DCN: 11890

Base Realignment and Closure Commission

May 3rd, 2005
9:30 AM Hearing

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Base Realignment and Closure Commission

Hearing of the Commission
9:30am
May 3, 2005

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Statement
of
Anthony J. Principi

Chairman
2005 Base Realignment and Closure Commission

Hearing of the Commission

9:30 AM
May 3, 2005

Washington D.C.

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Good Morning,

I'm Anthony J. Principi, Chairman of the 2005 Base Realignment and Closure Commission, or BRAC. I'm pleased to welcome you to the Commission's first hearing.

In 1780, Abigail Adams, writing to her son John Quincy Adams noted that: "It is not in the still calm of life, or in the repose of a pacific station, that great challenges are formed.....Great necessities call out great virtues"

In accepting the call to service on the 2005 BRAC, the members of this Commission ensured that, for the next few months, our lives will be neither calm nor still, our repose dynamic rather than pacific. We will, of necessity, call out great virtues.

Two weeks from yesterday, the Secretary of Defense will release to the world his proposal to restructuring the base infrastructure of America's armed forces. And our nation: the President, the Congress, the American people, and most importantly, the men and women who defend our freedoms and opportunities will turn to the men and women who embody this Commission to rise to the challenges embodied in those recommendations.

I have been through the process before.

First as a staffer for the Senate Armed Services Committee during one of the earlier BRAC rounds.

And, a year ago, as Secretary of Veterans Affairs when VA identified the means to transform its' medical infrastructure, designed for medicine as it was practiced after World Wars I and II, into a system to provide 21st century veterans with 21st century medicine.

From experience, I can assure you that members of the Commission will face daunting challenges over the next few months:

challenges to our intellects as we grapple with difficult and complex material.

challenges to our energy as we complete an enormous and enormously difficult task in a very short period of time.....

challenges to our personal lives as we travel throughout our land to meet our obligation to provide communities and people with direct input into our deliberations and decisions....

challenges to our emotions as we face our fellow citizens knowing that our decisions will profoundly affect their lives and the future of their communities,

challenges to our self-discipline as we set aside concerns of partisanship and parochialism to debate, decide, and record our findings based only on our assessment of the Defense Department's recommendations against the criteria established by the Congress.

These challenges cloak the burden of great responsibility.

The Congress and the President look to this Commission to provide an unbiased assessment and clear-eyed reality check of DoD's proposals for restructuring the base infrastructure supporting our Armed Forces.

It goes without saying that the ultimate defense of our 229 year experiment in democracy lies in the men and women who wear the

uniform of our Armed Forces..... and that while the resources our Nation commits to our defense are great, those resources *are* limited. In war there are no prizes for second place and our servicemembers can't ensure a first if our Nation doesn't make the most of the limited resources committed to our defense.

Every dollar consumed in redundant, unnecessary, obsolete, inappropriately designed or located infrastructure is a dollar not available to provide the training that might save a Marine's life, purchase the munitions to win a soldier's firefight, or fund the advances necessary to ensure continued dominance of the air or the seas.

At the same time however, decisions on bases are not exercises in sterile cost-accounting.

Without people, uniformed and civilian, bases are nothing but lifeless concrete, asphalt and steel. It is people, not structures or acreage, who bring our bases to life. And those people have human needs, aspirations, and fears.

The words "closure" and "realignment" are easy to write on paper, but they have profound effects on communities ..... and the people who bring those communities to life. The ripples of the proposals the Secretary of Defense will soon present to our Nation, and to us, will be tsunamis in the communities they hit.

The Congress, in authorizing the 2005 BRAC recognized the necessity for cost-effective operation of the Armed Services.

The Congress, in establishing this Commission and in setting forth the standards against which we are charged to measure DoD's proposals, also ensured these decisions would not made in a vacuum ..... and that DoD's proposals, and their rationale and supporting data, would be subject to independent, objective analysis and assessment.

The members of this Commission accepted the challenge, and necessity, of providing that assessment. From that necessity we are pledged to call forth great virtues.

I committed to the Congress, to the President, and to the American people, that our deliberations and decisions would be based on the criteria set forth in statute and devoid of politics,

that we would address any conflicts of interest we may have,

that we would be open, independent, fair and equitable,

that we would ensure a voice for the people affected by DoD's proposals through both site visits and public hearings,

and that we would seek a consensus in our decisions by integrating the views of all members of the Commission.

And, perhaps most challenging of all, that we would adhere to the rigid timeline for completing our deliberations and provide our report to the President by September 8, just over four months from now.

To meet that obligation we will conduct hearings and visit bases and communities into mid-July and can expect to be marking up our report in mid to late August. We *will* present our report to the President by September 8.

Our Commissioners are exceptional, our staff dedicated and able.

But we will need assistance if we are to succeed. This morning's hearing, drawing on the expertise and experience of Dan Else of the Congressional Research Service and Barry Holman of the Government Accountability Office will provide a critical and necessary first step in obtaining that assistance. We look for this morning's witnesses to provide us with a review of the legislation

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under which we work, the criteria set forth in law for our deliberations, the lessons learned in previous BRACs, and the issues we can expect to face in 2005.

Before we hear their testimony however I am honored to first introduce and to then swear in the members of the 2005 Base Realignment and Closure Commission.

INTRODUCE COMMISSIONERS
pocket of your hearing binder)

SWEAR-IN COMMISSIONERS

INTRODUCE WITNESSES. We are pleased to have Daniel Else, the Congressional Research Services' Senior Analyst for U.S. Foreign Policy and National Defense..... and Barry Holman, the Government Accountability Office's Director of Defense Capabilities and Management. Both of these gentleman are BRAC experts. Mr. Holman, the Chair is aware that your office's involvement and access in monitoring DoD's 2005 BRAC process and the provisions of a Non Disclosure Agreement may limit the extent of some of your comments until the Secretary of Defense's recommendations are made public.

Mr. Else, you may proceed.

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Daniel H. Else, Biography

Daniel H. Else is a Specialist in National Defense in the Foreign Affairs, Defense, and Trade Division of the Congressional Research Service (CRS), the research arm of the United States Congress. His policy issue portfolio there includes Base Realignment and Closures, along with the defense industrial base, defense logistics, military quality of life and military construction appropriations, and other defense matters.

Mr. Else came to the CRS after retiring from more than two decades of naval service. He holds bachelor degrees in aerospace engineering and political science from the University of Illinois, masters degrees in political science from Penn State and the George Washington University, and a master of business administration degree from National University in San Diego, California. He is a doctoral candidate in political science at the George Washington University.

Mr. Else is married to Donna M. Dengler and has two stepchildren, Nikki Lee Lewis, a teacher of secondary school English in the Fairfax County, Virginia, school district, and Craig Scott Lewis, a dance major at Point Park University in Pittsburgh, Pennsylvania. Mr. Else lives in Reston, Virginia.

DCN: 11890

Statement of Daniel H. Else
Specialist in National Defense
Foreign Affairs, Defense, and Trade Division
Congressional Research Service

Statement to the Defense Base Closure and Realignment Commission

May 3, 2005

Mr. Chairman and distinguished Commissioners, thank you for the opportunity to discuss the history, the law, the lessons learned from the past, and the issues facing us at the present regarding potential closure and realignment within the military installation infrastructure of the United States.

