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**SWORDS INTO PLOWSHARES: THE DEFENSE BASE
REALIGNMENT AND CLOSURE (BRAC) PROCESS
LESSONS LEARNED AND RECOMMENDED CHANGES**

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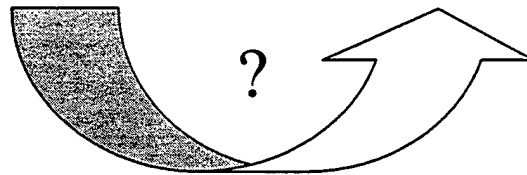
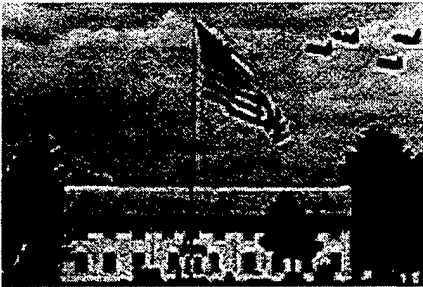


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**SWORDS INTO PLOWSHARES:
THE DEFENSE BASE REALIGNMENT AND
CLOSURE (BRAC) PROCESS,
LESSONS LEARNED AND RECOMMENDED CHANGES.**



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ABSTRACT

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Swords into Plowshares: The Defense Base Realignment and Closure (BRAC) Process, Lessons Learned and Recommended Changes.

Strategy Research Project

20 April 1999

Pages: 54

Classification:

Unclassified

This paper examines the lessons learned from the previous rounds of BRAC, both good and bad. Our analysis of the positive and negative aspects of BRAC revealed an undeniable need for future rounds of base closings. Our research conclusions, along with several unconventional suggestions, present ideas and recommendations as a path toward making BRAC work better in the future. With an improved BRAC process, in which contractors, communities, politicians, and the armed services all have confidence, our military forces will move closer to becoming as efficient as they are competent in defending the vital interests of our nation into the next century. BRAC is a very complicated process, guided by law, and involving installation closure and realignment recommendations from the uniformed services and DOD based on the national security strategy and mission requirements.

The BRAC process needs to be re-energized and improved through changes to the law and DOD policies in order to transform the "Swords" of DOD bases and installations into the "Plowshares" of economic growth for the affected civilian communities. This paper will analyze the BRAC process and recommend several legislative and policy changes in the following areas: 1) the timeliness and efficiency of the implementation process, 2) the scheduling and scope of BRAC rounds, and 3) the Joint Cross Service Group (JCSG) process, the focus of which is to gain efficiency and harvest savings through interservice consolidation of underutilized facilities.

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EXECUTIVE SUMMARY

The process of downsizing the US military and associated infrastructure remains a daunting task for both our political and military leaders. With very little fanfare, political debate, or public objections, the size of the US armed forces has been reduced by nearly 50% since the overwhelming success of Operation Desert Storm in 1991. This downsizing was accompanied by a decrease in available DOD funding for modernization, training, housing, and benefits for service personnel. Yet, while the US military is smaller and defense spending is lower, the Operations Tempo (OPTEMPO) required of the US military in support of national security objectives has drastically increased in recent years. Prior to the Gulf War, congressional leaders drafted and passed Base Realignment and Closure (BRAC) legislation to reduce unneeded military infrastructure more efficiently and expeditiously. The first rounds of BRAC were considered by most observers to be successful, the best way to handle the very painful and politicized process of reducing infrastructure. There was, after all, much Cold War excess infrastructure from which to choose. However, as the process moved into the most recent, and, perhaps, final two rounds in 1993 and 1995, the reality of how painful BRAC could be to local communities, coupled with a potentially negative impact to the careers of local politicians, elevated awareness and sensitivity levels to new heights. A new "cottage industry" evolved, specifically designed to assist communities and installations in reducing their vulnerability to BRAC. The battle lines were drawn by the time the 1995 BRAC Commission submitted its recommendations to the Secretary of Defense (SECDEF), and the language of 1988 and 1990 BRAC legislation was subjected to creative and flexible interpretations. The 1995 BRAC process revealed its politically tainted vulnerability, especially after the Kelly (Texas) and McClellan (California) Air Force Bases, recommended for closure by the 1995 BRAC Commission, were instead kept open by the Clinton Administration through "privatization in place" – a process in which government job functions are replaced with private commercial contractor support. The continuing fallout from the previous three rounds of BRAC, coupled with the perceived politically (executive branch) motivated adjustments to the 1995 BRAC Commission recommendations, has resulted in Congressional disapproval of additional rounds of BRAC legislation and distrust between the Congress and White House.

This paper examines the lessons learned from the previous rounds of BRAC, both good and bad. Our analysis of the positive and negative aspects of BRAC revealed an undeniable need for future rounds of base closings. Our research conclusions, along with several unconventional suggestions, present a way to make BRAC work better in the future. With an improved BRAC process, in which contractors, communities, politicians, and the armed services all have confidence, our military forces will move closer to becoming as efficient as they are competent in defending the vital interests of our nation into the next century.

A HYPOTHETICAL CASE STUDY

As we move beyond the 1995 BRAC Commission's recommendations with no approved legislation for future BRAC rounds, many military installations could face drastic personnel reductions, which in turn will adversely affect the local communities to which they are tied. These excess, understaffed installations and their surrounding communities may lose valuable BRAC-related opportunities and concurrently drain the military services of diminishing financial resources, which could be used for modernization, facility improvement and soldier support. The case study is not an example of a typical installation or any specific installation or community. Rather it symbolizes the potentially adverse results of the failure of the executive and legislative branches of the government, the military services, the defense industrial base, and local communities to revitalize and improve the BRAC process.

CAMP SWAMPY - BRAC SURVIVOR¹

In the post-World War II United States, Camp Swampy flourished as one of the preeminent aircraft engine repair facilities and family-oriented military installations within the Department of Defense (DOD). The small town that enveloped Camp Swampy, Swampville, also grew. Many new shops and restaurants catering to the growing military and civilian workforce popped up all over town. From the local hardware store to the several freshly painted hotels and motels, businesses continued to expand as the demand for military engine overhauls surged. Camp Swampy's operations continued to boom throughout the Vietnam War and into the Reagan military buildup with only minimal cutbacks, thanks to the support of several key politicians serving on congressional defense oversight committees and caucuses over the years.

As the fiscal realities and massive end-strength force structure declines of the post Cold War era were realized, Camp Swampy's operations and military value decreased dramatically without a corresponding decrease in infrastructure and workforce. By the early 1990s, Camp Swampy's Operations and Maintenance (O&M) costs no longer justified the continued operation of this "single-use" facility, and the base was

¹ With due apologies to Mort Walker's cartoon, Beetle Bailey.

subsequently ranked very high on the DOD recommended base closure list. Despite the clear economic danger signs, the Swampville community remained confident that any down-sizing or closure attempts by DOD would be skillfully thwarted as they had been in the past. Several creative laws strategically submitted by representative federal, state and local politicians succeeded in keeping engine repair facilities open for business at Camp Swampy, even though the installation was clearly becoming an under-workloaded financial liability to DOD. However, new congressional legislation in 1988 and 1990 supported new initiatives to close and realign unneeded military facilities. The Base Realignment and Closure (BRAC) Act of 1990 represented, for the first time, a significant threat to the economic stability of Swampville. After thousands of "Save Camp Swampy" briefings and glossy vu-graphs along with four failed attempts by DOD to close the installation, the economy and people of Swampville breathed a sigh of relief. It appeared that BRAC was finally over and any attempt to initiate a new round of base closures would fail. The people of Swampville had apparently saved their military base and associated jobs. In fact, the 1999 Defense Authorization Bill was even stripped of the provisions to contain language for two additional rounds of BRAC in 2001 and 2003.

Later in 1999, DOD decided to reduce aviation operations around the world at a dramatic rate. Enhancements in technology, reduced world threats, systems obsolescence, and inadequate funding to maintain current training and operations tempo (OPTEMPO) slowed, and then finally stopped, engine repairs and overhauls at Camp Swampy. Every support service contractor and Original Equipment Manufacturer (OEM) technical representatives at Camp Swampy were affected by the slowdown in work. By early 2000, most contractors had laid off at least 50% of their workforce, and most were planning to cease operations over the next two years. Matters continued to grow worse as new DOD efficiency, and technology insertion initiatives in 2002 forced a 75% reduction-in-force (RIF) and promotion freeze for the civilian workforce. Several early retirement initiatives eliminated another 15% of the workforce by the end of the year. The impact to the local community and economy of Swampville was swift and devastating, as the workforce at Camp Swampy dried up, seemingly overnight. Over the next 3 years, home prices plummeted, hotels closed, schools were operating at 50% capacity, and many restaurants closed their doors. The Camp Swampy overhaul facilities

were empty and the workforce gone by 2004. Much of the newly-constructed government housing facilities were also empty, and the cost of sustaining Camp Swampy's operations drained all funds from planned and desperately needed facility upgrades. Camp Swampy's staff was reduced as the military downsized non-critical specialties. The once bustling streets of Swampville, filled with military uniforms just a few years earlier, were now vacant and quiet. As the residents of Swampville drove through the now "unguarded" gates of Camp Swampy, they realized they had saved their military base from BRAC but had lost their community. All of this occurred in the midst of the most sustained economic growth, expansion, and lowest unemployment rate in the last -40 years. What went wrong?

THE BRAC PROCESS

It is estimated that the four rounds of Base Realignments and Closures (BRAC) will have saved the Department of Defense nearly \$25 billion by the year 2003, with an estimated annual savings exceeding \$5.6 billion for every year thereafter 2003. The BRAC process has already closed or realigned 152 major DOD installations and 235 smaller ones at a cost of \$23 billion.² The BRAC process is perhaps, the greatest DOD cost savings program in US history.

BRAC is a very complicated process, guided by law, and involving installation closure and realignment recommendations from the uniformed services and DOD based on the national security strategy and mission requirements. The methodologies and criteria used to assess base structure and recommendations have "stood the test of time" and have worked extremely well. The BRAC process requires each service and defense agency to:

- Develop recommendations based exclusively upon a published force structure plan and final selection criteria
- Consider all military installations inside the United States equally
- Analyze their base structure using like categories of bases
- Use objective measures for the selection criteria wherever possible
- Allow for the exercise of military judgment in selecting bases for closure and realignment³

The Public Law that guided BRAC since 1990 also required the Secretary of Defense to base all recommendations on a 6-year force structure plan, involving criteria that cover a broad range of military, fiscal, and environmental considerations. Although the criteria proved to be effective tools in identifying bases for closure and realignment, the application of these criteria was arguably, inconsistent across all the services' analyses.

² Garamone, Jim, American Forces Press Service. "Cohen Stresses Strategy, Closures in '99 Budget" Feb 1998.

