

GAO

Briefing Report to the Honorable
Mary L. Landrieu, U.S. Senate

July 1998

MILITARY BASES

Transfer of the 458th Operations Group to McGuire Air Force Base



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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-279510

July 28, 1998

The Honorable Mary L. Landrieu
United States Senate

Dear Senator Landrieu:

This report responds to your request for information regarding the transfer of the 458th Operations Group from Barksdale Air Force Base (AFB), Louisiana, to McGuire AFB, New Jersey. Specifically, this report discusses (1) factors that prompted the transfer of this unit and decisions of the 1993 Base Realignment and Closure (BRAC) Commission that affected Barksdale AFB; (2) the estimated costs, savings, and operational benefits of the BRAC decisions affecting Barksdale; and (3) general indicators of economic conditions in the Barksdale (Shreveport-Bossier City, Louisiana) area.

We briefed your staff on the results of our work on May 6, 1998. This report summarizes and updates the information presented at that briefing.

Background

Barksdale AFB was established in 1933 and has served primarily as a Strategic Air Command base and home for bomber aircraft. In 1958, Barksdale received its first B-52 Stratofortresses, and in 1981, KC-10 Extender aerial refuelers were assigned to Barksdale to support B-52 operations. By 1993, the 458th Operations Group at Barksdale had 19 assigned KC-10s.

In the early 1990s, the Air Force restructured its forces to prepare for the post-Cold War environment. As part of this restructuring, the Air Force realigned the Strategic Air Command, the Tactical Air Command, and the Military Airlift Command into the Air Combat Command and the Air Mobility Command.

This restructuring, as well as BRAC 1993 decisions,¹ resulted in the relocation of KC-10 refuelers to the East and West coasts to better support

¹The Congress authorized four rounds of BRACs between 1988 and 1995; the last three rounds were completed under special legislative authority enacted in 1990 (P.L. 101-510). Under this legislation, an independent BRAC Commission reviewed recommendations for closure or realignment submitted by the Secretary of Defense. The Commission either approved or modified the Secretary's recommendations and ultimately forwarded its own recommendations to the President, who in each instance forwarded the Commission's recommendations to the Congress. Each time, the Congress had 45 days in which to enact a joint resolution should it desire to disapprove the recommendations—in each instance the lack of action by the Congress resulted in the recommendations becoming effective.

air mobility requirements. In addition, B-52s from three bases to be closed or realigned were relocated to Barksdale.

Today, as part of the Air Combat Command, 57 B-52 aircraft are assigned to Barksdale. The 8th Air Force, the 2nd Bomb Wing, various support and operations groups, and the only Air Force B-52 Reserve Wing are also headquartered at Barksdale.

Results in Brief

The movement of the 458th Operations Group and its 19 KC-10s from Barksdale to McGuire was a result of restructuring by the Air Force in response to the end of the Cold War and decisions by the 1993 Base Realignment and Closure Commission. At the end of the Cold War, the Air Force's mission changed to include contingency missions such as peacekeeping operations and the ability to respond simultaneously to two major regional conflicts. To better support new requirements, the Air Force created two new commands: the Air Combat Command and the Air Mobility Command. The Air Combat Command was assigned all B-52s. All tanker and cargo aircraft, including KC-10s, were assigned to the Air Mobility Command.

To establish a "global reach" capability, the Air Force and the Department of Defense recommended to the 1993 Commission that a mobility wing be established on the East Coast at Plattsburgh Air Force Base, New York, and on the West Coast at Travis Air Force Base, California. However, the Commission recommended that Plattsburgh be closed and that the East Coast mobility wing be located at McGuire. To support the East Coast mobility wing, the 458th Operations Group and its 19 KC-10 aircraft were reassigned from Barksdale to McGuire.² The Commission also recommended closing Castle Air Force Base, California, and K.I. Sawyer Air Force Base, Michigan, and recommended realigning Griffiss Air Force Base, New York. As a result of these recommendations, 21 B-52 aircraft and the B-52 school were relocated from these bases to Barksdale.