We are in the midst of the fifth round of military base realignments and closures to have been endorsed by Congress since 1988, and the fourth round conducted under the current law, the Defense Base Realignment and Closure Act of 1990. The main need to conduct this fifth round is to further reduce excess defense infrastructure within the United States, its commonwealths, territories, and possessions, thereby reducing costs to the Department of Defense (DOD) and helping the Department to realign its capabilities as it goes through a period of transformation.

This fifth round of closures and realignments was authorized when Congress passed the National Defense Authorization Act for Fiscal Year 2002, which was signed into law December 28, 2001. Since then, the Secretary of Defense has finalized and published criteria that will govern his selection of installations for both closure and realignment. DOD has developed a Force Structure Plan that looks 20 years into the future and has compiled a worldwide installation inventory. The Department is in the final stages of creating a list of recommended actions that is to be submitted to you not later than May 16, 2005.

The Defense Base Closure and Realignment (BRAC) Commission is required by law to review this list and forward its own recommendations to the President during September 2005. If the President approves these recommendations and forwards them to Congress, the Secretary of Defense is to carry them out over the following six years unless Congress passes a joint resolution disapproving the recommendations.

This process stands in marked contrast to the traditional practice prior to the late 1980s, when base closures were accomplished by Executive Order. The technique of using an independent Commission to first create a list of base closures and later to review a list created by the Secretary of Defense came only after many years of deadlock between the executive and legislative branches of government.

Congressionally authorized closures and realignments of military installations began only in the late 1980s. Therefore, it may be useful to compare the size of the Department of Defense footprint, or base structure, in the 1980s with that existing as recently as 2003.

In 1986, the Department of Defense employed 3,161,000 uniformed and civilian personnel and exercised its jurisdiction over 26½ million acres of land, of which 24½ million were located within the United States and its possessions and just over 2 million were located on foreign soil. In 2003, after four BRAC rounds that resulted in 97 major, and a total of 451, installations being closed or realigned, the Department employed just over 2 million uniformed and civilian personnel who worked on more than 29 million acres. About 28½ million acres were located within the United States and its possessions, and just over 700,000 acres lay on foreign soil. In broad terms, this is the structure you have been asked to address.

The BRAC Process, 1991-1995

During the 1991, 1993, and 1995 BRAC rounds, the Secretary of Defense was required to submit a Force Structure Plan upon which the eventual list of recommendations would be based. Each of these Force Structure Plans was grounded in the Secretary's assessment of probable threats to national security during the subsequent six-year period.

Each BRAC round followed other specific procedures:

First, installation selection was based on criteria published by the Secretary in the Federal Register. These eight criteria were subject to public comment before being finalized. In fact, the same selection criteria were used for each of the rounds.

Second, the list of recommended actions created by the Secretary was published in the Federal Register and transmitted to the congressional defense committees (Appropriations and Armed Services) and the BRAC Commission, along with a summary of the selection process and justification for each of the recommendations.

Third, each BRAC Commission consisted of eight Commissioners who were supported by between 67 and 75 staff. The staff was built around a core of 15 professionals who provided continuity between BRAC rounds. The Commission passed out of existence at the end of 1995, when the staff was disbanded.

Fourth, the Commission was required to hold public hearings on the Secretary's recommendations and forward to the President a report containing its findings and conclusions based on its review and analysis of those recommendations, together with the Commission's own recommendations for closures and realignments. The Commission was empowered to change any recommendation if the Commissioners determined that the Secretary had deviated substantially from the established Force Structure Plan and final criteria.

Fifth, if the Commission intended to add an installation for closure or realignment or increase the extent of an installation's realignment, it could do so only if it made the required determination, determined that its own change was consistent with the Force Structure Plan and final criteria, published a notice of the proposed change in the Federal

Register not less than 30 days before submitting its recommendations to the President, and conducted public hearings on the proposed change.

Sixth, the Commission then submitted its recommendations to the President. If the President approved the list, he reported that to the Commission and Congress. If he did not, he reported the reasons for doing so. The Commission would then revise its recommendations and resubmit them to the President. If the President approved the revised list, he would so certify and transmit a copy of the revised recommendations to Congress. If he did not forward approved recommendations before an established deadline, the BRAC process would terminate.

And seventh, the Secretary of Defense then carried out the recommendations unless Congress, within 45 days or before it adjourned sine die, passed a joint resolution disapproving them.

The Changed Environment Since 1995

Much has happened since a BRAC Commission last convened. Of particular importance was the publication of the 2001 Quadrennial Defense Review, or QDR.

Previous BRAC rounds were carried out in an environment that reflected the Cold War. Previous BRACs adjusted defense infrastructure to support military forces whose concepts of operation were based on countering a very specific and defined threat. Those forces were specialized to fight their counterparts from the Soviet Union on a potentially nuclear battlefield that was expected to be located in central Germany. Those were forces centered on armored divisions, carrier battle groups, and missile, bomber, and tactical fighter wings.

BRAC 2005 is being carried out in a very different strategic and tactical environment. BRAC 2005 is intended to adjust defense infrastructure to support military forces that are in the process of transformation. The 2001 QDR acknowledged that the principal threats for which our military services had been built had changed. It recommended that we move to operational concepts based more on needed military capabilities than on clear and present threats, and that the forces become more adaptable, flexible, and generalized in order to anticipate or quickly react to evolving, as yet unknown, new threats. Over the course of the past decade, we have seen our own evolution begin with the creation of a lighter, brigade-based ground force and the appearance of so-called expeditionary strike groups and expeditionary aerospace forces.

The 2005 BRAC Round

The amendment to the 1990 law enacted in 2001 that authorized the current BRAC round also modified some of the rules under which it will be carried out. Later additional amendments made further adjustments.

The 2001 Amendment. In its original amendment to the 1990 law, Congress required the Secretary of Defense to create a Force Structure Plan that extended 20 years instead of six. The 1990 Act had expressed the sense of Congress that the closure of overseas bases should be at the discretion of the Secretary of Defense, but the December 2001 amendment required the Secretary of Defense to create a worldwide inventory of military bases as part of the BRAC process. In determining excess infrastructure, the Secretary must consider the anticipated continuing need for and availability of military installations outside the United States and the potential for future prohibitions or restrictions on their use. The Secretary is also required to consider efficiencies from the joint use of any installation by more than one military service.

The Secretary of Defense was also required to certify the need for a new BRAC round, which he did. He is again using published selection criteria in creating his list of recommendations, though this time the selection criteria have been slightly modified from those used in previous rounds. The law specified that "military value" would be his primary consideration, and that he must consider the impact on other agencies by any closure or realignment when he assesses cost.

The 2001 amendment to the BRAC law also authorized the Secretary to place bases in an inactive status, retaining them in federal custody rather than closing them.

Finally, the amended law permitted the Secretary to undertake a so-called privatization-in-place, or the federal closure and immediate reopening as private enterprise, of an installation, but only if the BRAC Commission report specifies it as a method of closure or realignment and determines that it is the most cost-effective method of doing so.

The 2005 BRAC Commission. The amendment created the 2005 BRAC Commission as nine Commissioners, vice the original eight. The term of the Commission will expire on April 15, 2006.