³ Report of the Department of Defense on Base Realignment and Closure, April 1998

DOD CRITERIA FOR SELECTING BASES FOR CLOSURES OR REALIGNMENT⁴

MILITARY VALUE

1. Current and future mission requirements and the impact on operational readiness
2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations
4. Cost and manpower implications

RETURN ON INVESTMENT

5. The extent and timing of potential costs and savings

IMPACTS

6. The economic impact on communities
7. The ability of both the existing and potential receiving community's infrastructure to support forces, missions, and personnel
8. The environmental impact

BRAC involves two distinct phases: 1) base recommendation and selection, and 2) implementation, consisting of base closure, cleanup, reuse and disposal. Also included throughout the two phases of BRAC are robust community and economic assistance, personnel placement, and educational programs. Each BRAC recommendation is measured against the published Secretary of Defense (SECDEF) approved criteria, which gives priority consideration to military value, followed by cost savings, and then to the economic and other impacts upon the local communities. According to the current latest SECDEF report regarding BRAC, "the process has worked well so far."⁵ Not mentioned in the SECDEF report is the fact that, despite the legal prohibition, political meddling is prevalent throughout the BRAC preparation and decision process. In fact, the political nature of the process is evidenced by the selection process of the BRAC Commission

⁴ Defense Base Closure and Realignment Commission 1995 Report to the President. March 1995.

⁵ Base Closure and Realignment Report, DOD March 1995.

members: two are selected by the Speaker of the House of Representatives, two by the Senate Majority Leader, one each by the Senate and House Minority Leaders, and two by the President. Clearly, before the BRAC Commission even has a chance to begin its work, the political battle lines are drawn. The BRAC Commission's role does not come in to play until after the services submit their recommendations to the Secretary of Defense who then in turn submits his recommendations to the Commission. According to the law, the Commission has total access to all service data, analyses, and recommendations, and is required to hold public hearings. Moreover, the BRAC Commission has the freedom to add additional bases outside of the Secretary of Defense's recommendations, or change Services recommendations if it is determined that the Service Secretary deviated substantially from the force structure plan or the final selection criteria. BRAC was designed to be objective, open, and fair, but it unfortunately falls considerably short in objectivity and fairness, thanks to the politics involved throughout the process.

The BRAC process needs to be re-energized and improved through changes to the law and DOD policies in order to transform the "Swords" of DOD bases and installations into the "Plowshares" of economic growth for the affected civilian communities. This paper will analyze the BRAC process and recommend several legislative and policy changes in the following areas: 1) the timeliness and efficiency of the implementation process, 2) the scheduling and scope of BRAC rounds, and 3) the Joint Cross Service Group (JCSG) process, the focus of which is to gain efficiency and harvest savings through interservice consolidation of underutilized facilities. It may be impossible to exclude political considerations from the process completely, but certain specific changes can not only enhance the effectiveness of BRAC, but also, perhaps, increase the acceptability of the process to those communities and associated representatives of areas that could be susceptible to a "Camp Swampy evolution."

BRAC POLITICS

Over the past 15 years the military services have experienced a 40% decline in real budget spending and manpower reductions exceeding 30%. In contrast, the infrastructure required to support today's military operations has declined only by 21%.

Unless this infrastructure is proportionally downsized, the tail will swallow the teeth of our Armed Services.⁶ This mismatch creates the fundamental requirement for continued BRAC legislation. However, in September 1998, Congress rejected the Secretary Of Defense's request for two additional rounds of BRAC planned for 2001 and 2005 in the 1999 Defense Authorization Bill. These rounds could provide tremendous savings for the Department of Defense (DOD), possibly adding another \$21 billion in total savings through 2015.

What went wrong? How could such a responsible program not be accepted by America's taxpayers? The simple fact, according to former Deputy Secretary of Defense (DEPSECDEF) and past Director of the CIA, Dr. John Deutch, is that "no one including the President, SECDEF, Service Chiefs or Congress likes BRAC." Secretary Of Defense William S. Cohen, in an October 1998 interview with the Retired Officers Magazine, stated that "it is very difficult and unpleasant to close bases....but without those savings, our level of procurement will be called into question." Dr. John White, former Deputy Secretary of Defense (DEPSECDEF), in an October 1998 interview at his Harvard University office, stated that "BRAC is hard because it involves change, and the status quo is always cheaper in the short run."⁷ Even though BRAC was designed to be fair and impartial, it is an extremely complex process fraught with politics and misunderstanding at every level. Section 2901(b) of Public Law 101-510 directs that the BRAC Commission "provide a fair process that will result in the timely closure and realignment of military installations inside the United States." Detailed research has revealed that, unfortunately, there is very little about the BRAC selection process that is totally "fair" or even "timely" in the implementation of base closures.

The very nature of BRAC forces politics into it at every level. Despite its past success and suggestions that it is the best way to minimize political meddling in the base closure process, the reality of BRAC is that there is very little about the process that can be considered efficient. On the Senate floor on 18 June 1997, Senator James M. Inhofe stated that BRAC, while established to be totally free from political interference, the process could not eliminate excess capacity and infrastructure "because politically it can't

⁶ Gotbaum, Joshua, Assistant Secretary of Defense for Economic Security, Feb 23, 1995 in his testimony to the HNSC.

⁷ Unless otherwise noted, all quotes from Dr. White are from a October 1998 interview.

be done.” Congressman James V. Hansen expressed his concern stating that “the administration’s unfortunate decision to interject presidential politics into the apolitical BRAC process.... has been misleading and disingenuous.” In an interview in November 1998, John Deutch stated that BRAC is an “awful example of government failure at every level.”⁸ Other BRAC officials from the 1995 BRAC Commission’s Joint Cross Service Groups stated that the politics within each service damaged the BRAC process as much as Presidential and Congressional interference. These comments, however, tend to contradict the firmness and conviction with which each service chief echoed the Chairman of the Joint Chiefs of Staff call for additional rounds of BRAC in order to eliminate unnecessary infrastructure. The Army Chief of Staff, General Dennis Reimer, testified to the Senate Armed Services Committee (SASC) on 29 September 1998 that, “as operations continue apace, the cost of maintaining excess capacity and inefficient business practices can only be supported at the expense of readiness and quality of life.” Admiral Jay Johnson, acting on behalf of the Chairman of the Joints Chiefs, summarized the services’ concerns in a press briefing in April 1998, stating that “reducing excess infrastructure is clearly a military necessity.” Again in September 1998, Admiral Johnson told the SASC that “the costs associated with maintaining excess infrastructure are significant. In addition to spending precious funds to maintain unnecessary property, our inability to further consolidate supply, maintenance, and training sites results in additional transportation costs, storage fees, and personnel expenditures.”

It should be noted that not everyone is pessimistic or skeptical about the future viability of the BRAC process. Many of the major players involved in the past four rounds of BRAC feel that, on balance, the 1988-1995 BRAC Commissions were extremely successful, given the difficulty and complexity of the task, and that BRAC remains the best way to minimize the politics in the very painful process of closing bases. More important, there are few who can contradict Secretary Cohen’s prophecy: “If the department spends money on maintaining excess bases, it cannot afford modernization, and this will eventually impair readiness to the extent that the United States will send their sons and daughters into harm’s way with less than adequate equipment and support.” The need for continued BRAC rounds is recognized not only in the executive

⁸ Unless otherwise noted, all quotes from Dr. Deutch are from a November 1998 interview.

branch and DOD, but also by many within Congress. According to the General Counsel for the Senate Armed Services Committee, "everybody wishes that BRAC would go away, but BRAC won't go away, there will be a significant attempt to put BRAC in the FY-00 [Authorization] bill which may well succeed."⁹ Representative John McHugh, R-NY stated that BRAC is needed because it's about "the ability to support the end strength and force structure."¹⁰ Thus, the challenge is to adjust and change the BRAC process so that DOD is able to execute the necessary reductions in terms of base closures and realignments.

ENCUMBRANCES TO THE PROCESS

If the BRAC process is so controversial and painful, why is DOD so determined to pursue future rounds of base closures? The answer is, politically and economically, very complex. No one in the public or private sector is willing to suggest that the Department of Defense's infrastructure will be better off without additional base closures. Communities that surround military establishments have seen the impact of the drawdown since the Cold War ended in 1991. Military contracts are smaller and fewer than they were in the 1980s and the "Camp Swampy" model is, unfortunately, already evolving at many bases and installations. "Although criticizing the Pentagon for imprecision, government auditors have generally agreed that the military can save billions of dollars by closing unneeded bases."¹¹ The problem and dilemma of shrinking the DOD infrastructure dates back to the 1960s and 70s, when the services first tried to eliminate major portions of their World War II and Cold War infrastructure. In a recent interview, the Director of the Office of Economic Adjustment (OEA), Mr. Paul Dempsey, reviewed the history of the OEA and stated that, "its roots date back to 1961, when Secretary McNamara first created the OEA to help communities get ready for infrastructure reductions."¹² This initiative was fundamentally a good idea, but today being prepared for BRAC "is interpreted by communities as an invitation to have their

⁹ Sucky, Scott, *Inside the Pentagon*, 19 November 1998.

¹⁰ Jowers, Karen. *Army Times*, 22 March 1999.

¹¹ Hoffman, Lisa. *Washington Times*. "GAO Sees Base Closings As A Way To Save Money". 18 November 1998.

¹² Unless otherwise noted, all quotes from Mr. Dempsey are from a November 1998 interview

base closed.” Over the years, each service has evolved in the way it conducts functions such as training, depot maintenance, test and evaluation, recruitment, and medical support. The services are significantly smaller, with reduced budgets, and have of necessity become more efficient entities today than they were during the Cold War. Before the first official round of base closures in 1988, the combined strength of active, reserve, National Guard, and DOD civilian personnel exceeded 4.5 million. The impact of the drawdown in terms of job loss has been significant. By the end of 1999, the personnel strength of the armed services will have shrunk nearly 35% since 1987, from 2,174,000 to about 1,418,000.¹³ Civilian DOD personnel figures have been on a similar downward path. In 1987, DOD employed more than one million civilians. By the end of 1995, employment levels had dropped 25%, a loss of 284,000 positions.¹⁴ Today our total force, including civilians, barely approaches 3 million, a remarkable 34% decline in just ten years. In terms of budget, DOD outlays as a percentage of gross domestic product (GDP) today is barely 2.8 %, less than half what it was in 1988. These figures stand in stark contrast to the significantly increased OPTEMPO and diversified DOD mission, as well as the disproportional infrastructure size, of the post-Cold War era.

The armed services continue to exercise greater use of technology and management skills. This trend, combined with several strategic reviews of military roles and missions, such as the Defense Reform Initiative (DRI) and the Quadrennial Defense Review (QDR), has created even greater opportunities for increased efficiencies and capabilities in resolving problems such as excess capacity, redundancy, and wasteful spending on unneeded facilities. For example, in 1989 the Army had almost 15 million square feet of classroom space serving about 350,000 students, staff, and faculty. Over the next four years, the Army will have reduced this student base by 43%, but will have reduced classroom space by just 7%.¹⁵ The net impact of this personnel-to-infrastructure mismatch in the training base results in a drastic increase in the per student cost. The Government Accounting Office (GAO) calculated that the DOD per-student cost for formal training and education had increased more than 27% between 1987 and 1995.

