assessment also included the Commission's recommendation that the DOD establish 12 joint bases by consolidating the management and support of 26 separate components military installations, potentially saving \$2.3 billion over 20 years.

¹⁰ Office of Deputy Under Secretary of Defense, *Twelve Department of Defense Installations Reach Full Operational Capability in Support of the Joint Basing Program*, 1, http://www.acq.osd.mil/ic/jointbasing_update.shtml (accessed February 29, 2012).

¹¹ U.S. Government Accounting Office, *Military Bases: Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignments*, by Barry W. Holman. GAO-05-785, Government Accounting Office, Washington, D.C., <http://www.gao.gov/products/GAO-05-785> (accessed April 23, 2012).

¹² Ibid.

During the BRAC 2005 inaugural hearing in May of 2005, GAO was asked to address: (1) the status of implementing recommendations from previous BRAC rounds, (2) DOD's expectations for the 2005 BRAC round, and (3) the analytical framework for the 2005 BRAC round.¹³

DOD indicated and GAO generally agreed that recommendations from the previous BRAC rounds were implemented within the required six-year period and acknowledged that property transfers may take longer. The results estimated a reduction in infrastructure by 20 percent, which would have freed up about 90 percent of the unneeded BRAC property available for reuse. It was also noted that most of the surrounding communities impacted by BRAC 2005 were faring well compared with average U.S. rates for unemployment and income growth. BRAC 2005 was executed as previous rounds with the normal emphasis on eliminating unneeded infrastructure and achieving cost savings. However, BRAC 2005 differed slightly from previous rounds with an additional emphasis on reducing the U.S. footprint overseas and efforts to further joint basing among the military services.¹⁴

DOD began sending out a series of joint base implementation guidance in January 2008 to establish common joint basing definitions and standards for installation support. The guidance included support areas for airfield operations, grounds maintenance, custodial services, and child and youth programs. There were a total of 47 support areas and 267 standards defining the expected level of service for each specific support area. DOD officials declared that the standards represented the service levels

¹³ U.S. Government Accounting Office, Military Base Closure: Observation on Prior and Current BRAC Rounds, by Barry W. Holman, GAO-05-614, Government Accounting Office, Washington, D.C., <http://www.gao.gov/products/GAO-05-614> (accessed March 11, 2012).

¹⁴ Ibid.

needed to meet mission and personnel requirements in accordance with DOD policies and guidance, commercial standards, other federal agency guidance, and military judgment.¹⁵

GAO noted that although DOD made significant effort to ensure installation support was delivered to the planned joint bases, the 2005 Defense Base Closure and Realignment Commission had forecasted that cost would increase above the cost of support provided by the separate installations before consolidation. There were two primary reasons why this cost was expected to increase. The primary reason for the anticipated cost increase was DOD requiring the joint bases to deliver installation support in accordance with the new COLS. At many installations, the Base Operations Services (BOS) had not adequately funded installation support to meet DOD standards. Additional cost would be incurred getting the Services to meet standards. The COLS required all Services and the joint bases to receive the same level and quality of service. During a visit to nine joint bases, GAO's comparison of 40 selected standards to the service levels currently provided indicated that on average service levels would have to increase to meet the standards in about 27 percent of the areas compared.¹⁶

Secondly, GAO noted that the loss of service institutional knowledge would have an immediate impact depending on how the Services' approached implementing joint basing. As a result, both additional administrative costs and the loss of some existing installation support efficiencies would hamper the realization for instant expected cost savings. This was expected to improve over time as indicated by GAO 09-336 statement

¹⁵ U.S. Government Accounting Office, Defense Infrastructure, DOD Needs to Periodically Review Support Standards and Costs at Joint Bases and Better Inform Congress of Facility Sustainment Funding Uses, by Brian J. Lepore. GAO-09-336, Government Accounting Office. Washington, D.C., <http://www.gao.gov/products/GAO-09-336> (accessed March 10, 2012).