In addition to the requirements already existing in the law, the 2001 amendment added several new tasks before the Commission can make changes to the Secretary's recommendations.

In order to add an installation to the closure or realignment list, the Commission must provide the Secretary of Defense 15 days to explain why the installation was not included. Also, seven of the nine Commissioners must support the addition.

In order to make any changes to the list, the Commission must now invite the Secretary to testify at the appropriate hearing.

Subsequent Amendments. Since authorizing the new round, Congress has further amended the law.

In the National Defense Authorization Act for Fiscal Year 2004, Congress requires the Secretary of Defense to consult with the Governor of the state and heads of local governments concerned if an installation closure or realignment might affect the availability of a public access road.

The Secretary is also required to assess probable threats to national security and determine the potential surge requirements to meet those threats, including these in the making of his list of recommended actions.

Congress again amended the statute in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, specifying that the Force Structure Plan and base inventory used in the 2005 BRAC round could not be updated after March 15, 2005. The Act also placed into statutory language the BRAC selection criteria and repealed the authority of the Secretary to place installations into an inactive status.

Congress also has stipulated that the Commission may not consider changing recommendations that would close, realign, or expand a realignment unless at least two Commissioners visit the installation and the decision is supported by seven of the nine members.

The Department of Defense BRAC Organization and Process

The principal actors in the process include the Infrastructure Executive Council, the three military departments, seven temporary specialist analytical teams called Joint Cross-Service Groups, and the Government Accountability Office (GAO).

The three military departments are performing functions similar to those performed during previous BRAC rounds – assessing the value of each installation to that service's anticipated military operations.

Each of the Joint Cross-Service Groups is composed of experts in the relevant subject area and is headed by a senior uniformed officer or civilian official. The medical team is headed by the Surgeon General of the Air Force, for example, while the education and training team is chaired by the Principal Deputy Under Secretary of Defense for Personnel and Readiness. These Joint Cross-Service Groups focus on the "business functions," such as technical research and development or the industrial base, that support all of the military services, rating installations according to their ability to support that function.

The final important actor is the Government Accountability Office. A GAO team, directed by Mr. Barry Holman, has been charged by Congress with reviewing DOD's BRAC process and recommendations. GAO will provide the evaluation of the process in a report to Congress due on July 1.

As in the 1991, 1993, and 1995 BRAC rounds, the military departments have been responsible for submitting to the Secretary of Defense their recommendations for

BRAC actions. The Joint Cross-Service Groups were created for the 1995 round. Then, six groups dedicated to depot maintenance, military medical treatment facilities, test and evaluation, undergraduate pilot training, laboratories, and economic impact provided their analyses to the military departments for consideration in their deliberations.

In the 2005 round, seven Joint Cross-Service Groups are conducting their own analyses, providing them directly to the Infrastructure Executive Council, as do the military departments.

The Infrastructure Executive Council acts as a final deliberative body in the creation of the list recommended to the Secretary of Defense. It is chaired by the Deputy Secretary of Defense and includes the secretaries of the military departments, the Joint Chiefs of Staff, including its chairman, and the Under Secretary of Defense for Acquisition, Technology, and Logistics.

The information upon which all DOD analysis is based has been generated in what are called "data calls." A typical data call would originate within the Joint Cross-Service Groups, and be transmitted through the military departments to military installations. There, a designated individual would be responsible for gathering the requested information, certifying it for accuracy, and returning it through the military department to the Joint Cross-Service Groups. This process creates the certified data that the Department of Defense has stated constitutes the only input to its analysis for this BRAC round.

Three basic computer modeling or simulation packages are being used by DOD in its analysis. The Optimization Methodology has been the responsibility of the Navy to create and adapt, and has been subcontracted to the Center For Naval Analyses. Its primary use has been to estimate military value.

COBRA, or Cost of Base Realignment Actions, is an Army update of a program used during prior rounds to estimate the cost, savings, and return on investment of actions contemplated for BRAC.

The Installation Visualization Tool has been created by the Air Force for use in land planning. This computer tool overlays geospatial digital maps and elevations with imagery and other geographic data such as wetlands and explosive arcs to enable the easy visualization of current and potential land use at installations.

The Department of Defense is to release all of the supporting documentation to the Commission along with its list of recommended actions. The Department is to simultaneously open reading rooms on the House and Senate sides of Capitol Hill that will contain copies of this information.

I thank you for your attention, and I look forward to answering any questions you may have.

DCN: 11890

Defense Base Closure and Realignment Commission 2005

Daniel Else
Specialist in National Defense

Congressional Research Service

McNAMARA WARNS OF NEW CUTBACKS AT DEFENSE BASES

Pentagon's Chief Confirms Reductions Are Planned at 33 Military Installations

List of military installations affected is on Page 18.

By JACK RAYMOND
Special to The New York Times

WASHINGTON, Dec. 23—In the face of widespread protests, Secretary of Defense Robert S. McNamara announced today plans to close or reduce operations at 21 military installations. Twenty-six are in the United States and seven are overseas.

The Secretary also warned of further cuts in the coming months. He said that sometime

DISCUSSES CLOSING OF BASES: Defense Secretary Robert S. McNamara at his news conference in the Pentagon. He told of plan to close 33 bases in U.S. and abroad.

DoD Base Structure

1986	Acres (000)	Pers (000)
US	24,512	2,571
Foreign	2,070	590
Total	26,582	3,161
2003		
US	28,491	1,775
Foreign	709	295
Total	29,200	2,069

Source: Department of Defense

BRAC Round

A complete BRAC cycle activity, consisting of several steps:

1. Enactment authorizing the Department of Defense to alter the functions of or close installations within a specified time;
2. Department examination of existing military forces and installations, creation of recommended BRAC actions list;
3. Independent BRAC Commission review of the recommended list; then forwarded to the President;
4. Presidential submission of the list to Congress;
5. Potential passage of a disapproving joint resolution;
6. Completion of the actions recommended, usually over a period of six years; and
7. Continuing, indefinite process of environmental remediation to enable the conveyance of surplus federal land to local redevelopment authorities.

BRAC Applies to:

Closure of any military installation at which at least 300 civilian personnel are authorized to be employed; or

Realignment with respect to any military installation at which at least 300 civilian personnel are authorized to be employed involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation.

BRAC Definitions

Military Installation: Base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of DOD, including leased, in States, District of Columbia, Puerto Rico, American Samoa, the Virgin Islands, or Guam. NOT civil works, rivers and harbors projects, or flood control projects.

Civilian Personnel: Direct-hire, permanent DOD employees.

Realignment: Any action that BOTH reduces and relocates functions and civilian personnel positions, but NOT reductions in force due to workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

Base Closures – How They Have Been Done

1960s – Secretary of Defense Decision

Late 1970s – Secretary of Defense Decision with Congressional Oversight

1988 – Commission on Base Realignment and Closure

1990 – Congressional Authorization, Secretary of Defense Recommendation, Commission Review

Pre-BRAC Closures

1963: McNamara announces closure of 33 bases, 14 in US.

1965: McNamara cut 95 bases, 34 in US. Congress requires SecDef to submit all future plans for review – Johnson vetoes. During December recess, SecDef adds 123 US and 23 overseas bases to list.

1966: Congress stipulates closures must be submitted for 30-day review.