¹³ FY97 President's Budget.

¹⁴ Statistics from the Office of the Assistant Secretary of Defense (Civilian Personnel Policy), June 1996.

¹⁵ The Report of the Department of Defense on Base Realignment and Closure, April 1998, The Secretary's Message on BRAC.

While DOD depot maintenance personnel have been reduced overall by 43% (from 147,000 to 76,000) since 1987, similar depot infrastructure decreases have not been made, as evidenced by several figures. The DOD overall maintenance budget has decreased only by 12%. Furthermore, DOD depot excess capacity is nearly 50% for all the services.¹⁶ Make no mistake about it, depot maintenance is truly very big business for DOD and the services. In 1997, DOD spent \$13 billion, 5% of its fiscal year budget, at 29 major defense depots. The GAO reported that “there is excess capacity in the industrial and overhaul facilities of the public and private sectors, which contributes to their inefficiency.”¹⁷ This growing excess capacity results in growing direct labor costs and disproportionate overhead costs at every DOD depot, causing depot work to be unaffordable for the military that needs the support, and the workforce to use them. A 1995 DOD Joint Cross Service Group (JCSG) identified numerous opportunities to reduce depot capacity, but according to an OSD official who served on the depot cross service group, “every recommendation to close or realign depots was dismissed for political reasons and never reached the Base Closure Commission.” This is not to suggest that BRAC has not had some success downsizing depots. In fact, “depot downsizing has largely occurred through the BRAC process. Fifteen depots have been closed or are in the process of closing as a result of BRAC decisions.”¹⁸ Despite these closures, the remaining excess capacity in all the services has resulted in an “out of control direct labor cost increase.”¹⁹ This high cost of depot labor has forced every service to look for alternative repair facilities, even further decreasing depot workload and increasing the depot overhead on labor costs. According to a 1998 GAO report, the defense facilities that have the most excess capacity---and thus might be most likely to be targeted for closing – are maintenance depots, as well as installations involved in research, development, testing and evaluation.”²⁰ Additionally, the excess defense-like capacity in the private sector reflected the declining DOD budgets and mirrored the organic infrastructure excesses.

¹⁶ GAONSAID Report Number 96-165 Defense Depot Maintenance.

¹⁷ GAOT-NSIAD-97-112. Defense Depot Maintenance, Uncertainties and Challenges DOD Faces in Restructuring Its Depot Program.

¹⁸ GAONSIAD-96-165 Defense Depot Maintenance, Policy Regarding Performance of Depot-Level Maintenance and Repair. May 21 1996.

¹⁹ Reese, Ann. 17 November 1998 Interview

²⁰ Hoffman, Lisa. Washington Times, 18 November 1998.

The Department of Defense should not be faulted for not trying to reduce excess capacity over the years. However, Congress and the White House have historically stepped in to block any unilateral attempt by the services to close or realign installations and eliminate unneeded functions. Congressional signals regarding military spending for infrastructure and efficiency have been mixed and confusing at best, if not totally contradictory. While members of Congress have always been quick to publicly expose perceived procurement and management problems in DOD, the Congress as a whole has usually refused the annual DOD requests for relief from the many mandated self-examinations, managerial restrictions, statutory encumbrances and privatization initiatives that prevent effective downsizing and inhibit efficient operations and effective management, especially regarding base closures, and depot and ammunition plant operations and consolidations. It is conceivable that a student of this process could espouse an interesting corollary that explains Congressional resistance to BRAC: in almost all cases, the relationship between excess capacity in the military infrastructure is virtually directly proportional to the increases in Congressional concern about what to do with that capacity. A similar corollary is that political resistance to BRAC in general has no relationship to excess capacity and waste, but increases disproportionately with each round of base closures. This political resistance continued, if not increased, into March 1999 as several members of the House Armed Services military installations and facilities subcommittee suggested that a core of military installations become immune from future rounds of base closings. Representative Joel Hefley, R-Colorado, the subcommittee's chairman believes that too many strategically placed bases around the country were sacrificed in past rounds of base closings.²¹

Indeed, the degree of success DOD has realized through the last four rounds of BRAC has in effect increased the resistance of Congress to the point of polarization in some cases. According to a high-ranking official in the Naval Audit Service, "the political interest groups associated with depots, T&E facilities, and R&D laboratories proved to be remarkably well organized in 1995, both in terms of function and geographic location." The Congressional Depot Caucus is a formidable, pseudo-official, organization that tends to function as a safeguard for the work force at existing military

²¹ Jowers, Karen. *Army Times*. 22 March 1999.

depots. These defenders of government depots work to tighten the definition of the "core competency"²² in military depots to ensure that more work stays out of the hands of competitive private bidders. It is also clear that the many unions involved in all DOD facilities that may become at risk do not hesitate to utilize their congressional support.

The reality of BRAC is that the process is not perceived as totally fair, especially from the viewpoints of the installation personnel, unions, politicians and surrounding communities that are considered vulnerable to closure. From the narrow perspective of potential BRAC-inclusive members of Congress, where "all politics are local," BRAC has little to do with saving money, reducing excess capacity, or working more efficiently. According to former Congresswoman Susan Molinari, who was a Harvard University Institute of Politics Fellow in 1998, "BRAC is about jobs, pride and votes.... the success or failure of a political leader who has a military base in his or her district is measured upon how well and how long he or she can keep their base off the BRAC list." These efforts are indeed formidable. "In the vicinity of the Wright-Patterson Air Force Base in Dayton, Ohio somewhere between two and four million dollars was spent by grass roots "Save WPAFB" committees in the 1995 BRAC round."²³ According to Ms. Molinari, communities with military bases "assume a great deal of pride through association with their soldiers, sailors, airmen or marines. It is much more than economics; BRAC strikes at the very identity of a community, and very little thought is given to the much bigger financial, geographic, or political view of what BRAC will accomplish."

The Joint Chiefs' testimony to the SASC in September and October 1998 attempted to justify additional rounds of BRAC for Congress in order to make future weapon procurement affordable and provide a desirable quality of life for members of the armed forces. SECDEF Cohen stated that "the 1999 budget puts DOD on the road toward modernization. However, that road could abruptly stop if Congress does not approve two more rounds of BRAC." In his March 1995 report, the Chairman of the 1995 BRAC Commission, Senator Alan Dixon, stated that "unless the infrastructure is downsized commensurately with the force structure and budget, funds will be spent on

²² Core Competency is referred to the mandatory organic effort required to maintain a viable industrial depot capability if mobilization occurs or a military necessity arises that demands a rapid surge in capability.

²³ Quotes taken from a March 1999 interview with MG (Ret) Richard Stephenson, Executive VP with DYNACORP.

buildings instead of readiness and modernization.”²⁴ To some observers, this purely budgetary perspective neglects the concerns of the affected communities, which depend on a military presence. Some critics and supporters of BRAC in Congress consider this “BRAC billpayer” rationale to be somewhat disingenuous and not realistic until these projected BRAC savings can be actually realized and calculated.

This viewpoint, along with the “Susan Molinari perspective,” is not surprising, given the significant decrease in military experience among congressional members. Over the past 20 years, military experience in Congress has decreased from 70% in the 1970s to barely 22% in the 105th Congress. This reduction in military experience should not be construed to mean that members of Congress are ignorant about DOD, military technology, and doctrine. However, without some practical military experience, it may be difficult for them to fully appreciate the impact of excess infrastructure on military quality of life and operations.

The political tools and methods available to protect and maintain a military presence in a certain Congressional district and/or state are numerous and effective. However, since 1961 the fiscal realities driving the necessity for base closures were so strong that even Congressional actions to deny funding (impounding) to services for base closures proved to be inadequate. As a result of this intense and emotional congressional interest, public concern about the economic effects of closing bases has seemingly grown more important than the very reason for closing the bases. There are many examples of special legislation designed to “oversee “and restrict specific service actions to manage excess infrastructure. The Office of Management and Budget (OMB) publication, OMB Circular A-76, (Performance of Commercial Activities), dictates the functions for which the services can or can not outsource or “contract out” by specifying which functions are considered “inherently governmental”: a government function which is so intimately related to the public interest as to mandate performance by government employees.²⁵ OMB has updated this circular several times since 1966 in order to ensure a tighter control regarding the functions DOD can privatize and outsource. In 1977, Congress enacted 10 USC (United States Code) 2687, (Base Closures and Realignment), which

²⁴ Base Closure and Realignment Report, March 1995.

²⁵ OMB Circular A-76

essentially blocked additional base closings for nearly ten years. Ironically, if not for the BRAC process, Section 2687 would be the only method available to the services to reduce infrastructure, even though its main thrust is to limit the opportunities for doing so. As written, Section 2687 precludes the closure of any military installation in the United States with at least 300 authorized civilian positions, or the realignment of any installation involving a reduction of more than 1000 civilian employees or more than 50% of the installation's authorized civilian workforce, without Congressional oversight and approval.²⁶ This law has since been updated to restrict further the numbers of personnel who could be moved for economic consolidation reasons. According to the 1995 Defense Base Closure and Realignment Commission's Report to the President, "experience has demonstrated that the process for closing or realigning bases contained in Section 2687 is unworkable." Section 2687 also fails to provide relief from the National Environmental Protection Act (NEPA), whereas "BRAC authority enjoys some relief from NEPA, thus avoiding a lengthy and disruptive study period and the likelihood of litigation by potentially impacted parties."²⁷ Outside of BRAC, NEPA requires federal agencies to consider all reasonable alternatives associated with federal actions and the environmental consequences of those alternatives, so the process is inherently time consuming. BRAC environmental cleanup guidance directs that installations complete any required NEPA analyses within one year after the community submits its plan for reuse of available property.²⁸

The aforementioned Depot Caucus was successful in passing legislation that requires 60% of the military's \$13 billion a year of upgrade and repair work to be performed by public employees at military depots rather than utilizing less costly private contractors.²⁹ This so-called 60/40 rule limits the amount of depot maintenance funds that can be used for private sector performance, and severely restricts the services from conducting maintenance operations in the most efficient manner. For example, US Army

²⁶ GAO/NSIAD Report Number 97-151, *Military Bases, Lessons Learned from Prior Base Closure Rounds*, July 1997.

²⁷ *The Report of the Department of Defense on Base Realignment and Closure*, April 1998.

²⁸ Office of the Assistant Deputy Under Secretary of Defense for Environmental Cleanup, *Fast-Track Cleanup Report, Successes and Challenges*, August 1995.

²⁹ 10 USC 2466, the so-called 60/40 Rule was amended by Section 311 of S. 936. It would require a 50/50 public-private workload split after October 1, 1998.

plans to consolidate tactical missile maintenance workloads and maintenance requirements for the Paladin artillery combat vehicle were totally dependent on the repeal of the 60/40 provision in 10 USC 2466.³⁰ One member of the Senate Appropriations Committee stated that this restrictive policy was “not only absurd but severely restricts good business practices in DOD and needs to be removed.”