The Commission estimated its recommended closures and realignments would result in net annual recurring savings of \$211 million once implementation costs to close and realign these bases were offset. As of March 31, 1998, the Air Force had obligated \$569 million for one-time implementation costs to close and realign these four bases. In addition, Air Force officials stated that basing the KC-10s on the East Coast has resulted in numerous operational benefits, such as providing quick initial crisis

²The assets of the 458th were assigned to the 305th Operations Group at McGuire AFB.

response to locations around the world, making more efficient use of KC-10s to transport both personnel and equipment, and eliminating approximately 1,400 miles previously required to support operations in Europe.

While the movement of the KC-10s from Barksdale caused concern about the economic impact on the community, indications are that Barksdale continues to provide economic benefits to the Shreveport-Bossier City area. Currently, Barksdale contributes approximately \$447.7 million to the local community. In addition, from 1994 to 1996 total personal income increased 7.6 percent, per capita income increased 7.2 percent, and unemployment decreased by 1 percent.

Agency Comments

We requested comments on a draft of this product from the Secretary of Defense. On July 2, 1998, the Office of the Deputy Assistant Secretary of the Air Force (Installations) responded orally and concurred with the contents of the report.

Scope and Methodology

To develop information about the factors that led to the transfer of the 458th Operations Group from Barksdale to McGuire and the estimated costs, savings, and operational benefits of the BRAC decisions, we interviewed officials from various Air Force BRAC offices and both Barksdale and McGuire. Additionally, we reviewed documents obtained from Air Force officials at Barksdale, McGuire, the Air Mobility Command, and Air Force BRAC offices. We also reviewed documents related to the 1993 BRAC Commission's decisions and historical records related to the Air Force's reorganization.

The Air Force was not able to provide estimated cost information specifically related to the movement of the 19 KC-10s from Barksdale due to (1) changes in the Air Force's accounting codes during the move, (2) unavailability of records due to the age of the BRAC decision, and (3) the BRAC Commission not estimating the costs of moving the KC-10s from Barksdale to McGuire. We obtained estimated budget information for construction projects necessary to accommodate the transfer of B-52s to Barksdale and the transfer of KC-10s to McGuire. We did not independently verify the cost and savings data provided by the Air Force but did obtain documentation relating to and supporting reported figures.

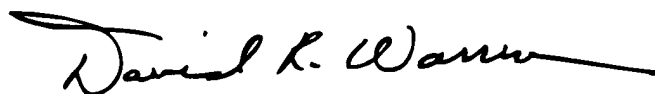
To obtain information regarding current economic conditions in the Shreveport-Bossier City, Louisiana, area, we obtained the most current total personal income and per capita income data from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

We conducted our review between February and June 1998 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the Senate Committee on Armed Services and to the House Committee on National Security; the Secretaries of Defense and the Air Force; and the Director, Office of Management and Budget. We will also make copies available to others upon request.

If you have any questions about this report, please contact me at (202) 512-8412. Major contributors to this report were Barry W. Holman, Associate Director; Ronald L. Berteotti, Assistant Director; Patricia J. Nichol, Evaluator-in-Charge; and Oliver G. Harter, Senior Evaluator.

Sincerely yours,

A handwritten signature in black ink that reads "David R. Warren". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

David R. Warren, Director
Defense Management Issues

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Abbreviations

AFB	Air Force Base
BRAC	Base Realignment and Closure

Air Force Restructuring

GAO Major Restructuring of Air Force 1991-93

- Cold War ends and Air Force changes mission to respond to two major regional conflicts and support peacekeeping operations.
 - Air Force realigns three commands into two.
 - Tanker and cargo aircraft are assigned to Air Mobility Command; combat aircraft assigned to Air Combat Command.
-

The end of the Cold War resulted in changes to mission requirements and ultimately in a major reorganization of the Air Force. In the early 1990s, the Air Force reevaluated its basing strategies and disbanded the old Cold War major commands.

The Air Force's new mission requires the ability to respond to two nearly simultaneous major regional conflicts and other contingency operations such as peacekeeping. To support this new mission, the Strategic Air Command, the Tactical Air Command, and the Military Airlift Command were replaced by two new commands—the Air Combat Command and the Air Mobility Command.

The Air Mobility Command, headquartered at Scott Air Force Base, Illinois, has responsibility for tanker and cargo aircraft, and the Air Combat Command, headquartered at Langley Air Force Base, Virginia, has responsibility for combat aircraft.