1976: Congress prohibits closure or reduction of more than 250 civilian employees until Congress notified, personnel and economic impacts assessed, National Environmental Policy Act studies completed, and nine-month wait completed – Ford vetoes.

1977: Carter accepts bill prohibiting closure or realignment of more than 300 civilian employees unless Congress notified of intention, National Environmental Protection Act complied with, decision and justification supplied, and 60-day wait completed.

Grace Commission (Nixon) rec new Comm to study R+C

BRAC Legislation

1988: Defense Authorization Amendments and Base Closure and Realignment Act (P.L. 100-526)

1990: Defense Base Closure and Realignment Act of 1990 (P.L. 101-510), Title XXX

1991 – 2005: Amendments of 1990 Law

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First Four BRAC Rounds

1988 1991

1993 1995

97 Major Military Installations Closed or Realigned

451 Recommendations for Closure or Realignment in toto

1991-95: Secretary of Defense

Force Structure Plan (6 yrs) & anticipated funding

Publish Selection Criteria

List of Recommended Actions and supporting report to defense committees, Commission, and Comptroller General

Use certified data

1991-95: BRAC Commission

8 Commissioners, 75 staff (15 permanent)

Commission expired December 31, 1995

Meetings open (except classified)

All meetings open to certain Members of Congress

Hearings open after list published

1991-95: BRAC Report

Contained review and analysis, findings and conclusions, and recommendations

May change any recommendation if find Secretary of Defense deviated substantially from FSP and final selection criteria

To add or increase:

1. Make determination
2. Remain consistent with FSP and selection criteria
3. Publish notice in Federal Register 30 days prior to submission
4. Conduct public hearings on the proposed change

Post-Commission

- President approval – Report sent to Commission and Congress
- President disapproval – Report on reasons sent to Commission and Congress
- Commission send revised list
- President send certification of approval
- Deadline or termination

Congress

- Take no action
- Pass Joint Resolution within 45 days or before session adjournment *sine die*

Defense Transformation
Cold War

- Threat-based
- Soviet-focused
- Germany-centric
- Specialized forces
  - Armored division
  - Carrier battle group
  - ICBM, bomber & tactical fighter wing

Defense Transformation
Transformed

- Capability-based
- Adaptable
- Flexible
- Generalized forces
  - Lighter brigade
  - Expeditionary strike group
  - Expeditionary aerospace force

2005: Secretary of Defense

- Force Structure Plan (20 yrs), global inventory of bases
- In determining excess, assess continued need for overseas bases, and likely access
- Certification of need for BRAC
- Publish Selection Criteria
- Use military value as primary consideration
- Include effect on other agencies in cost assessment
- Authorized to inactivate bases
- Privatization-in-place only if Commission report specifies cost-effective

Military Value Selection Criteria

1. The current and future mission capabilities and the impact on operational readiness of the total force of the Department of Defense, *including the impact on joint warfighting, training, and readiness*.
2. The availability and condition of land, facilities, and associated airspace *(including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions)* at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost of operations and manpower implications

Other Selection Criteria

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on communities.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
8. The environmental impact.

2005: BRAC Commission

9 Commissioners, 90 staff

Commission expires April 15, 2006

2005: BRAC Report

To add:

1. Provide Secretary 15 days to explain why installation not on list.
2. 7 of 9 Commissioners support.

To make any changes:

1. Invite Secretary to testify at hearing.

Congressional Amendments

FY 2004

Public Access Roads

Surge Requirements

FY 2005

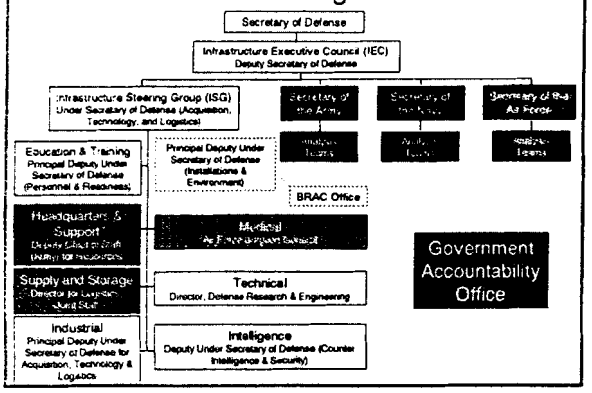
Update of Force Structure Plan and Base Inventory due March 15, 2005

Placed Selection Criteria into statute

Repealed authority to place installations into inactive status

Commission may not consider changing recommendation that would close, realign, or expand realignment unless at least 2 commissioners visit & decision supported by 7 of 9

DOD BRAC Organization



Infrastructure Executive Council (IEC)

Deputy Secretary of Defense
~~Dr. Paul Wolfowitz #~~

Under Secretary of Defense (Acquisition, Technology & Logistics)	Michael W. Wynne #
Secretary of the Army	Dr. Francis J. Harvey #
Secretary of the Navy	Gordon R. England #
Secretary of the Air Force	Michael L. Dominguez (Acting) #
Chairman of the Joint Chiefs of Staff	Gen. Richard B. Myers #
Army Chief of Staff	Gen. Peter J. Schoomaker
Chief of Naval Operations	Adm. Vern Clark #
Commandant of the Marine Corps	Gen. Michael W. Hagee
Chief of Staff of the Air Force	Gen. John P. Jumper #

#: Recent accession/Replacement nominated

Data Calls

Joint Cross-Service Groups

Military Department

Installations

Analysis

Optimization Methodology - Navy (Center for Naval Analyses) responsibility, computer models for estimating military value

COBRA (Cost of Base Realignment Actions) - Army update, cost, savings, and return on investment of actions, updated for 2005 round

Installation Visualization - Air Force has developed, for use during land use planning

Documentation

Descriptions of policies, analyses, and recommendations

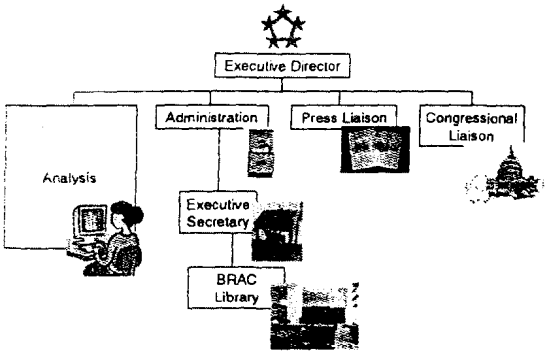
Policy, data, information, and analyses considered

Descriptions of how recommendations meet BRAC selection criteria and follow the FSP and current base inventory

Documentation of each recommendation

All this will be released to the BRAC Commission with the list of *recommended actions*

BRAC Commission Staff



BRAC Commission Process

Accept Department of Defense Data

Ongoing Analysis

Hearings – Washington and Regions

Installation Visits

Representations from Outside Groups

Deliberations and Markup

Submission to President

Stand Down

Commission Activity

Round	Hearings DC	Hearings Field	Visits
1988			44
1991	14	14	47
1993	7	17	125
1995	13	16	167

The BRAC Schedule

Actions Completed

December 2003	Initial base selection criteria
February 2004	Final base selection criteria
March 2004	Force Structure Plan, Base Inventory, and BRAC requirement certification #
May 2004	GAO certification evaluation
March 2005	Commission nominations sent to Senate #