With few exceptions, BRAC is lauded as the best method to eliminate excess infrastructure, given the politics inevitably involved and the complex maze of base closure legislative restrictions. In fact, in the decade before the first BRAC Commission, the Department of Defense closed only four bases. With a few notable exceptions, most officials associated with the BRAC process agree that BRAC is a far better and more efficient method to reduce infrastructure and circumnavigate political opposition than anything currently available. In terms of local politics, the Director of the OEA stated that, “most communities fail to realize that as tough as BRAC is on the local economy in terms of jobs, prestige, and economic value, it is far better for the communities than any of the alternatives.” Federal BRAC-related economic assistance over the four rounds of BRAC has been significant, as evidenced by the projected \$1 billion dollars in aid to local communities for reuse planning, job training, and community economic development.

Since the first round of BRAC in 1988 under P.L. 100-526, and continuing with each additional round of BRAC conducted in accordance with the 1990 legislation,³¹ adjustments and changes have been made to improve the process. Unfortunately, Congressional and community preparedness and political resistance in response to BRAC have also grown over time. With few amendments, P.L. 101-510 has remained the basic guide for DOD and the BRAC Commission. It is altogether appropriate to ask if P.L. 101-510 should still serve as the model for future BRAC rounds. It is important to identify the key parts in this legislation that made the three previous rounds of BRAC possible, and what changes are necessary for the future.

³⁰ GA/NSIAD-96-201 Army Depot Maintenance.

³¹ Public Law 101-510 was used with minor amendments in 1991, 1993, and 1995. BRAC Commissions.

1995 BRAC COMMISSION PROBLEMS

Before the 1995 BRAC Commission even started the process of identifying base realignment and closure candidates from the services and Joint Cross Service Groups (JCSG), many informal congressional delegations and community activist groups had been formed to deflect projected or foreseeable BRAC threats. Since this was the fourth round of base closures since 1988, most interested parties understood, all too well, the Cost of Base Closure Analysis (COBRA) process and how to manipulate data so that it would depict bases as "too expensive to close." Intentionally broad language in P.L. 101-510 regarding the BRAC Commission's recommendations, which had not been an issue in the previous rounds, was used by the Clinton administration in 1995 to "adjust" the BRAC decisions regarding two major depots recommended for realignment and closure. Arguably, the administration's actions regarding the Kelly AFB (Texas) and McClellan AFB (California) BRAC Commission recommendations caused the failure of the 1999 BRAC legislation in Congress. Despite recommendations to close these installations and move the depot functions to other underutilized military depots, the administration compromised the BRAC Commission's decision in order to retain the jobs and votes in Texas and California for the 1996 election. This type of action is called "privatization-in-place" because it retains the functions at the depots utilizing private contractors instead of government entities and employees. The net result provided immediate and significant economic and political relief for the local communities in San Antonio, Texas, and Sacramento, California. Conversely, retaining the depot functions "in place" provided disturbing economic news for the politicians and community of Hill AFB, Utah. Under the original BRAC Commission recommendations, Hill AFB was the designated recipient of the majority of depot functions and personnel from both the McClellan and Kelly depots. These changes to the BRAC Commission recommendations, a tactic not seen in previous BRAC rounds, were questioned by several lawmakers and observers of the BRAC process. As late as June 1997, debate continued on the Senate floor as to whether the Kelly and McClellan decisions, as Senator Hutchinson argued, "provided the Defense Department with greater flexibility" or "violated the integrity of the process," as Senator Inhofe believed. Nevertheless, Dr. John Deutch felt that, "BRAC is so painful that had it not been Kelly and McClellan...it would have been something else." In fact,

during a brief visit to Harvard University in 1998, one Senator did cite another reason for not supporting additional rounds of BRAC, stating that, "the services were too small to do the current missions or execute the two Major Regional Conflict (MRC) National Military Strategy." When asked about the Kelly and McClellan BRAC decisions, Dr. John White, the Deputy Secretary of Defense in 1995, stated that he devised the privatization-versus-closure recommendation in response to requests for help from the Clinton Administration in the states of California and Texas, which were deemed critical in the 1996 Presidential election. He remains confident that the Kelly-McClellan privatization decisions were right, despite the effect on the 1999 BRAC legislation. Other observers have admitted to him that even though they considered the decision to be wrong, or even outrageous in some respects, it was not illegal.

ANALYSIS OF ISSUES

Careful examination of interviews, and BRAC Commission, GAO, and DOD reports and analyses concerning BRAC indicated that the process, as well as the results has, in fact, improved each year since 1988. According to key members of previous BRAC Commissions, P. L. 101-510 is fundamentally sound legislation, requiring only minor "tweaking," not major revision. However, the soundness of the BRAC law was not enough to ensure congressional approval of additional BRAC rounds in the 1999 Defense Bill. It is important to examine whether any changes to the law could repair the damage done by the Kelly/McClellan decision and also address other BRAC criticisms, and thereby make a difference the next time BRAC is presented to Congress. Will each successive incumbent administration use the Kelly/McClellan model to gain political capital?

Any criticism of specific sections in the law should not be confused with the validity of the BRAC process. As stated previously, the process of BRAC is good business for DOD and the impacted communities - and much better than anything else available. BRAC legislation provides numerous no cost training programs, home sale/purchase/relocation compensation, job loss compensation, land transfer, and cleanup funds to mention just a few assistance and benefit programs. More importantly, with the many benefits of BRAC, together with the reality of the military downsizing and lower

DOD appropriations, one might question the lack of any communities volunteering for BRAC. According to several OSD officials responsible for drafting BRAC legislation in the past, "BRAC gets harder with each year because all the low-hanging fruit has been picked. The really tough decisions are in front of everyone now; Congress and the armed services know it and want to avoid it." Interestingly, Dr. Deutch observed that, "when it comes to base closures, the only low-hanging fruit is in Europe."

To a certain extent, P.L.100-526 and 101-510 have been productive legislative actions, considering what was accomplished before BRAC legislation was enacted. However, much more than "tweaking" is required if DOD intends to make future rounds of BRAC possible and as successful as the 1988-1995 rounds. In a recent discussion, two SASC (Senate Armed Services Committee) Professional Staff Members suggested that the BRAC Law would be much more successful if it were written so "congressmen and communities would actually volunteer their bases for closure."

There is one point on which all the players in the BRAC process - DOD BRAC agencies, the service BRAC offices, affected communities, and Congress agree: that once the decision to close an installation is made, the implementation process is woefully slow, inefficient, and susceptible to political manipulations at every stage. The Closure, Cleanup, Reuse and Disposal process accounts for the largest portion by far of BRAC labor and costs. "Final deed transfers for the base closure property take five to six years, and can take as long as nine plus years, such as the recent case of Fort Sheridan, Illinois. DOD devotes too much processing time (and budget resources) to over-managing property..."³² According to a 1996 GAO update on the status of bases closed by BRAC, the disposal process can be so time consuming that many properties had by then deteriorated and lost their value.³³ Not so surprisingly, none of the service BRAC offices could identify the exact number of man-years devoted to this phase of BRAC. BRAC officials from the Air Force Base Conversion Agency estimated that there are over 800 man-years devoted to closing installations. The Army BRAC Office estimated that their number was well over a thousand. Navy officials were not sure because it was extremely difficult to determine who was actually working on BRAC from day-to-day. Land

³² National Association of Installation Developers, Making BRAC More Responsive to Communities, May 31, 1998.

³³ GAO/NSAID-96-149, Military Bases: Update on the status of bases closed in 1998, 1991, and 1993. 6 August 1996.

transfer problems have resulted in unnecessary annual operations and maintenance (O&M) costs. Continual “tug-of-war” politics, from the Federal level to the Local Reuse Authorities (LRA), keeps closed bases on the DOD books year after year. As a result, the BRAC (surplus) property deteriorates and loses value as it sits idle. The problem created is twofold; 1) DOD is spending much-needed O&M dollars on unneeded facilities, and 2) the property and land associated with these closures is not getting into the local communities’ hands in a timely manner, and usually in much worse shape than when originally appraised.

LEGISLATIVE AND REGULATORY ALTERNATIVES

LAND REVENUE

In order to appreciate the difficulty of implementation, it is important to understand the complex procedural maze that must be negotiated to transfer a DOD installation or property. Section 2904 of Public law 101-510, Closure and Realignment of Military Installations, gives DOD a six-year period to complete closures, and outlines the procedures that must be followed before the affected community can gain access to the BRAC property. Additionally, guidance within the 1949 Federal Property and Administrative Services Act directs that the military departments collect at least “fair market value” for the property being transferred. This Act “authorizes disposal of the property through a variety of means, including public or negotiated sale and transfers to states and local governments for public purposes.”³⁴ This process is lengthy, confusing, and very expensive. “Protection and maintenance costs continue to accrue as the property waits to be conveyed or sold...the longer the services hold on to the property, the longer they incur the costs.”³⁵ According to Mr. John Desiderio, Director of the Defense Base Closure and Transition Office (BCTO), turning over property is very difficult, but relief from the 1949 Property Act would change the world overnight.

³⁴ GAO/NSAID-97-151 Military Bases, Important Lessons from Prior BRAC Rounds regarding Savings, Closure Costs, and Economic Impact. July 1997.

³⁵ GAO/NSAID-96-149. Military Bases: Update on the Status of Bases Closed. August 1996.

Additionally, turning deeds over to local communities is the services responsibility and each service has its own method and process to get this done.³⁶

Section 2903, introduced by Senator David Pryor in 1994, contains provisions for an Economic Development Conveyance (EDC). Although this amendment attempted to improve the process of selling BRAC properties, it only provides “authority for the transfer of surplus base closure property for job producing purposes at or below fair market value or for consideration.”³⁷ Section 2903, on the surface, seemed to provide some relief in getting BRAC property into the hands of the Local Redevelopment Authority (LRA), but the question of what is fair market value was not solved. “This definition of EDC fair market value, attributing all of the increase in EDC value to the DOD property, has itself been a source of contention between DOD and the impacted communities.”³⁸ “DOD reported that by the end of 1996, it had closed only 58% of the total bases recommended for closure since 1988.”³⁹ By mid 1999, only 20 of the 97 major installations picked for elimination during the four rounds of BRAC have actually closed.⁴⁰ DOD would like to expedite this process in order to maximize net savings and cost avoidance. The longer an installation remains open, the more DOD must pay for caretaker costs. “Up front costs associated with closing bases can be significant, and it may take several years before savings offset these costs and annual recurring savings begin.”⁴¹ According to Colonel Gary Dinsick, Director of the Army Base Closure and Realignment Office, “BRAC land sale revenues have not panned out to be anything worthwhile.”⁴²

In one case, the Army spent several hundred thousand dollars over a two-year period negotiating a \$4.1M difference between fair market value and what the LRA was willing to pay for property located in Ogden, Utah. In 1990, DOD estimated that the sale of property on military bases closed by BRAC 1988 could raise about \$2.4B in revenues.

³⁶ Unless otherwise noted, all quotes from Mr. Desiderio are from a December 1998 interview.