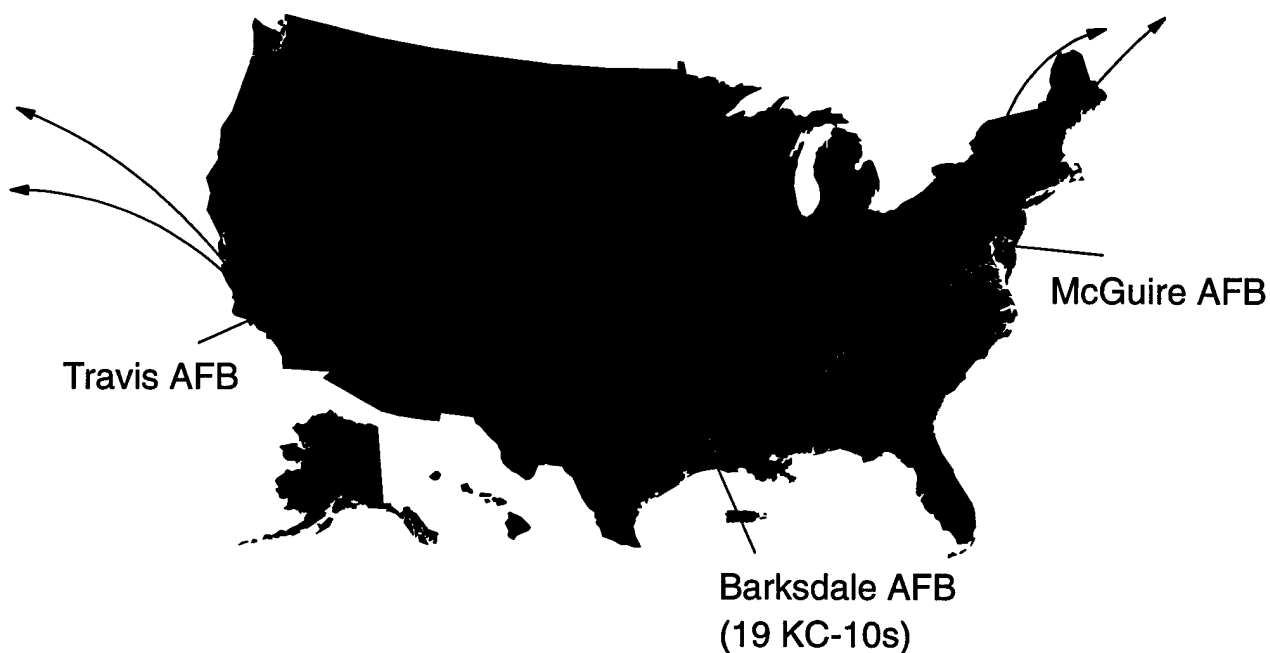
BRAC 1993 Decisions

GAO East and West Coast Mobility Wings Proposed to BRAC 1993 Commission



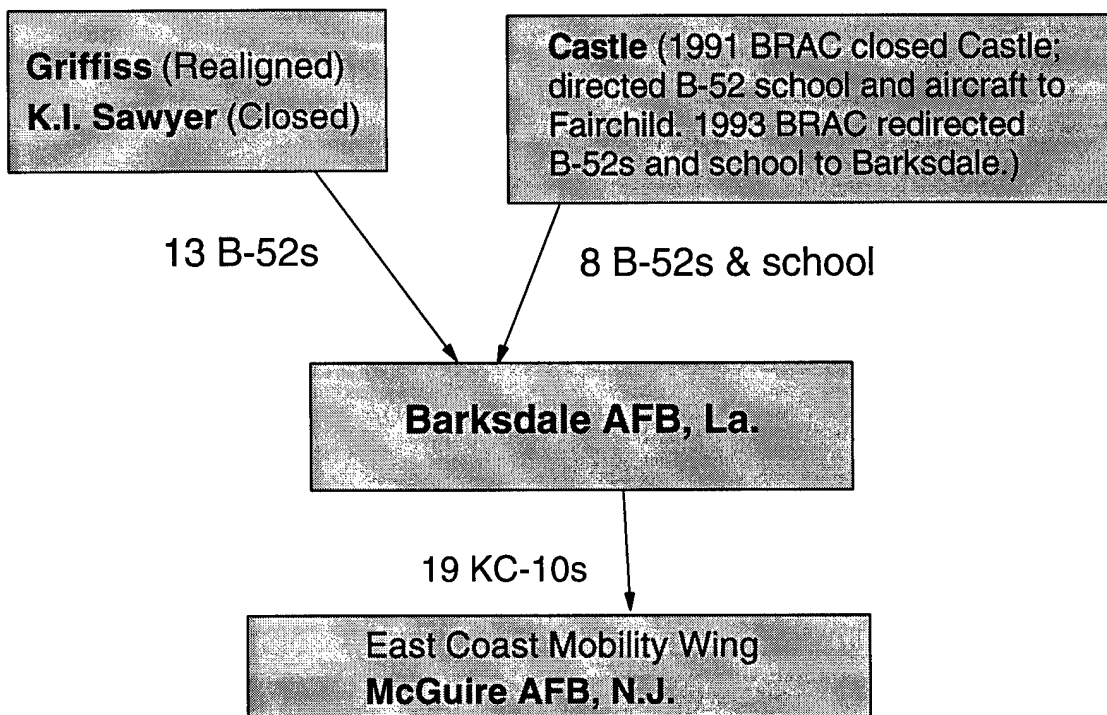
To guarantee a "global reach" capability, the Air Force and the Department of Defense recommended to the 1993 Base Realignment and Closure (BRAC) Commission that an East Coast mobility wing be established at Plattsburgh Air Force Base (AFB), New York, and a West Coast mobility wing be established at Travis AFB, California. These wings were to comprise KC-10s, KC-135s, C-141s and other aircraft used for support operations. The Air Force evaluated McGuire AFB, New Jersey, and Griffiss and Plattsburgh AFBs, New York, as possible locations for the East Coast mobility wing. The Air Force ranked Plattsburgh best in capability to support the air mobility wing due primarily to its location and its ability to load aircraft with supplies or personnel.

GAO Mobility Wings Recommended by
BRAC 1993 Commission



The BRAC 1993 Commission found that the Department of Defense did not adequately assess the military value of McGuire AFB and recommended that the base be retained as an active installation. The Commission recommended that McGuire be realigned to become the Air Mobility Command eastern wing site, with the addition of KC-10 tankers to supplement its C-141B and Air National Guard KC-135s. The Commission also recommended that the 438th and 514th Airlift Wings remain at McGuire and that the 458th Operations Group and its 19 KC-10s move from Barksdale AFB, Louisiana, to McGuire. The Commission added Plattsburgh AFB, New York, to the list of installations to be considered for closure or realignment and ultimately recommended its closure.