: Failure to submit terminates BRAC process

The BRAC Schedule

Actions to Come

May 2005	DOD-recommended actions list due to Commission
July 2005	GAO report on DOD list
September 2005	Commission actions list to President
September 2005	Presidential review complete
October 2005	Revised Commission actions list to President (if needed)
November 2005	Presidential actions list to Congress, potential joint resolution of disapproval #
*April 2006	Commission terminates
2006-2011	BRAC actions carried out

Joint Resolutions

Round	Resolution	Yea-Nay
1991	H.J. Res 308	60-364
1993	S.J. Res. 114	12-83
1995	H.J. Res 102	75-343

GAO

OBSERVATIONS ON PRIOR AND CURRENT BRAC ROUNDS

Statement Before the Defense Base Closure and Realignment Commission
May 3, 2005

by
Barry W. Holman, Director
Defense Capabilities and Management, GAO

GAO

Issues for Discussion

- Implementation Of Prior BRAC Round Recommendations
- DOD's Expectations For The 2005 BRAC Round (and issues related to defining excess capacity)
- Historic Analytical Framework For BRAC That Continues in 2005

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GAO

OBSERVATIONS ON PRIOR AND CURRENT BRAC ROUNDS

Statement Before the Defense Base Closure and Realignment Commission
May 3, 2005

by
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45 days to evaluate "the list"

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Issues for Discussion

- Implementation Of Prior BRAC Round Recommendations
- DOD's Expectations For The 2005 BRAC Round (and issues related to defining excess capacity)
- Historic Analytical Framework For BRAC That Continues in 2005

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Implementation Of Prior BRAC Round Recommendations

- Implementing Actions Completed
- Property Transfers
- Savings
- Economic Recovery From Prior Rounds
  - Economic Impact On Gaining Communities in 2005 Round

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D/P environmental cleanup delay

O&M Pers cost source of most $ savings

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DOD's Expectations For The 2005 BRAC Round

- Traditional Emphasis On Reducing Excess Capacity And Achieving Savings
- Furthering Transformation Including Supporting Overseas Rebasing Actions, And Increasing Emphasis on Jointness
- DOD's Pre-BRAC Assessment Of Excess Capacity And Its Impact on Expectations For The 2005 BRAC Round

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consider variety of metrics, such as ↓ sq footage

P-mP- have to ↓ excess cost & excess capacity

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Historic Analytical Framework For BRAC That Continues in 2005

- Elements Designed To Ensure Fairness And Integrity Of The Process
- Selection Criteria Follows Historic Pattern With Specificity Added In Selected Areas For 2005
- Expected Changes For 2005 Based On Lessons Learned From Prior Rounds

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Historic Analytical Framework For BRAC That Continues in 2005

- Elements Designed To Ensure Fairness And Integrity Of The Process
  - Selection criteria with emphasis on military value
  - Requirement for certified data
  - Independent BRAC Commission
  - Specific timeframes for BRAC actions
  - All or nothing acceptance of recommendations by the President and the Congress
- Selection Criteria Follows Historic Pattern With Specificity Added In Selected Areas For 2005

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in bold = added emphasis

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Historic Analytical Framework For BRAC That Continues in 2005

Criteria for 2005 BRAC round

Military value

1. The current and future mission capabilities and the impact on operational readiness of the Defense Department's total force, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

Other considerations

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.
8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

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Expected Changes For 2005 Based On Lessons Learned From Prior Rounds

- Privatization In Place Limited
- Total Costs To The Government Must Be Considered
- Reserve Enclaves Need Greater Specificity
- Strengthened Role For BRAC Cross-Service Teams

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Must specify "P-in-P" as most cost-effective choice in report.

reflect cost in analysis

DCN: 11890

Suggested Questions for 9:30 AM, May 3, 2005 Hearing
Presentation of BRAC Schedule, Law, Criteria, Lessons Learned and Previous BRAC Commissions
(Testimony from Congressional Research Service and Government Accountability Office)

PAST BRACs:

1. Looking back at BRACs '91, '93, and '95, would you say that DOD did as the commission directed when it came to taking action to close, realign, etc.? If not, describe what, if anything, can the 2005 Commission do to avoid a repeat of this situation? What compels the Services to do as they "promised?"

COST OF PAST CLOSURES AND REALIGNMENTS:

2. Looking at individual bases, what bases' costs were significantly more than what was anticipated (say more than 20% over budget). Were the estimates flawed or did they find better ways of doing things? Give examples of each contributing factor for each Service.

3. How extensive were the over/under-estimates, both in percentage terms and in absolute (dollar) terms and what caused these variations?

4. What is being done in BRAC 2005 to reduce the deviations, both in dollar and absolute terms.

5. When bases are closed or realigned, does the active duty/Guard/Reserve headcounts or do soldiers and sailors just end up in different places? (i.e., does DOD reduce total onboard head count for the active, guard, and reserve communities, because if not, these reductions don't really generate savings)

DISCOUNT RATE:

6. Explain the discount rate in the present value calculation and indicate what rate DOD used. Did DOD conduct any sensitivity calculations on this rate to see how a small difference in this rate could lead to

recommendations for closing a different set of bases? What bases do you think might be affected by a small increase or decrease in the rate?

7. For each of 1991, 1993, and 1995, what were the discount rates that were used and in retrospect do you think these were appropriate? Why? How can we make allowance for an inappropriate discount rate this time or should we simply accept it as a given?

WHY CLOSE BASES:

8. Describe the factors that enter into DOD's decision as to which bases it recommends for closure.

9. Explain the DOD and the GAO position on privatizing in place.

10. Describe the work GAO has performed in support of BRAC over the past two years.

11. Can military essentiality be quantified? How do you evaluate two competing bases, one of which has a higher essentiality, and the other of which is less expensive to retain?

12. The Defense Finance and Accounting Service (DFAS) opened accounting centers, each employing over 500 people at some of the same bases that were closed by prior Commissions. What, if anything, can the 2005 Commission do to avoid a repeat of this and similar situations?

13. What has DOD done to reflect the likely results of the International BRAC (formally known as the Integrated Global Presence and Basing Strategy) in its planning for closure of domestic bases? How well has it done, or is there is a serious risk that we are going to close the wrong Army or other service bases, resulting in the need to reopen bases and build substantial numbers of housing units that are currently vacant. What bases have excess military capacity and good quality excess housing?

Just b/c cost just transfer it to contractor

S/S Helmen

INTERFACES BETWEEN DOMESTIC AND INTERNATIONAL "BRAC" COMMISSIONS:

14. The Commission recognizes that well-planned downsizing of DOD's overseas and CONUS base structure has the potential to improve defense-wide capabilities and readiness while also saving the American taxpayer money and improving the quality of life for Service members. Of particular concern to the Commission is to ensure that DOD's plans will accomplish these goals in a way that is not only strategically effective but also optimized to avoid unnecessary costs and community disruption. The Commission wants to avoid Government actions intended to save money by realigning forces and by closing bases that have the potential to cost the taxpayer even more money to expand and improve retained bases while spending to close other bases. A comparison of costs to expand some bases while concurrently spending to close other bases needs to be considered to ensure that that the two separate actions do not result in costing more that simply using some of the bases on the closure list to base the forces brought home from overseas as well as newly formed and repositioned units. DOD needs to show whether the savings from closing identified bases is greater than rebasing returning overseas, new, and relocated units at retained bases which then require costly expansion.