³⁷ National Association of Installation Developers, *Economic Development Conveyances: A Base Closure Redevelopment Tool*, June 30, 1998.

³⁸ *Ibid.*

³⁹ GAO/NSIAD-97-151 *Military Bases, Lessons Learned*.

⁴⁰ Jowers, Karen. *Army Times*, 22 March 1999.

⁴¹ *Ibid.*

⁴² Unless otherwise noted, all quotes from Colonel Dinsick are from an October 1998 interview.

In fact, DOD received only \$65.7M in revenue from those base closures.⁴³ The Defense Base Transition and Closure Office (BTCO) reported that total base closure property sales from the four rounds of BRAC amounted to \$240 million through 1998. This amount pales in comparison to the \$4.1B in sales originally anticipated by DOD. Colonel Dinsick stated that “nearly all Army property could have been transferred years earlier if not for legal requirements.” In a recent interview, the Director of the Air Force Base Conversion Agency, Mr. Gale Sailor, stated that “air bases identified for closing in previous rounds are still costing the Air Force thousands of dollars each year in caretaker costs.”⁴⁴

GAO data further substantiates that “maximizing savings from base closures is limited by the policy and legislative requirements governing property disposal that reduce opportunities for the selling of base property.”⁴⁵ One must question whether it makes economic sense for DOD to pursue land sales when DOD no longer expects significant revenues from them. Indeed, this situation begs the question, “How would local communities affected by BRAC respond if land were transferred at no cost and expeditiously?”

In 1990, Senators Johnson and Breaux from Louisiana proposed an amendment to P.L. 101-510, whereby BRAC-related property would be offered first to the governor and then to the local community at no cost, before a public sale of the land was pursued. This amendment was apparently withdrawn because, as mentioned above, DOD anticipated realizing billions of dollars from the sales of BRAC property. In a December 1998 interview, the Director of the DOD Base Closure and Transition Office, Mr. John Desiderio, emphasized that his job was to ease the pain of BRAC on the affected communities. He stated that “any amendment like Johnson-Breaux would necessarily make BRAC implementation easier, quicker and politically more acceptable to affected communities.” After four rounds of BRAC, the federal government retained about 16% of BRAC-affected land, while as much as 68% of the land was requested by local reuse authorities under various public benefit transfer authorities and economic development

⁴³ *Ibid.*

⁴⁴ Unless otherwise noted, all quotes from Mr. Sailor are from an October 1998 interview

⁴⁵ *Ibid.*

conveyances.⁴⁶ All of which means that very little of the anticipated revenue has been realized by the federal government, while an inordinate amount of time has been required for financial negotiations and settlement.

The revenue collection process from land sales pursuant to BRAC is tricky business. Although providing property free of charge would be "a wonderful incentive for local communities to get involved early in the BRAC process," Dr. John White also expressed concern that "without adequate rationale, Congress would never go for it." Mr. Paul Dempsey at the OEA echoed this concern, yet also agreed that "bringing back a version of Johnson-Breaux would at least provide a plan that would show good faith in getting the property quickly in the hands of the BRAC communities." He also felt that this effort would not get much support from politicians who have no bases to close in their district, or who are particularly sensitive to the Stewart B. McKinney Homeless Assistance Act. This Act states that "all base closure properties determined to be suitable and available for homeless use are candidates for this program."⁴⁷ Although this particular legislation could provide opportunities to impede free land transfer to the local communities, Mr. Dempsey also noted that "in most cases, military installations are not located in areas accessible for the homeless."

Subsequent to the 1991 BRAC round, then Congresswoman Susan Molinari sponsored legislation that would have made BRAC-related properties exempt from the McKinney Act. Although this legislation failed, similar language would be required in the amended public law to ensure a "no strings attached" transfer of property.

Retired Major General David Whaley, formally the U.S. Army Assistant Chief of Staff for Installation Management (ACSIM) stated that the problem with BRAC land transfer is that the revenues received do not stay in the hands of the installation commanders.⁴⁸ Allowing installation commanders to retain these revenues locally would provide opportunities for commanders to augment their installation operations and maintenance accounts which are routinely short of the funds needed to improve base housing, roads, office equipment, etc. In reality, it is very difficult to determine exactly

⁴⁶ GAONSAID-96-149. Military Bases. August 1996.

⁴⁷ Interagency Council on the Homeless. Use of Base Closure Properties for facilities to assist the Homeless: The priority under Title V of the McKinney Act.

⁴⁸ Unless otherwise noted, all quotes from MG Whaley are from a November 1998 interview

what happens to the funds gained from BRAC sales, especially when the revenues involve complex conveyances, leases and future proceeds, as in the case of the Orlando Naval Training Center. MG Whaley stated that "the services would be better off allowing installation commanders to manage their excess property more like a business; leasing, selling and disposing unneeded land utilizing best commercial practices...most important would be to let the installations keep the revenues gained from these business ventures." MG Whaley also noted that "there were enough legislative prohibitions to certainly prevent this from ever happening."

Even though amending the public law in favor of free land transfers has potential for political fallout, the benefits and rationale far outweigh the likely negative effects. First, it will provide a clear path for states and local communities to plan their own futures and receive some compensation for the economic loss associated with closure of the military base. Private concerns providing high-paying jobs for local community personnel, for example, have not been precluded from buying BRAC property, but rarely get an opportunity to do so. Allowing private companies to purchase land and property from the state or local community keeps the BRAC "windfall" local, and should improve the attractiveness of BRAC for the local constituents. Local Reuse Authorities (LRAs), under the current process, are never sure about the fate of the BRAC installations until the deed is finally transferred. Under this land transfer process proposal, there could be much more control, eliminating a great deal of risk for potential investors. Second, the current process is too slow. Elimination of the current fair market value determination, economic conveyances and public benefit transfer activities, Homeless Act restrictions, and Federal land use requirements will ensure that the affected communities will not be held hostage to a 16% federal with-hold for a Federal Park, Wild Life Reserve or prison. An example of this hostage situation is evident in the 1988 BRAC Commission recommendation to close the US Army's Presidio of San Francisco installation. This deed to this installation has yet to be transferred because of its value to the Federal Park Commission, the State of California, and the homeless, all of whom have placed legitimate claims for the property. According to several BRAC officials in the Army BRAC office, the Presidio example has not benefited anyone. While State and Federal officials continue with the now 7-year discussion, this great piece of real estate remains

in limbo.” Deterioration of housing units at Mather and Myrtle Air Force Bases while local reuse authorities negotiated sales resulted in the inability of the community to use the property until substantial repairs were made.⁴⁹ Delays in getting the deeds of BRAC property turned over to communities not only saddles the services with enormous “caretaker” costs, but also opens the door for a continuous revisiting of environmental concerns.

ENVIRONMENTAL CLEAN UP

The environmental issues not only cause the greatest headaches for DOD, but they are also the single most expensive and emotional piece to BRAC. In fact, environmental clean-up efforts account for nearly 30% of all BRAC costs (\$7.3 billion projected through 2001).⁵⁰ Environmental clean up is costly not only in terms of dollars but also in terms of time. A commonly voiced frustration for participants in the BRAC process is that there is little incentive for an expeditious environmental clean up of BRAC property.

In order for a free land transfer amendment to work, the complementary management of environmental issues must be addressed. According to Mr. Gale Sailor, Director of the Air Force Base Conversion Agency (AFBCA), “the longer the deed transfer process is drawn out, communities will change their utilization plan, increase their environmental cleanup levels, and require that building after building be demolished. Improving building codes should not be part of the deal and it does not make sense to clean BRAC property to a level that no one will use.” All service BRAC offices agreed that the “cottage industry” supporting environmental study after study brings the entire BRAC process to a very expensive and unnecessary halt. There are several examples of LRAs requesting residential clean-up levels for property to be used exclusively for industrial purposes. These costs continue to mount in the “cost to close” column of BRAC installations, and contribute to another reason why “the costs of implementing BRAC recommendations have been greater than DOD initially estimated, because the land sale revenues were less than projected and the costs of environmental

⁴⁹ GAO/NSAID-96-149. Military Bases

⁵⁰ Data obtained from the Defense Base Closure and Transition Office (BCTO).

cleanup were added.”⁵¹ In a 1993 GAO report, GAO/NSAID-93-161, it was noted that environmental restoration costs increase over time due to detailed remediation studies and tests. Clearly DOD does not intend to shirk its responsibility to clean up bases. In fact, environmental costs are intentionally not included in the BRAC COBRA analysis because these bases would have to be cleaned up anyway. The GAO agreed that “environmental restoration costs are a liability to DOD regardless of its base closure decisions.”⁵² According to the Department of Defense, any different policy “would create a perverse incentive to encourage pollution as a means of preserving a base”.⁵³ Additionally, according to a top Navy BRAC official, “if COBRA data included environmental costs, some communities would artificially and inappropriately exaggerate the cost to clean up installations to avoid vulnerability to BRAC.” Mr. Charlie Smith, former professional staff member for Senator Wendell Ford and the Secretary for the 1995 BRAC Commission under retired Senator Alan Dixon, supported the idea of expediting land transfer. He suggested that “the department and local community come to a quick agreement for a one-time pay-off of environmental costs, so long as a provision for future claims was also included.”⁵⁴

Another important advantage to a rapid acceleration to the total BRAC process is that it will protect the funds allocated for BRAC activities. In an October 1997 memorandum, the Army Assistant Chief of Staff for Installation Management (ACSIM) expressed concern about the poor financial performance of the Army BRAC environmental program, stating that nearly \$400 million of the \$1.1 billion obligated for BRAC environmental restoration remained unliquidated.⁵⁵ This situation places funding for the entire BRAC program at risk, if not completely vulnerable, to budget reductions and reprogramming actions. Inevitably, the longer it takes to negotiate environmental clean-up issues and complete deed transfer, the less funds will be available to get the work done. In the end, the process will not only cost more, but will require several more years to restore the funds back into the BRAC accounts specifically allocated for

⁵¹ GAONSAID-97-151 Military Bases

⁵² *Ibid.*

⁵³ The Report of the Department of Defense on Base Realignment and Closure, April 1998

⁵⁴ Unless otherwise noted, all quotes from Mr. Charles Smith are from a September 1998 interview

⁵⁵ Memorandum for Distribution: BRAC Environmental Program Disbursements (OUTLAYS), from the Army ACSIM, October 31, 1997.

environmental clean up. In 1996 the Government Accounting Office recommended to the SECDEF that "reasonable time frames" be established for negotiating sales of BRAC-related property. The issue of whether or not DOD should continue to pursue land revenues notwithstanding, shorter implementation time lines for deed transfer will benefit DOD and the end user, as well as save significant tax dollars.

Although it is difficult to separate base closure functions as independent variables in the process, the necessary functions of Closure, Cleanup, Reuse, and Disposal each poses unique issues and problems in the implementation phase of BRAC, which can be addressed through amendments to the BRAC Law and DOD policy changes.