GAO BRAC 1993 Decisions Affecting Barksdale Air Force Base



The BRAC 1993 Commission made other recommendations that directly affected Barksdale. The Commission recommended that K.I. Sawyer AFB, Michigan, be closed and Griffiss be realigned and that 13 B-52s from these two bases be transferred to Barksdale. The Commission also revised a 1991 BRAC Commission recommendation to close Castle AFB, California, and transfer the B-52 combat crew training mission to Fairchild AFB, Washington. As a result, eight B-52 aircraft and the B-52 training unit were transferred from Castle to Barksdale. Currently, 57 B-52 aircraft are assigned to Barksdale.

Costs and Savings of BRAC 1993 Decisions

GAO Reported Obligations Associated With BRAC Decisions Affecting Barksdale

One-time implementation costs to close
or realign bases as of March 31, 1998
(dollars in millions)

- Castle AFB, Cal. - \$168.9
 - Griffiss AFB, N.Y. - \$123.7
 - K.I. Sawyer AFB, Mich. - \$ 220.9
 - Plattsburgh AFB, N.Y. - \$ 55.5
-

As of March 31, 1998, the Air Force had reported obligations¹ of approximately \$569 million to close or realign the four bases. These estimated one-time costs are associated with operations of the Air Force Base Conversion Agency Operating Location and include utilities, caretaker costs, and civilian pay; environmental restoration of the affected bases, to include groundwater monitoring plans; underground storage tank removals; and closure of oil/water separator sites.

¹The Department of Defense's financial regulations define obligations as amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payments. Obligations may not reflect actual final costs.