15. Is there opportunity to reduce unit basing costs and military and community turbulence by using CONUS bases now planned to be closed to receive U.S. units leaving overseas bases and newly formed units instead of spending to close those bases while at the same time spending to expand other CONUS bases to accommodate these units?

PURPLE AND SHARED RESOURCES:

16. How well has DOD done in its approach to developing a list of potentially BRACed facilities, in encouraging the expanded use of "purple" (joint) facilities for maintenance, training, personnel management, recruiting, R&D, etc.? If more needs to be done, do you have any suggestions as to what we should look for?

17. What, if anything, will be done as a result of our work to put other Federal agencies offices on military installations, especially in instances in which there is a high degree of coordination with DOD? For example, General Services Administration, which purchases common use office supplies and rents vehicles for the Government, counts DOD among its largest customers and collocation of GSA facilities on military installations might be cost effective. Another example can be found in the Commission's work during BRAC 1995, during which the location of military hospitals to be retained might have been made more efficient from a taxpayer perspective if Veteran's Administration requirements had been kept in mind.

18. These are probably more appropriate for after the SECDEF release of the BRAC submission, but here goes:
    a. Please explain the approach and methodology used by the cross-functional DOD Teams to account for joint needs during the analyses and selection of which bases to include in the SECDEF BRAC submission.
    b. How were joint needs considered in the decisions of which bases to include in the SECDEF submission for realignment or closure?
    c. What methodological problems or issues emerged during the cross-functional teams analyses for joint needs?

ENVIRONMENTAL REMEDIATION:

19. Some military bases have severe environmental remediation efforts. Are these associated costs factored into the decision process? To what level do these bases have to be cleaned? Would DOD be better off (a) not closing or (b) closing, but not cleaning these bases and just waiting another 50-75 years until much of the environmental problems dissipate? Is this a choice that DOD has?

20. Explain how DOD has weighted cost-avoidance related to environmental concerns as well as military and community turbulence in its analyses. The Commission expects that some of the bases identified by DOD for closure may contain environmental dangers and therefore may not be readily useful for community or commercial use. For the taxpayer it may be cheaper and safer to keep these bases in DOD's hands and in productive use until base environmental hazards are accessed and a plan,

budget, and timeline are identified to address base environmental issues. Alternatively, other non-essential bases that are free of environmental dangers could more readily and economically be converted to community or commercial use and more reliably return budget reductions and tax savings. The Commission wants to ensure that those bases identified for closure but having budget-busting cleanup costs are highlighted for special consideration, including extending their useful life while base environmental issues are addressed.

21. Is there opportunity to reduce unit basing costs and military and community turbulence by keeping in use those bases planned to be closed which need costly and long-term environmental cleanup?

22. The Commission asks DOD to provide for the record within 30 days data that identify for the bases on the closures list (1) those that contain environmental cleanup concerns that would delay their speedy and economical transfer for community or commercial use; (2) an estimate for those bases of the cost and number of years needed to address environmental cleanup, (3) potential continued uses for each of those bases, and; (4) potential cost-abatement approaches such as near-term containment of base environmental threats until cheaper mitigation technologies become available, cost-avoidance from expansion of another base for returning overseas units or units being created or relocated by ongoing force restructuring.

MISCELLANEOUS:

23. Who decides on which decisions each of us individual members should recuse ourselves? Is it just a function of personal financial interest, or financial interest of our family, or financial interest of past, present, or likely future employers, or what?

24. Explain how DOD defines excess capacity when it states that it has about 25% more capacity and bases than it requires. What metrics is it using? Are these metrics relevant? If not, what metrics do you think would be more appropriate?

DCN: 11890

Broad Questions for GAO
9:30 AM, May 3, 2005 GAO/CRS Hearing
Presentation of BRAC Schedule, Law, Criteria, Lessons Learned and Previous BRAC Commissions
(Testimony from Congressional Research Service and Government Accountability Office)

1. While you noted that the selection criteria for the 2005 round is similar in many respects to that of prior rounds, could you briefly describe the primary differences with respect to the impact that you believe they may have on the actual development of recommendations—take for instance, surge or homeland defense or other changes?

2. With respect to the savings you mentioned—about $29 billion—that DOD reports that were accrued from the prior BRAC rounds, how comfortable are you that those savings were real? How accurate do you think they are and what problems have you had in the past with the savings projections in the earlier rounds?

3. To your knowledge, have any proposed recommendations in the past been either rejected by DOD or a BRAC commission because of expected high environmental liabilities? As to implementation, why is it that we still have environmental costs holding up property transfers in the prior BRAC rounds?

4. It is our understanding that your access during the BRAC process to important BRAC data and service (particularly the Air Force) cooperation was not very good in some respects during the 1995 round. Was has been your experience to date in gaining cooperation and having access to data and officials for this round?

5. As you mentioned, fostering increased jointness is a major DOD objective in the 2005 round. Yet we know that jointness has been a difficult initiative to achieve in the prior rounds. What has your prior work and experience told us about the difficulties or obstacles inherent in achieving greater jointness in the Department of Defense? What would lead us to believe that any significant jointness could occur during this round

set better stage for increased jointness.

round—has DOD made any progress—in your view—as to setting a better stage for achieving more jointness in this round?

DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990

(As amended through FY 05 Authorization Act)

SEC. 2901. SHORT TITLE AND PURPOSE

(a) SHORT TITLE.--This part may be cited as the "Defense Base Closure and Realignment Act of 1990".

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

SEC. 2902. THE COMMISSION

(a) ESTABLISHMENT.--There is established an independent commission to be known as the "Defense Base Closure and Realignment Commission".

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

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

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

(i) by no later than January 3, 1991, in the case of members of the Commission whose terms will expire at the end of the first session of the 102nd Congress;

(ii) by no later than January 25, 1993, in the case of members of the Commission whose terms will expire at the end of the first session of the 103rd Congress; and

(iii) by no later than January 3, 1995, in the case of members of the Commission whose terms will expire at the end of the first session of the 104th Congress.

(C) If the President does not transmit to Congress the nominations for appointment to the Commission on or before the date specified for 1993 in clause (ii) of subparagraph (B) or for 1995 in clause (iii) of such subparagraph, the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.

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

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

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

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

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

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

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

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

(e) MEETINGS.--(1) The Commission shall meet only during calendar years 1991, 1993, and 1995.

(2)(A) Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

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

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

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

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

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

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

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

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

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

(2) The Director shall be paid at the rate of basic pay payable for level IV of the Executive

Schedule under section 5315 of title 5, United States Code.

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

(2) The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

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

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

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

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

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

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

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

(iii) approve or disapprove such a report.

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

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

(6) The following restrictions relating to the personnel of the Commission shall apply during 1992 and 1994:

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

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

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

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

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

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

(2) If no funds are appropriated to the Commission by the end of the second session of the 101st Congress, the Secretary of Defense may transfer, for fiscal year 1991, to the Commission funds from the Department of Defense Base Closure Account established by section 207 of Public Law 100-526. Such funds shall remain available until expended.