¹⁶ Ibid.

from 30 March 2009: “Although DOD officials stated that the increased support costs at the joint bases might be at least partially offset over time as experience is gained and new efficiencies are identified and adopted, it is unclear whether joint basing will result in actual savings.”¹⁷

GAO Recommendation

Because most of the savings were reductions in military and civilian manpower as opposed to infrastructure reductions, GAO recommended that the DOD focus on tracking and periodically updating savings. GAO believed savings could be achieved from DOD’s proposals, but certain limitations associated with the magnitude of the savings projected by DOD were associated with eliminating jobs currently held by military personnel. Unfortunately, rather than reducing end-strength, spaces were reassigned to enhance capability; and this eliminated potential savings.¹⁸

GAO stated that in order for DOD to realize its ultimate savings, they should include (1) transition planning to minimize the adverse impacts on operations and potential loss of specialized human capital skills; (2) mechanisms to monitor implementation of approved recommendations and anticipated savings; (3) plans to adequately fund environmental restoration to expedite property; and (4) assistance to losing and gaining communities, and other federal agency communities affected by BRAC recommendations. Some proposed actions represented jointness, but efforts varied and many recommendations tended to foster jointness by consolidating functions within rather than across military Services.

¹⁷ Ibid.

¹⁸ U.S. Government Accounting Office, Military Bases: Observations on DOD’s 2005 Base Realignment and Closure Selection Process and Recommendations, by David Walker, I, GAO-05-905, Government Accounting Office, Washington, D.C., <http://www.gao.gov/products/GAO-05-905>, (accessed March 14, 2012).

CONCLUSION

The U. S. is at a strategic turning point after a decade of war and will transition to a smaller and leaner, but agile, flexible, ready and technological advanced joint force.

-PRESIDENT BARACK OBAMA, National Defense Strategy, MAY 2010

In conclusion and as stated earlier, the question is if the BRAC process is really saving taxpayer dollars or misleading the American public into thinking that at the end of the day, reduced infrastructure equals savings? The intent of the BRAC process is to reorganize DOD's base structure to more efficiently and effectively support U. S. forces, increase operational readiness and facilitate new ways of doing business. This is a foundational concept that supports our national interest and security. The Base Realignment and Closure process is nested with the U. S. National Security Strategy by ensuring defense installations and facilities are in the right place, at the right time, with the right qualities and capacities in order to support the national security. BRAC focuses on the Military pillar and notes that if the foundation is not sound, then the foundation as a whole is not sound (see Figure 12).

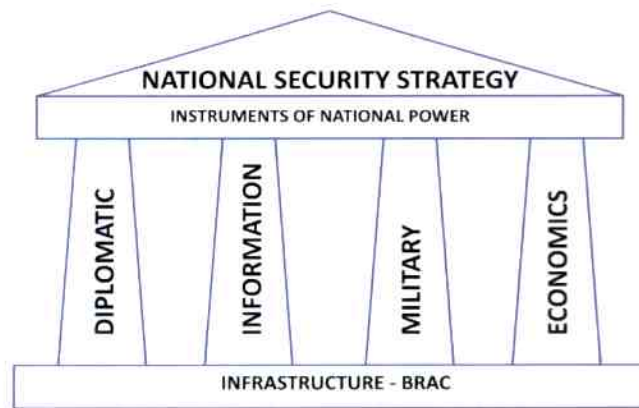


FIGURE 12

The process also allows DOD to divest of unnecessary installation infrastructure and reinvest the savings into programs that enhance security capabilities and quality of life for military forces.¹ DOD indicates, and GAO concurs, that recommendations from the previous BRAC rounds were implemented within the required six-year period, resulting in estimated reduction in infrastructure by 20 percent, making about 90 percent of the unneeded BRAC property available for reuse. Substantial net savings of approximately \$29 billion have been realized.² As BRAC progressed, each round added an additional level of complexity that was impacted by a declining budget (see Figure 13).