ALTERNATIVE DOD POLICIES

Solving the "Implementation " problem requires a paradigm shift from traditional government property management thinking. One must question whether it makes sense in terms of efficiency and resource allocation for each service to maintain separate management organizations, each fundamentally pursuing the same goal. In a press conference in April 1998, Secretary of Defense Cohen stated that in order to find savings for readiness, "the department is accelerating the adoption of private sector's best business practices, consolidating agencies, reducing staffs, and outsourcing". However, little has been done to consolidate DOD BRAC offices and staffs since 1988. Since the land transfer process is so complex, often involving numerous agencies, continuity and focus become critical issues.

The management of the next round of base closures combined with still unclosed bases and facilities is not an overwhelming task. According to most BRAC officials, two additional rounds of BRAC would involve an estimated 33-40 major base closures, 30-40 major base realignments, and 60-80 minor base realignments and closures, roughly the "caseload" of the 1995 BRAC Commission.

PRIVATIZING THE PROCESS

Privatization of many of the implementation functions of BRAC makes sense for several reasons. According to the OEA, continuous breaks in continuity resulting from

government personnel reassignments, retirements and promotions seriously contribute to land transfer delays and problems. Additionally, the management activity currently performed by the base closure and transition office of each service clearly falls within the scope of OMB Circular A-76, Attachment A (Examples of Commercial Activities) of which includes a provision for managing "Real Property." According to Mr. Mike Hix of the RAND Corporation, "the goal should be to make BRAC property transfer as traditional a real estate deal as possible."⁵⁶ Although none of the services was able to give us an accurate and complete estimate of the cost of managing BRAC Implementation, based on historical A-76 data for comparable activities, outsourcing cost savings could amount to 30-40% of the current costs. Private real estate management companies, or one of many DOD technical professional contractors, such as DYNCORP, Raytheon, Lockheed Martin, and others could accomplish this task. In fact, DYNCORP Corporate Vice Presidents, retired Army Major General Richard Stephenson and Mr. Joe Cribbins, stated that "privatization works, there are at least 20 service companies who can perform these BRAC functions, keeping in mind that the services industry makes up nearly 64% of our GNP."⁵⁷ This figure will increase and become especially important as the United States continues to move from a manufacturing and production based economy to a services based economy. Privatization of the BRAC process would provide centralized management and accountability to a process that is currently extremely decentralized across the services. Mr. Paul Dempsey at the OEA recommended that "if a private contractor was not used, DOD should consider consolidating base closure activities under the Army Corps of Engineers or the General Services Administration (GSA) as a minimum."

A second area of improvement that could be realized through privatization of BRAC implementation involves cost tracking. A comprehensive interview process of key BRAC personnel revealed that the audit trail for BRAC costs and savings was incomplete, inconsistent, and therefore inaccurate. Mr. Len Yankosky, the current Director of BRAC for the Defense Logistics Agency (DLA), emphasized that "if BRAC

⁵⁶ Hix, Mike. Comments made during the 1999 OSD BRAC Conference, Washington DC, 25 March 1999.

⁵⁷ Unless otherwise noted, all quotes from Mr. Cribbins and Mr. Stephenson are from a September 1998 interview

costs could be tracked better, the BRAC savings story would be easier to tell.”⁵⁸ It is unlikely that DOD could improve significantly the process of cost tracking without consolidation because of the services’ unique BRAC accounting practices and redundant management functions across the services. Consolidation of the implementation phase of BRAC under a separate contract and separate contractor would provide a much better tracking mechanism of BRAC costs, which would lead to a better understanding of savings accrued.

A misconception about BRAC is that the funds provided for BRAC implementation activities involve a separate funding line within defense appropriations. In reality, these funds are budgeted and allocated by each service based on installation COBRA estimates. The services utilize these funds to manage their own BRAC activities including environmental clean up, new construction for gaining installations, building demolition, personnel training, transportation, moving costs, or anything that meets the services BRAC related guidelines and ceilings. There is scant evidence of any joint or interservice management of closure and disposal efforts. Those installations that were closed or realigned which had other services or agencies as tenants posed a unique and complex set of problems. In most cases the tenant organizations felt that they were not being treated fairly. Mr. Yankosky stated that “dealing with the services throughout the closure process is very hard business. BRAC money needs to be better managed.” Although the funds for BRAC were managed by OSD, the services’ own BRAC offices made all decisions with little oversight or direction.

There are many partial benefits to be realized from privatizing as much of the implementation phase of the BRAC process as possible. The use of a private contractor to systematically close installations would eliminate a great deal of confusion/duplication, increase accountability, and ensure a more standardized approach across all service installations. Additionally, by privatizing this phase of BRAC, each service could eliminate thousands of military man-years dedicated exclusively to the caretaker aspects of BRAC. The Air Force Base Closure Agency not only manages the total disposal role for the Air Force, but also conducts the actual negotiations of the complex EDC agreements. According to the National Association of Installation

⁵⁸ Unless otherwise noted, all quotes from Mr. Yankosky are from an October 1998 interview

Developers (NAID), 16 separate negotiations were required for the Air Force to develop an in-house expertise on EDCs.⁵⁹ These service members and Air Force civilians could be better utilized performing inherently military functions for their service. Efficient base closure is predominantly a real estate function that requires a thorough knowledge of the local market, growth patterns, housing and industry projections, and environmental issues, none of which falls within the realm of the “core competencies” of DOD or any of the armed services. One needs only to review the hundreds of government web pages and Internet sites to understand how unwieldy the process is for each service. Legislation for future BRAC rounds should address getting the services out of the caretaker business.

FREQUENCY AND TIMING OF BRAC ROUNDS

“The problem with BRAC is that the decisions can always influence an election.” Although this comment by senior legislative liaison Charlie Smith was made somewhat “tongue in cheek,” this fact stares boldly in the faces of all Congressmen and Senators who may have installations vulnerable to closure within their constituent communities. Mr. Pete Potochny, OSD Director of Housing and Energy, was responsible for the 1999 BRAC language in the Defense Authorization Bill. He felt that “with the election process, politics will always enter the equation, which will probably result in another failed BRAC appropriation.”⁶⁰

With a process so inherently political, the timing of the BRAC rounds becomes significant. Hence, the question, “How often should BRAC rounds occur?” As discussed earlier in this paper, there is strong DOD support and rationale for at least two more BRAC rounds, in 2001 and 2005. Many BRAC officials even feel that we should not be limited to just two more rounds, but according to Mr. George Lauffer, SASC Professional Staff Member, “it is not likely that Congress will even support two more rounds of BRAC let alone more than that.”⁶¹

According to Colonel Dinsick, the Army needs a BRAC mechanism that allows, for example, a continuous process to accommodate consolidations of the US Army Training and Doctrine Command (TRADOC) functions and realignment efficiencies that

⁵⁹ National Association of Installation Developers, June 30, 1998

⁶⁰ Unless otherwise noted, all quotes from Mr. Potochny are from a September 1998 interview.

have yet to be fully planned for implementation. In addition to a "phased realignment" process, there is a need to review previous BRAC decisions. In fact, every BRAC Commission has not only considered new base closures and realignments, but also had to review certain previous decisions, due to new information, oversights, or a change in the situation. This review process is important, as DOD and the services need the capability to make necessary realignment adjustments. It should be noted that the decisions made pursuant to the last (1995) BRAC Commission have not, of course, been subjected to the same review. History has shown that it is very difficult and painful to push BRAC authority through the legislative process every time it is needed. A BRAC timing compromise solution is needed that would better accommodate both Congress and the Services.

One solution would be to conduct one BRAC round every six years, which would complement current BRAC guidance that requires closure decisions to be based on a six-year force structure plan. Additionally, a six-year BRAC schedule would include at least one average term length for every member of Congress. With members of the House of Representatives elected to two-year terms, they can be subjected repeatedly to BRAC, as was the case for the last three BRAC rounds (1991, 1993, and 1995), thus ensuring political opposition to BRAC, regardless of the necessity or justification. Senators serve a 6-year election term. A six-year BRAC cycle would therefore preclude any Senator from enduring more than one BRAC round during his or her current term of office, while members of the House of Representatives would face the wrath of their constituents only once every three terms.

To accommodate the services' need to review BRAC decisions and adjust implementation and realignment issues, reviews could be conducted between the 2nd and 4th years of the proposed 6-year cycle. Of course, this review could be perceived as a mechanism to reverse BRAC decisions through political meddling. Several BRAC officials supported this concept but agreed that the BRAC review decisions must undergo the same approval process and internal time lines as the normal BRAC process (as outlined in P.L. 101-510). Additionally, the law must stipulate that no bases previously closed can be re-opened and no new bases can be closed prior to the next BRAC round.

⁶¹ Unless otherwise noted, all quotes from Mr. George Lauffer are from a November 1998 interview.

The purpose of the review would be to enable DOD to make adjustments, not to reverse BRAC decisions.

There would be many advantages to this approach:

- 1) The services would have a better base consolidation tool than 10 USC 2687 and be able to plan for BRAC on a regular basis.
- 2) The BRAC process would remain the primary means to reduce infrastructure on the basis of objective assessment, and the members of Congress, along with their constituents would enjoy longer planning cycles.
- 3) Realignment mistakes or adjustments from previous the BRAC Commission recommendations could be fixed before it's too late.
- 4) DOD could better plan BRAC funding.
- 5) Avoids a major political obstacle by not having to go to Congress for each and every BRAC round.

INTERSERVICE BASE CONSOLIDATION

As discussed previously, each successive BRAC Commission experienced only minor procedural changes and amendments to the original BRAC legislation. However, in 1995 Dr. John Deutch, the Deputy Secretary of Defense (DEPSECDEF), attempted to change significantly the closure and realignment selection process. The establishment of five Joint Cross-Service Groups (JCSGs) was made to take a closer, more independent look at five interservice functional areas: medical, undergraduate pilot training (UPT), test and evaluation, research and development, and depot maintenance. "This process was designed to establish alternatives for closure and realignment in situations involving common support functions."⁶² During the three previous BRAC rounds, the services showed very little evidence of any consolidation of work across service lines. Additionally, OSD did little more than issue guidance and review the BRAC recommendations from the services. Secretary Deutch recognized the great potential of interservice consolidation, and personally chaired the Joint Cross-Service Review Group. On paper this was a superb opportunity to expose excess and promote interservice consolidation and cooperation.