(3)(A) The Secretary may transfer not more than $300,000 from unobligated funds in the account referred to in subparagraph (B) for the purpose of assisting the Commission in carrying out its duties under this part during October, November, and December 1995. Funds transferred under the preceding sentence shall remain available until December 31, 1995.

(B) The account referred to in subparagraph (A) is the Department of Defense Base Closure Account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

(l) TERMINATION.--The Commission shall terminate on December 31, 1995.

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

SEC. 2903. PROCEDURE FOR MAKING RECOMMENDATIONS FOR BASE CLOSURES AND REALIGNMENTS

(a) FORCE-STRUCTURE PLAN.--(1) As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for each of the fiscal years 1992, 1994, and 1996, the Secretary shall include a force-structure plan for the Armed Forces based on an assessment by the Secretary of the probable threats to the national security during the six-year period beginning with the fiscal year for which the budget request is made and of the anticipated levels of funding that will be available for national defense purposes during such period.

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

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

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

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

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

(b) SELECTION CRITERIA.--(1) The Secretary shall, by no later than December 31, 1990, publish in the *Federal Register* and transmit to the congressional defense committees the criteria proposed to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States under this part. The Secretary shall provide an opportunity for public comment on the proposed criteria for a period of at least 30 days and shall include notice of that opportunity in the publication required under the preceding sentence.

(2)(A) The Secretary shall, by no later than February 15, 1991, publish in the *Federal Register* and transmit to the congressional defense committees the final criteria to be used in making recommendations for the closure or realignment of military installations inside the United States under this part. Except as provided in subparagraph (B), such criteria shall be the final criteria to be used, making such recommendations unless disapproved by a joint resolution of Congress enacted on or before March 15, 1991.

(B) The Secretary may amend such criteria, but such amendments may not become effective until they have been published in the *Federal Register*, opened to public comment for at least 30 days, and then transmitted to the congressional defense committees in final form by no later than January 15 of the year concerned. Such amended criteria shall be the final criteria to be used, along with the force-structure plan referred to in subsection (a), in making such recommendations unless disapproved by a joint resolution of Congress enacted on or before February 15 of the year concerned.

(c) DOD RECOMMENDATIONS.--(1) The Secretary may, by no later than April 15, 1991, March 15, 1993, and March 1, 1995, publish in the *Federal Register* and transmit to the congressional defense committees and to the Commission a list of the military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force-structure plan and the final criteria referred to in subsection (b)(2) that are applicable to the year concerned.

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

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

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

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

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

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

(4) In addition to making all information used by the Secretary to prepare the recommendations under this subsection available to Congress (including any committee or member of Congress), the Secretary shall also make such information available to the Commission and the Comptroller General of the United States.

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

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

(i) The Secretaries of the military departments.

(ii) The heads of the Defense Agencies.

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

(6) Any information provided to the Commission by a person described in paragraph (5)(B) shall also be submitted to the Senate and the House of Representatives to be made available to the Members of the House concerned in accordance with the rules of that House. The information shall be submitted to the Senate and House of Representatives within 24 hours after the submission of the information to the Commission.

(d) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.--(1) After receiving the recommendations from the Secretary pursuant to subsection (c) for any year, the Commission shall conduct public hearings on the recommendations. All testimony before the Commission at a public hearing conducted under this paragraph shall be presented under oath. [*The preceding sentence shall apply with respect to all public hearings conducted by the Defense Base Closure and Realignment Commission after November 30, 1993.*]

(2)(A) The Commission shall, by no later than July 1 of each year in which the Secretary transmits recommendations to it pursuant to subsection (c), transmit to the President a report containing the Commission's findings and conclusions based on a review and analysis of the recommendations made by the Secretary, together with the Commission's recommendations for closures and realignments of military installations inside the United States.

(B) Subject to subparagraph (C), in making its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission

determines that the Secretary deviated substantially from the force-structure plan and final criteria referred to in subsection (c)(1) in making recommendations.

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

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

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

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

(iv) conducts public hearings on the proposed change.

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

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

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

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

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

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

(4) After July 1 of each year in which the Commission transmits recommendations to the President under this subsection, the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

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

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

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

(e) REVIEW BY THE PRESIDENT.--(1) The President shall, by no later than July 15 of each year in which the Commission makes recommendations under subsection (d), transmit to the Commission and to the Congress a report containing the President's approval or disapproval of the Commission's recommendations.

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

such approval.

(3) If the President disapproves the recommendations of the Commission, in whole or in part, the President shall transmit to the Commission and the Congress the reasons for that disapproval. The Commission shall then transmit to the President, by no later than August 15 of the year concerned, a revised list of recommendations for the closure and realignment of military installations.

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

(5) If the President does not transmit to the Congress an approval and certification described in paragraph (2) or (4) by September 1 of any year in which the Commission has transmitted recommendations to the President under this part, the process by which military installations may be selected for closure or realignment under this part with respect to that year shall be terminated.

SEC. 2904. CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS

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

(1) close all military installations recommended for closure by the Commission in each report transmitted to the Congress by the President pursuant to section 2903(e);

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

(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in the 2005 report only if privatization in place is a method of closure or realignment of the military installation specified in the recommendations of the Commission in such report and is determined by the Commission to be the most cost-effective method of implementation of the recommendation;

(4) initiate all such closures and realignments no later than two years after the date on which the President transmits a report to the Congress pursuant to section 2903(e) containing the recommendations for such closures or realignments; and

(5) complete all such closures and realignments no later than the end of the six-year period beginning on the date on which the President transmits the report pursuant to section 2903(e) containing the recommendations for such closures or realignments.

(b) CONGRESSIONAL DISAPPROVAL.--(1) The Secretary may not carry out any closure or realignment recommended by the Commission in a report transmitted from the President pursuant to section 2903(e) if a joint resolution is enacted, in accordance with the provisions of section 2908: disapproving such recommendations of the Commission before the earlier of--

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

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

(2) For purposes of paragraph (1) of this subsection and subsections (a) and (c) of section 2908, the days on which either House of Congress is not in session because of adjournment of

more than three days to a day certain shall be excluded in the computation of a period.

SEC. 2905. IMPLEMENTATION

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

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

(B) provide--

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

(ii) community planning assistance to any community located near a military installation to which functions will be transferred as a result of the closure or realignment of a military installation, if the Secretary of Defense determines that the financial resources available to the community (by grant or otherwise) for such purposes are inadequate, and may use for such purposes funds in the Account or funds appropriated to the Department of Defense for economic adjustment assistance or community planning assistance;

(C) carry out activities for the purposes of environmental restoration and mitigation at any such installation, and shall use for such purposes funds in the Account. [*Amendments to this subsection took effect on December 5, 1991.*]

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

(E) reimburse other Federal agencies for actions performed at the request of the Secretary with respect to any such closure or realignment, and may use for such purpose funds in the Account or funds appropriated to the Department of Defense and available for such purpose.

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

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

(A) the authority of the Administrator to utilize excess property under subchapter

II of chapter 5 of title 40, United States Code;

(B) the authority of the Administrator to dispose of surplus property under subchapter III of chapter 5 of title 40, United States Code;

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

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

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

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

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

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

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

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

(C) The Secretary of Defense may transfer real property or facilities located at a military installation to be closed or realigned under this part, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard.