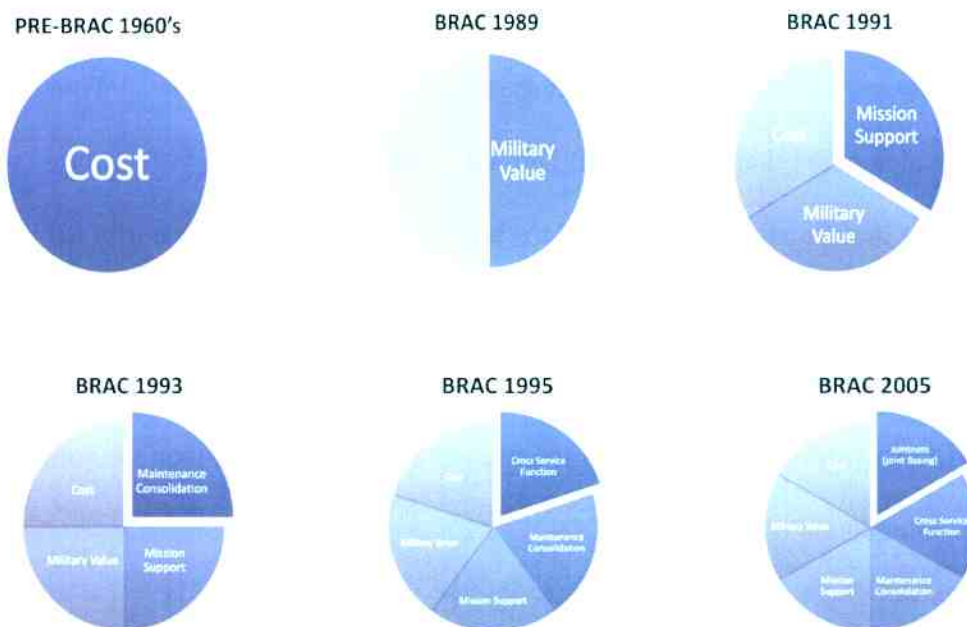


FIGURE 13

¹U.S. Department of Defense, *BRAC: Base Realignment and Closure 2005*, <http://www.defense.gov/brac/faqs001.html> (accessed April 26, 2012).

²U.S. Government Accounting Office, *Military Base Closure: Observation on Prior and Current BRAC Rounds*, by Barry W. Holman, GAO-05-614, Government Accounting Office, Washington, D.C., <http://www.gao.gov/products/GAO-05-614> (accessed March 11, 2012).

Although the BRAC process saved taxpayers money, below are major points that are worth restating.

In Chapter One, the motivation for BRAC was a result of actions taken by SECDEF McNamara during the 1960s and the perceived method in which he developed the selection criteria. Under direction of President Kennedy, SECDEF McNamara developed selection criteria within Office of the Secretary of Defense (OSD), with minimal consultation with the Military Services or the Congress.³ The Congress had not anticipated the broad extent of these actions. With very few exceptions, the Congress viewed the closure actions negatively. In response, Congress passed legislation to ensure they would be included in future DOD base-closure programs. Twenty years passed between the SECDEF McNamara era and when Congress could agree on an approach and criteria for the execution of BRAC. It was during President Reagan's Administration that the President's Private Sector Survey on Cost Control (The Grace Commission) report found that savings could be made in the base structure and recommended that a non-partisan, independent Commission be established to study the base-closure issue in a less constrained process and submit a list of closures.

Chapter Two concluded that the general execution of all previous BRAC rounds were successful, but certain discrepancies and errors warranted additional attention. Although BRAC 1989 focused on military value and mission support, noted discrepancies and errors were a result of utilizing old data, double counting square footage for some facilities and inaccurately reporting acreage that resulted in overstating savings estimates. GAO concluded that with a lack of an effective management control

³ U.S. Department of Defense, *Base Realignments and Closures, Report of the Defense Secretary's Commission, December 1988*, 7, <http://www.defense.gov/brac/docs/1988.pdf> (accessed March 20, 2012).

procedures and a tight time constraint, conditions were ripe to establish an environment that would yield data errors and inaccurate estimates.