In a 1997 report on military bases, the GAO concluded that not only must the services resolve policy issues ahead of time, but they must recognize that sharing of assets, consolidation of workloads, and a reduction in excess capacity must be made in order for future BRAC rounds to succeed. JCSGs seemed to many to be the best way to accomplish these tasks. However, this viewpoint has not been a unanimous one. For example, according to Mr. Charlie Nemfackos, Deputy Secretary of the Navy and a senior Navy BRAC official, the services already know what their excess capacity is, and what needs to be done without outside interference from cross-service groups. He felt that "the [1995] cross-service group process was a waste of time, providing dangerous and useless point recommendations without any new illumination, which gave the appearance of an outside review...as a defense against criticism."⁶³

The Navy viewpoint regarding the utility and impact of JCSG implementation has some support and merit, but it must be noted that the other services feel that cross service analyses of functions and consolidations will be required in future BRAC rounds despite their obvious resistance to JCSG recommendations in 1995. In fact, the services' resistance to interservice consolidation during previous BRAC rounds is well documented. Several observers and players did express significant frustration in regards to the disposition of the work and recommendations of the various 1995 JCSGs. One JCSG member, stated that her particular group's "95 submission was the best ever...the first identification of the excess."⁶⁴ Dr. Deutch felt that allowing the services to use their Title 10 authority⁶⁵ to summarily dismiss the JCSG recommendations was wrong. In Dr. Deutch's opinion, this interpretation of Title 10 authority could be overruled by the SECDEF in some cases as a matter of good business. For example, the Marine Corps insistence that it needs its own depot on each coast is based solely on its Title 10 authority to determine what is required logistically to support the Marine Corps during operations. Although the Army consolidated all soldier basic training at Fort Jackson S.C, the Marine Corps continues to use Title 10 as the rationale for maintaining east and west coast training centers. The Navy's refusal to consolidate under graduate helicopter

⁶² Defense Base Closure and Realignment Commission. 1995 Report to the President, Chapter 5.

⁶³ Unless otherwise noted, all quotes from Mr. Nemfackos are taken from a November 1998 interview.

⁶⁴ Unless otherwise noted, all quotes from Ms. Reese are taken from a November 1998 interview.

training with the Army at Fort Rucker, Alabama is based on Title 10 issues. Dr. Deutch felt that the service chiefs failed to display any genuine initiatives toward interservice consolidations. "During the 1995 BRAC process, the Service Chiefs did a great job saying one thing in the "Tank" and then going back to their own service and finding out that a situation was completely different." According to a 1997 GAO report, "an overarching concern of participants in the process was the insufficient time, authority and/or leadership to facilitate agreement among the services to share assets, consolidate workloads, or reduce excess capacity in common support functions..."⁶⁶

According to the Vice-Chairman of the Joint Chiefs of Staff, the 1995 JCSGs did not appear to violate the Title 10 authority of the services, and he has advocated a stronger role for these groups. However, several top service and DOD officials disagreed, insisting that the services had to retain the final say on closures and realignments to meet their Title 10 responsibilities. According to the GAO, this key decision meant that the cross-service groups were subordinate to the services.⁶⁷ Essentially, the potential of the JCSG process was significantly limited before any study began. Nevertheless, the 1995 JCSGs were able to identify opportunities for consolidation and harvest savings across the services. This part of the process, at least, was a success.

EXCESS CAPACITY IDENTIFIED BY CROSS-SERVICE GROUPS⁶⁸

<u>CROSS SERVICE GROUP</u>	<u>EXCESS</u>
DEPOT MAINTENANCE	24,830 man-years
TEST & EVALUATION (T&E)	495,000 test hours
RESEARCH & DEVELOPMENT (R&D) LABORATORIES	9,800 work years
MEDICAL	1 excess medical center
UNDERGRADUATE PILOT TRAINING (UPT)	33% airfield ops
	108% Ramp Space (RW)

⁶⁵ Title 10, 10 USC 2464 is the authority of the services to man, equip, train, and operate in order to be mission capable and provide a timely and effective response to a national defense contingency or other emergency requirement.

⁶⁶ GAO/NSAID-97-151 Military Bases

⁶⁷ GAO/NSAID-95-133. Military Bases. 14 April 1995.

The magnitude of the excess, particularly in the depots and pilot training functional areas, has attracted attention throughout DOD. Individual service and political support for proposed reductions have varied across the different areas. Without a DOD coordinated installation management plan, it is not likely that the Secretary of Defense will have much success convincing Congress to back off from their current positions. For example, the Congressional Depot Caucus, extremely well organized and politically powerful, has been especially effective over the years in resisting proposed depot reductions. The services and DOD are well aware of the power and influence of the Depot Caucus. As such, each service has been reluctant to propose reductions of their own depot infrastructure even though significant excess capacity exists because it was sure to encounter stiff political opposition. Prior to the 1995 BRAC Commission's review, the Secretary of the Air Force removed both McClellan and Kelly Air Logistics Centers from his own service BRAC list before it was submitted to the Secretary of Defense because of the political impact that would ensue. Evidence that serious interservice base consolidation discussions have occurred within the framework of the last four rounds of BRAC is lacking. In a 1997 GAO report on Defense Infrastructure, it was noted that there was little to indicate that the services will voluntarily agree to consolidate across service lines, where the greatest savings are apt to be achieved.⁶⁹ This further suggests that Deputy Secretary of Defense Deutch was on track with the JCSG approach to reduce redundancy and excess.

The most difficult areas to gain support for consolidation were the laboratories and T&E centers. In a 1993 roles and missions report, the Joint Chiefs of Staff reported the services had developed a DOD-wide overlap and redundancy in the areas of test and evaluation and training.⁷⁰ The GAO later reported that since BRAC began, "no major consolidations or reductions in the test and evaluation infrastructure have occurred." Mr. Dave Wennegren, a Navy Economic Analyst on the 1995 BRAC Commission, stated that "Cross Service Groups worked well for a few functional areas, but the service-peculiar

⁶⁸ GAONSAID-95-133. *Military Bases; Analysis of DOD's 1995 Process and Recommendations For Closures and Realignment*. 14 April 1995.

⁶⁹ GAO/HR-97-7 *Defense Infrastructure*. February 1997.

⁷⁰ *Ibid.*

Technology Centers, Laboratories, and Ranges proved too difficult to mix.”⁷¹ This issue does not seem to be the case with depots and undergraduate pilot training installations, however. Mr. Dave Gardner, former director of the Undergraduate Pilot Training Cross-Service Group in the 1995 BRAC Commission, felt that his cross-service group was “very methodical and comprehensive, contrary to what services felt.”⁷² The Depot Cross-Service Group as well as the UPT CSG members were adamant that their recommendations should have been adopted. Yet most BRAC officials indicated that “...in retrospect, the cross-service groups had little impact on service decisions in the 1995 round....”⁷³

Based on interviews of Cross Service Group members and our research, coupled with the well-publicized Kelly-McClellan Depot situation, one is led to conclude that future BRAC Joint Cross Service Groups should focus more on fewer functional areas. Clearly, the greatest opportunities for interservice consolidation (based on the JCSG efforts) in 1995 existed in the depot and UPT functional areas. In depot maintenance, while there was limited cross-servicing directly attributable to the JCSG recommendations, the services developed what they believed to be more cost-effective in-house solutions. UPT consolidation also fell short of hopes and expectations, as the UPT infrastructure was reduced by only three bases.⁷⁴

Fundamentally, the mechanism of JCSGs to submit any findings and recommendations directly to the SECDEF, with comments from the uniformed services, should be supported. In order for these groups to succeed, certain considerations are important:

- JCSGs should not be subordinate at the onset to the Title 10 Authority of the services; the SECDEF must resolve any Title 10 issues raised as a result of the JCSG findings and the comments and findings of the services.
- The JCSG process must be initiated prior to the start of the BRAC Commission timeline, in order to give the services adequate time to study and respond to the JCSG findings and recommendations.... “Had the cross-service

⁷¹ Unless otherwise noted, all quotes from Mr. Wennegren are from a September 1998 interview.

⁷² Unless otherwise noted, all quotes from Mr. Gardner are from a September 1998 interview.

⁷³ GAONSAID-97-151 Military Bases.

⁷⁴ Base Closure and Realignment Report, Department of Defense. March 1995.

groups started earlier, they might have had more fully developed proposals and greater influence...”⁷⁵

- OSD must limit the focus of the interservice consolidation to one or two functional areas during each BRAC round. These changes would not only lessen the impact on the services’ operations and capabilities, but would also lessen the grounds for political opponents to argue that much excess is being eliminated at one time. We recommend that the next BRAC round systematically focus on excess depot and UPT capacity before attempting a more comprehensive interservice consolidation effort in other areas.

The JCSG process provided a broad, independent view of excess capacity in the areas of maintenance depots, UPT, hospitals, and installations involved with T&E and R&D. However, to gain the greatest benefit and synergy from joint service operations and the Department of Defense fiscal constraints, Pre-BRAC Interservice Consolidation Review Panels (ICRP) should be established. The following two case examinations are submitted to support this premise. Joint-use agreements at depots and training areas can maintain service integrity while reducing excess capacity. Service-peculiar training and operations need not be compromised due to facility sharing agreements. For example, Army and Navy helicopter training represented a significant “missed opportunity” in the 1995 JCSG process.

HELICOPTER TRAINING CONSOLIDATION

Many studies, including the 1995 JCSG, have recommended closing Whiting Field in Florida and relocating naval undergraduate helicopter training to Fort Rucker, Alabama, where U.S. Army helicopter training is conducted. U.S. Navy officials have questioned, however, “whether it was realistic to assume that the US Army would ever accommodate US Navy and US Marine Corps helicopter training at Fort Rucker. ...If the US Army would show us that they would be willing to adjust their curriculum, then the Navy might consider consolidation.” One is tempted to challenge not only the necessity of maintaining Whiting Field when the Navy’s own analysis indicated that its primary and advanced helicopter training requirements varied from 19 to 42 percent of historic

⁷⁵ GAO/NSAID-95-133. *Military Bases* 14 April 1995.

levels, but also whether it is necessary for the Army to adjust its helicopter training curriculum to accommodate joint-service use of Fort Rucker.⁷⁶ In the past, consolidation of Navy and Air Force primary fixed-wing undergraduate pilot training was met with similar resistance until the two services established agreement through a joint syllabus. Contrary to some fears, joint use of facilities does not necessarily translate into a degradation of service-specific training or Title 10 Authority to maintain a trained and ready force.

Fundamentally, the first nine to twelve months of undergraduate rotary wing aviator training is identical across the services. Shipboard operations, advanced navigation, gunnery operations, or other advanced collective or individual unit training requirements could be routinely performed outside of the basic training curriculum, normally at the aviator's follow-on assignment. From an economic standpoint, consolidation of flight training operations at a single facility would drive down maintenance costs, improve aircraft density and availability rates, and reduce installation overhead through more efficient utilization of contractors and facilities. Therefore, consolidation of helicopter training at a single installation not only makes good business sense, it could provide opportunities for Army, Navy, Marine Corps, and Air Force rotary pilots to train together. This situation can only serve to reduce service parochialism, improve confidence levels during joint operations, and develop a better mutual understanding of how each of the services operate.

Often the differences between the services' Standard Operating Procedures (SOPs) contribute to service rivalry and friction. Establishment of joint training facilities also opens doors for more collective training exercises, and inter-service cooperation. Consolidation of Army, Navy, Marine, and Air Force helicopter training can drive more effective "real-world" operations, increasing the interoperability of flight crews and maintenance crews. Overall, merging undergraduate pilot training promises many potential benefits. The Army conducts more than half of all helicopter training for DOD and therefore should be the lead service for all DOD undergraduate helicopter training.