GAO **Estimated Savings Associated With
BRAC Decisions Affecting Barksdale**

Estimated net annual recurring savings
(dollars in millions)

- | | |
|----------------------------|---------|
| • Castle AFB, Cal. - | \$ 52.7 |
| • Griffiss AFB, N.Y. - | \$ 39.2 |
| • K.I. Sawyer AFB, Mich. - | \$ 62.4 |
| • Plattsburgh AFB, N.Y. - | \$ 56.6 |

In making its recommendations, the BRAC 1993 Commission estimated net annual recurring savings for the four bases to be \$211 million. These savings are expected to begin to accrue once implementation costs are offset, typically within the 6-year period provided by law for implementing BRAC decisions. The estimated savings were to result from reductions in Air Force personnel; reductions to base operating support costs; and, where applicable, proceeds from sale of real property at closed bases. The BRAC 1993 Commission's report did not identify specific savings for the McGuire realignment. However, this realignment facilitated the closing or realignment of other locations from which savings were expected.

GAO **Estimated Construction Costs
Associated With BRAC 1993 Decisions**

Accommodate KC-10s at McGuire AFB

- \$116.9 million for 20 projects
- \$15.9 million for one family housing project

Accommodate B-52s at Barksdale AFB

- \$15.4 million for five projects
-

We were not able to identify all of the implementation costs specific to Barksdale and McGuire due to changes in Air Force accounting codes and the unavailability of records because of the age of the BRAC decision. However, the Air Force did identify military construction projects specifically associated with the transfer of the KC-10s to McGuire and the transfer of B-52s to Barksdale. These costs are included in the one-time closure or realignment costs.

To accommodate the KC-10s transferred from Barksdale, the Air Force identified 20 required military constructions projects at McGuire with an estimated cost of \$116.9 million. These projects included a three-bay hangar, ramp upgrade, maintenance unit facility, road repair, and base supply facility. As of April 1998, 14 projects had been completed and contracts had been awarded for the remaining projects. In addition, family housing under construction at McGuire is estimated to cost \$15.9 million.

To accommodate the B-52s at Barksdale, the Air Force needed five military construction projects estimated to cost \$15.4 million. These projects included B-52 simulator facilities, student officers' quarters, and an academic facility. According to a Barksdale official, all of these BRAC 1993 projects have been completed.

Operational Benefits of Relocating KC-10s

GAO Operational Benefits of Reassigning KC-10s to McGuire Air Force Base

- Ability to provide quick initial crisis response to locations around the world.
 - Better use of KC-10s for refueling and transport of equipment and personnel.
 - Elimination of 1,400 miles previously required to support aircraft headed to Europe by the northern route.
-

According to the Vice Commander at McGuire, establishing an East Coast mobility wing has resulted in numerous operational benefits such as the ability to (1) provide quick initial crisis response to locations around the world by combining airlift and refueling capability at a single location and (2) use the KC-10 more efficiently to transport both personnel and equipment. In addition, relocating the 19 KC-10s from Barksdale eliminated approximately 1,400 miles that previously had to be flown to support aircraft headed to Europe by the northern route.

Economic Indicators

GAO Fiscal Year 1997 Economic Impact of Barksdale AFB on Local Community

Total economic impact - \$447.7 million

- Base payroll
(8,795 personnel) \$269.3 million
 - Expenditures
(construction, services,
materials, equipment,
and supplies) \$112.3 million
 - Indirect jobs created
(2,958) \$ 66.1 million
-

Barksdale has continued to provide economic benefits to the Shreveport-Bossier City area. In fiscal year 1997, Barksdale's Economic Impact Analysis report showed that the base contributed approximately \$447.7 million to the local economy in the form of payroll, expenditures, and jobs created from construction projects.

Other indicators of the economic well-being of the area include the unemployment rate, total personal income, and per capita income. According to data provided by the Bureau of Labor Statistics and the Bureau of Economic Analysis, (1) the unemployment rate declined from 8.2 percent in 1994 to 7.2 percent in 1996; (2) the Shreveport-Bossier City area had a total personal income of \$7.865 million in 1996, an increase of 7.6 percent from 1994; and (3) the area's per capita personal income was \$20,756 in 1996, an increase of 7.2 percent from 1994.¹ The data also showed that the military is the second-largest income provider by people employed in the Shreveport-Bossier City metropolitan area.

According to the 2nd Bomb Wing Commander at Barksdale, the economic impact from the transfer of the KC-10s to McGuire was offset by the transfer of additional B-52s to Barksdale.

¹Reported in current year dollars.

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