BRAC 1991 was executed generally in the same manner as BRAC 1989 and focused on military value, mission support and cost. The 1991 round echoed some of the same concerns as BRAC 1989 with insufficient and inaccurate supporting documentation and the lack of an effective management control procedure. Even though the COBRA Model, designed as an analytical tool to calculate the cost, savings, and return on investment, was revised during BRAC 1991, it was not properly used by the Services.

BRAC 1993 focused on military value, mission support, cost and maintenance consolidation. Maintenance consolidation was a benefit and missed opportunity by the Services because of their inability to generate sufficient leadership to overcome Service parochialisms. Additionally, GAO recommended that the SECDEF execute five actions to improve future base closure and realignment recommendations: (1) improve OSD's oversight of the process; (2) establish standards for closure and realignments of similar military service activities; (3) develop a standard for measuring economic impact; (4) improve data documentation and accuracy; and (5) include government wide cost implications of closure and realignment decisions.⁴

BRAC 1995 focused on military value, mission support, cost, maintenance consolidation and the cross-service use of common support services. BRAC 1995 was not as successful as BRAC 1993 in terms of reducing infrastructure and gained little through the concept of cross-servicing. BRAC 1995 was projected to reduce infrastructure by 15 percent, but as result of insufficient documentation, unvalidated

⁴ U.S. Government Accounting Office: Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignments. GAO/NSIAD-93-173, by Charles A. Bowsher. 6. <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 26, 2012).

costing assumptions and not fully adhering to the DOD selection criteria, DOD's 1995 recommended list of base closures and realignments was projected to reduce infrastructure by only 7 percent. Additionally, GAO noted the shortfalls were a result of joint cross-service groups focus being too narrow and lacking the appropriate level of guidance and leadership to execute and garner savings anticipated by the cross-servicing strategy. Because of the shortfall of the DOD goal, the SECDEF suggested the need for additional BRAC rounds in 3 or 4 years. Ten years would pass before the next BRAC.

BRAC 2005 focused on military value, mission support, cost, maintenance consolidation, the cross-service use of common support services and joint basing. This was the largest BRAC round with the projected equally large savings. GAO identified implementation and operational issues that warranted further attention by the Commission. One instance was an action that was acknowledged by both the Services and joint cross-service group as having a potential for significant savings, but was later revised by the senior DOD leadership during the selection process. Others applied to assumptions and inconsistencies in developing certain cost savings estimates, lengthy payback periods, or potential impacts on affected communities.⁵ GAO's final comments related to the SECDEF taking appropriate steps to establish means for tracking and updating savings estimates concerning recommendations.

Chapter Three, Joint Basing Initiative, briefly described the successes achieved during the BRAC 2005 round that made progress fostering joint activity among the military services. Although the Joint Basing Initiative made both economical and

⁵ U.S. Government Accounting Office, Military Bases: Analysis of DOD's 2005 Selection Process and Recommendations for Base Closures and Realignment, by Barry W. Holman. GAO-05-785, Government Accounting Office. Washington, D.C., <http://www.gao.gov/products/GAO-05-785> (accessed February 23, 2012).

functional sense, two primary reasons anticipated an initial cost increase to provide a baseline of services. The primary reason was that the Base Operations Services (BOS) had not previously funded installation support in the amounts needed to meet new standards. The COLS required the Services and joint bases to receive the same level of standard and quality of service. Secondly, GAO noted that the loss of Service institutional knowledge would have an immediate impact depending on how the Services' approached implementing joint basing. As a result, both additional administrative costs and the loss of some existing installation support efficiencies will hamper the realization for near term expected cost savings. Lastly, in some instances DOD migrated to a service-centric solution even though the joint cross-service groups proposed a joint scenario.