According to the GAO, DOD's inability to consolidate rotary wing training at one location leaves DOD with more than twice the capacity necessary. Recent analyses of

⁷⁶ GAO/HR-97-7 Defense Infrastructure. February 1997.

Navy primary pilot and advanced helicopter training requirements indicate a 42% decline from peak historic training levels.⁷⁷ DOD's total infrastructure capacity for rotary wing training is at least double what is needed by all military services.⁷⁸ According to Mr. Dave Gardner, a Defense Department expert on undergraduate flight training facilities, "When it came to undergraduate pilot training consolidation in 1995, the services' submitted their COBRA data late, and it often bordered on being ridiculous, allowing no time for an adequate Cross Service Group review and audit before it was submitted to the Secretary of Defense. There was no agreement on the collocation or consolidation of helicopter training."⁷⁹ In those interservice consolidation areas where the services have difficulty establishing cooperative agreements between themselves, OSD leadership and direction becomes critical.

DEPOT MAINTENANCE CONSOLIDATION

In order to develop a coherent strategy for depot consolidation, the issues of excess capacity, service-specific workloads or functionality, and privatization must be addressed. According to a 1996 GAO Report on Depot Maintenance, a combination of factors created extensive excess capacity in the DOD depot system. These factors include 1) downsizing of the armed forces, 2) increased repairs in field-level maintenance activities, 3) increased privatization and outsourcing, and 4) better-designed and better-built equipment.⁸⁰ Since the trend of these factors will continue to decrease depot use and increase excess capacity, JCSG efforts to consolidate and collocate depots should be maximized in future BRAC rounds.

Typically, services want to keep their own organic capabilities for repairing, overhauling, modifying, and upgrading defense systems and equipment. Interservice consolidation and collocation of depot activities involves issues related to daily operations, peculiar equipment and facilities, and a trained workforce. Additionally,

⁷⁷ GAO/NSAID Report Number 96093, Training Infrastructure, 29 March 1996

⁷⁸ GAO/HR Report Number 97-7, Defense Infrastructure, February 1997

⁷⁹ Base Closure and Realignment Report. Department of Defense. March 1995.

⁸⁰ GAO/NSAID-96-165 Defense Depot Maintenance. 21 May 1996.

determining excess capacity in combination with depot capability proved to be extremely difficult work for the previous four BRAC Commissions. A major concern involving depot capabilities and excess capacity reduction efforts is the concept of surge. Several GAO and service reports identify specific excess capacities within each of the 29 existing major defense maintenance depots, including the Kelly and McClellan depots. Before the 1995 BRAC Commission met, the overall DOD depot system had over 40% excess capacity. However, OSD depot officials expressed their concern about the way services measure capacity and surge. Surge is defined as the depot's capability to increase production operations to meet national emergencies and the Services' corresponding OPTEMPO. Without a clear and specific measure of surge capability in a depot, it becomes impossible to determine what is excess capacity and what is required for a surge capability during mobilization or periods of increased OPTEMPO.

The services effectively utilized this vagueness in terminology to their advantage in keeping most of the depots off the 1995 BRAC list. COBRA data from the 1995 BRAC depot submissions calculated only one shift of labor to determine surge requirements. Therefore, excess was inappropriately calculated without due consideration given to optimal capacity based on additional shifts utilizing the same facilities and machinery. One issue that must be addressed in determining excess and surge capacity involves the number of shifts that should be used to measure surge capability. For example, if each service and depot calculated output and surge incorporating 2 or 3 shifts versus only 1, much more excess capacity would be realized. In determining capacity and surge, it is important that each depot incorporate a standard, adjusted labor hour along with a standard for calculating shift production. This process is an important first step in determining a baseline for depot consolidation, and which depots will make the best receiving installations.

The next issue that significantly influences effective consolidation of DOD depots is that of service-specific functions. Are there peculiar service-related functions or workloads that cannot be consolidated or centralized? The 1995 Depot JCSG recommended several depot consolidation alternatives that could have saved over 35 million direct labor hours. Additionally, had the services designated a joint depot, or combined more workloads through consolidation or interservicing, one or more depots

could have been closed.⁸¹ Rather than closing or consolidating specific depots, the U.S. Air Force in 1995 only recommended downsizing all five of its Air Logistics Centers. The Navy disagreed with all of the Depot JCSG recommendations citing “strategic and operational considerations.” Clearly, winning a total service consensus for depot workload consolidation will be difficult, but it is not an impossible task. This is hardly a new observation. In 1994, the SECDEF directed the Navy and Air Force to consider establishing a joint fixed-wing aviation depot, but one was not established prior to the 1995 BRAC Commission.⁸² Joint consolidation of aviation depots between the services is logistically possible and economically feasible. Ground system and electronic maintenance depots should also be considered for joint depot operations.

The bottom line of sustaining too many depots is that an expensive cycle is created: excess capacity drives overhead costs up, which in turn drives down depot usage...which again drives up rates. Additionally, although privatization makes sense for much of the work currently being conducted in military depots, privatizing excess capacity does not save money. Several DOD and GAO studies have been conducted to analyze the effect of privatization on DOD depots. In every case, depot consolidation and closure were found to be the only effective measures to cut costs. Pre-BRAC Interservice Consolidation Review Panels (ICRPs) for depot consolidation can designate the lead services for depot functions, or even consider moving the service depots to the Defense Logistics Agency (DLA). A Joint or DLA-managed Depot will not only result in fewer depots, improved labor rates, and lower overhead costs, but it will also improve joint operations and cooperation between services. Consolidation of depots within the ICRP or DLA can also improve order ship times for low-density repair parts, and reduce factory-to-depot transportation costs. In order to succeed however, DOD leadership must be the driving force to overcome service parochialism in the better interests of DOD use of business rules, accommodating fiscal constraints, and not doomed to failure via Title 10 interpretations.

⁸¹ GAO/NSAID-95-133. Military Bases

⁸² *Ibid.*

CONCLUSIONS

This paper has attempted to outline the success and failures of DOD Base Realignment and Closure efforts as guided by Public Law 101-510, numerous other legislative actions, and government policies. The fact that the DOD infrastructure is disproportional to the size and fiscal constraints of today or tomorrow's force structure is undeniable. DOD needs additional rounds of BRAC to remain affordable and effective in meeting the contemporary National Military Strategy. Closing bases is extremely difficult, not only for the affected communities, but also for the services. Although politics is a "given" in the process, cynicism, pessimism and flaws in the process notwithstanding, the chances are that Congress may approve at least two additional rounds of BRAC in the upcoming 2000 Defense Authorization Bill. In order to be effective legislation, and for DOD to be able to take advantage of this opportunity, several amendments to the Public Law, coupled with important DOD policy changes, must be incorporated in any future BRAC. Despite its shortcomings, BRAC remains the best process we have for closing and realigning bases and reducing infrastructure.

There are several significant lessons to be learned from the previous four rounds of BRAC:

- The BRAC process tends to be too long; a shorter implementation period would save money and improves effectiveness.
- Environmental cleanup issues are difficult to resolve, are tremendously expensive, and require early negotiated cooperative agreements between DOD and the local communities.
- Revenues from the sale of BRAC-related property are not worth the disruption to implementation and prolonged caretaker costs that result from the process as currently structured. Those directly impacted need to be stakeholders in the outcome, particularly at the local and state levels.
- Joint Cross Service Groups can be extremely effective in identifying areas for major cost savings but have lacked sufficient time and authority to get the job done. Several joint consolidation opportunities have been missed, consciously or otherwise, the results have been lacking.

- The implementation process is government run and not managed by a single agency, which contributes to inefficiencies, duplication of effort, and poor auditing of costs...privatization can lead to "win-win" scenarios.
- The timing of BRAC rounds inhibits Congressional and political support calendars and does not meet the services' needs for adjustments and phased changes.

RECOMMENDATIONS FOR AN IMPROVED BRAC PROCESS

Recommendation #1: The Public Law and corresponding regulations and policies should be amended to promote expeditious closures, environmental remediations, and realignments where required and appropriate.

Recommendation #2: Collection of revenues from BRAC land sale should be terminated. A version of the Johnson-Breaux amendment should be adopted to expedite deed transfer to the affected stakeholder communities directly involved.

Recommendation #3: Advance cooperative agreements between DOD and affected communities concerning environmental policies, studies, and cleanup should be established and executed. Specifically, the Remedial Investigation/Feasibility Study (RI/FS) process should be accelerated. DOD should encourage the most timely, not the cheapest, methods of environmental clean up.

Recommendation #4: Once the BRAC Commission recommendations are approved by Congress, all bases, regardless of service ownership, should be transferred to a single agency or contractor for closure and remediation or realignment implementation as quickly as possible in accordance with appropriate public laws and regulations. By necessity, the armed services must retain control of installations until the property and mission can be properly disposed or transferred, a complicated process that admittedly may require considerable time. Once this stage of "operational closure" is attained, however, there should be an expeditious "hand-off" of the installation from the respective service to the designated agency or contractor for transition to closure. Furthermore, the land transfer process should not be focused solely on the LRAs, but should also include private industry. In addition, DOD and service personnel involvement in Base Transition and Closure Office (BCTO) activities should be reduced.

Recommendation #5: The timing of BRAC rounds should be set at one every six years to reduce the potential political liability to serving members of Congress without new, specific Congressional legislation for each BRAC round.. Each BRAC round must include a post-BRAC review to allow the services the ability to adjust the implementation of previous BRAC Commission decisions based on changed circumstances or oversights, and to execute phased infrastructure realignments, without violating the somewhat fragile integrity of the BRAC process. Furthermore, BRAC should not be limited to only two more rounds. The services need the authority to plan and accommodate changes in the national security strategy, technology insertion, and real-world contingencies.

Recommendation #6: The Joint Cross Service Group process should be continued and made more robust, with greater authority. The studies and findings of the various JCSGs in conjunction with the 1995 BRAC round should be updated and considered for implementation. JCSG recommendations should be submitted directly to the SECDEF with the comments of the services. A Pre-BRAC Interservice Consolidation Review Panel (ICRP) process should be instituted ahead of each BRAC round to establish inter-service cooperative agreements to consolidate workloads in depots, laboratories, test and evaluation centers, and undergraduate pilot training facilities.

In a discussion with Secretary of Defense William Cohen in December 1998, he stated that he was concerned whether Congress would approve additional rounds of BRAC. He felt that BRAC was so painful that the current law guiding BRAC may not pass in the 2000 Defense Bill. These recommendations are intended not only to increase the efficiency of the process, saving millions of dollars in implementation, caretaker, and lost opportunity costs, but also to improve the attractiveness of BRAC for politicians and affected communities. As stated earlier, several BRAC officials feel strongly that BRAC will become most effective and "win-win" when communities with potential BRAC candidates volunteer their military base for closure or realignment. The Camp Swampy hypothetical case suggested in this paper should not be ignored. The many benefits that BRAC could bring to local communities, personnel, and DOD should not be squandered because of politics and/or a lack of appreciation of the DOD infrastructure mismatch.

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