In summary, the question becomes: is the BRAC process and execution fully realizing available savings through the process of reducing infrastructure and overhead management cost? The answer is, yes. The BRAC process and execution is realizing available savings through the process of reducing infrastructure and overhead maintenance cost. The importance of an efficient military base structure is imperative and cannot be overstated. The base structure can remain efficient only if the difficult decisions are made to close and realign bases in a timely manner. The Commission has made a number of such decisions. In addition to achieving documented savings, the Commission's recommendations will continue to alleviate some of the problems discussed above, leading to improved mission effectiveness in the future.

Recommendations

To enable the United States to remain relevant and competitive in the year 2030 and beyond, the nation needs to support the National Security and Military Strategies by focusing more on our nation as a whole. Even as the military hones and institutionalizes new and unconventional skills, the United States still has to contend with the security challenges posed by the military forces of other countries and non-state actors creating the need for a sustainable and flexible infrastructure footprint.⁶ Success will be defined by how well we develop and maintain professional, disciplined and multi-purposed capable forces that are able to achieve global awareness, security and dominance within a cost conscience environment that indicates BRAC infrastructure alignment is critical to that success.

In order to achieve a measure of success for future BRAC rounds, the following recommendations are offered for consideration as tools and ideas to extend the opportunity for future savings:

- (1) Include the BRAC strategy in the QDR to become a continuous process that will allow adequate planning, execution and predictability to properly support the alignment of DOD infrastructure assets in support of national security and interest.
- (2) Expand the management control procedures to include steps to establish a means for tracking and updating savings estimates and minimizing data errors in order to maximize anticipated savings from the cross-servicing strategy.
- (3) Refine the modeling for utilizing the COBRA Model analytical tool that will enhance service input into a DOD common framework that captures government wide opportunities and impacts.⁷

⁶ Robert Gates, "A Balanced Strategy: Reprogramming the Pentagon for a New Age," *Foreign Affairs*, New York, January 2009, 3.

⁷ U.S. Government Accounting Office, *Military Bases: Analysis of DOD's Recommendation and Selection Process for Closures and Realignment*, GAO/NSIAD-93-173, by Charles A. Bowsher, 6, <http://www.defense.gov/brac/docs/1993gao.pdf> (accessed January 26, 2012).

- (4) Continue to improve and enhance OSD's oversight of the BRAC process to establish standards for closure and realignments of similar military service activities and not allow for Service centric solutions and recommendations.

Undoubtedly, the cross-Service initiative and joint basing construct allowed an opportunity to expand jointness and will continue to evolve for many years. DOD must continue to create a government wide environment that approaches the BRAC strategy as a normal and routine activity. Continuing to minimize unintentional inter-Service rivalry is critical to garnering future savings. BRAC should not only be considered during times when the national debt is out of balance, but continuously included in the challenges that the nation faces to rebalance DOD's strategies, capabilities, and forces to address today's conflicts and tomorrows threats.⁸

⁸U.S. Department of Defense. Quadrennial Defense Review, Pentagon Official Makes Case for New BRAC Rounds. by Lisa Daniel, <http://www.defense.gov/news/newarticle.aspx?id=67478> (accessed March 1, 2012).

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VITA

COL Michael Dillard was commissioned in the U.S. Army as a Corps of Engineer Officer through ROTC at Hampton University in 1987. He served in a variety of overseas and stateside command and staff positions. COL Dillard deployed to Iraq as a Battalion Commander with the 1st Cavalry Division. Recent assignments include Deputy Director for Operations, HQDA-Assistant Chief of Staff for Installation Management (ACSIM) and Chief of Operations, Office of the Chief of Engineers (OCE). COL Dillard earned a Bachelor of Architecture from Hampton University and holds a Master of Military Arts and Science from the Command & General Staff College (US Army). Following graduation from the Joint Advanced Warfighter School (JAWS), he will be assigned to the Rapid Deployment Corps in Turkey as the Deputy G3.