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

(E) If a military installation to be closed, realigned, or placed in an inactive status under this part includes a road used for public access through, into, or around the installation, the Secretary of Defense shall consult with the Governor of the State and the heads of the local governments concerned or the purpose of considering the continued availability of the road for public use after the installation is closed, realigned, or placed in an inactive status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) Notwithstanding subparagraphs (C)(i) and (D), the Secretary may carry out any activity referred to in subparagraph (C)(ii) or (D) if the Secretary determines that the carrying out

of such activity is in the national security interest of the United States.

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

(B) With respect to military installations for which the date of approval of closure or realignment is after January 1, 2005, the Secretary shall seek to obtain consideration in connection with any transfer under this paragraph of property located at the installation in an amount equal to the fair market value of the property, as determined by the Secretary. The transfer of property of a military installation under subparagraph (A) may be without consideration if the redevelopment authority with respect to the installation—

(i) agrees that the proceeds from any sale or lease of the property (or any portion thereof) received by the redevelopment authority during at least the first seven years after the date of the initial transfer of property under subparagraph (A) shall be used to support the economic redevelopment of, or related to, the installation; and

(ii) executes the agreement for transfer of the property and accepts control of the property within a reasonable time after the date of the property disposal record of decision or finding of no significant impact under the National Environmental policy act of 1969 (42 U.S.C. 4321 et seq.).

(C) For purposes of subparagraph (B), the use of proceeds from a sale or lease described in such subparagraph to pay for, or offset the costs of, public investment on or related to the installation for any of the following purposes shall be considered a use to support the economic redevelopment of, or related to, the installation:

(i) Road construction.
(ii) Transportation management facilities.
(iii) Storm and sanitary sewer construction.
(iv) Police and fire protection facilities and other public facilities.
(v) Utility construction.
(vi) Building rehabilitation.
(vii) Historic property preservation.
(viii) Pollution prevention equipment or facilities.
(ix) Demolition.
(x) Disposal of hazardous materials generated by demolition.
(xi) Landscaping, grading, and other site or public improvements.
(xii) Planning for or the marketing of the development and reuse of the installation.

(D) The Secretary may recoup from a redevelopment authority such portion of the proceeds from a sale or lease described in subparagraph (B) as the Secretary determines appropriate if the redevelopment authority does not use the proceeds to support economic redevelopment of, or related to, the installation for the period specified in subparagraph (B).

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

Subparagraph (B) shall apply to a transfer under this subparagraph.

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

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

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

(v) Notwithstanding clause (iii), if a lease under clause (i) involves a substantial portion of the installation, the department or agency concerned may obtain facility services for the leased property and common area maintenance from the redevelopment authority or the redevelopment authority's assignee as a provision of the lease. The facility services and common area maintenance shall be provided at a rate no higher than the rate charged to non-Federal tenants of the transferred property. Facility services and common area maintenance covered by the lease shall not include—

(I) municipal services that a State or local government is required by law to provide to all landowners in its jurisdiction without direct charge; or

(II) firefighting or security-guard functions.

(F) The transfer of personal property under subparagraph (A) shall not be subject to the provisions of subchapters II and III of chapter 5 of title 40, United States Code, if the Secretary determines that the transfer of such property is necessary for the effective implementation of a redevelopment plan with respect to the installation at which such property is located.

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

(H)(i) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into before April 21, 1999, the Secretary may modify the agreement, and in so doing compromise, waive, adjust, release, or reduce any right, title, claim, lien, or demand of the United States, if—

(I) the Secretary determines that as a result of changed economic circumstances, a modification of the agreement is necessary;

(II) the terms of the modification do not require the return of any payments that have been made to the Secretary;

(III) the terms of the modification do not compromise, waive, adjust, release, or reduce an right, title, claim, lien, or demand of the United States with respect to in-kind consideration; and

(IV) the cash consideration to which the United States is entitled under the modified agreement, when combined with the cash consideration to be received by the United States for the disposal of other real property assets on the installation, are as sufficient as they were under the original agreement to fund the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act, with the depreciated value of the investment made

with commissary store funds or nonappropriated funds in property disposed of pursuant to the agreement being modified, in accordance with section 2906(d).

(ii) When exercising the authority granted by clause (i), the Secretary may waive some or all future payments if, and to the extent that, the Secretary determines such waiver is necessary.

(iii) With the exception of the requirement that the transfer be without consideration, the requirements of subparagraphs (B), (C), and (D) shall be applicable to any agreement modified pursuant to clause (i).

(I) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into during the period beginning on April 21, 1999, and ending on the date of enactment of the National Defense Authorization Act for Fiscal Year 2000, at the request of the redevelopment authority concerned, the Secretary shall modify the agreement to conform to all the requirements of subparagraphs (B), (C), and (D). Such a modification may include the compromise, waiver, adjustment, release, or reduction of any right, title, claim, lien, or demand of the Untied States under the agreement.

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

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

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

(C)(i) Before acquiring non-Federal real property as the location for a new or replacement Federal facility of any type, the head of the Federal agency acquiring the property shall consult with the Secretary regarding the feasibility and cost advantages of using Federal property or facilities at a military installation closed or realigned or to be closed or realigned under this part as the location for the new or replacement facility. In considering the availability and suitability of a specific military installation, the Secretary and the head of the Federal agency involved shall obtain the concurrence of the redevelopment authority with respect to the installation and comply with the redevelopment plan for the installation.

(ii) Not later than 30 days after acquiring non-Federal real property as the location for a new or replacement Federal facility, the head of the Federal agency acquiring the property shall submit to Congress a report containing the results of the consultation under clause (i) and the reasons why military installations referred to in such clause that are located within the area to be served by the new or replacement Federal facility or within a 200-mile radius of the new or replacement facility, whichever area is greater, were considered to be unsuitable or unavailable for the site of the new or replacement facility.

(iii) This subparagraph shall apply during the period beginning on the date of the

enactment of the National Defense Authorization Act for Fiscal Year 1998 and ending on July 31, 2001.

(6)(A) Except as provided in this paragraph, nothing in this section shall limit or otherwise affect the application of the provisions of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.) to military installations closed under this part. For procedures relating to the use to assist the homeless of buildings and property at installations closed under this part after the date of the enactment of this sentence, see paragraph (7).

(B)(i) Not later than the date on which the Secretary of Defense completes the determination under paragraph (5) of the transferability of any portion of an installation to be closed under this part, the Secretary shall—

(I) complete any determinations or surveys necessary to determine whether any building or property referred to in clause (ii) is excess property, surplus property, or unutilized or underutilized property for the purpose of the information referred to in section 501(a) of such Act (42 U.S.C. 11411(a)); and

(II) submit to the Secretary of Housing and Urban Development information on any building or property that is so determined.

(ii) The buildings and property referred to in clause (i) are any buildings or property located at an installation referred to in that clause for which no use is identified, or of which no Federal department or agency will accept transfer, pursuant to the determination of transferability referred to in that clause.

(C) Not later than 60 days after the date on which the Secretary of Defense submits information to the Secretary of Housing and Urban Development under subparagraph (B)(ii), the Secretary of Housing and Urban Development shall--

(i) identify the buildings and property described in such information that are suitable for use to assist the homeless;

(ii) notify the Secretary of Defense of the buildings and property that are so identified;

(iii) publish in the *Federal Register* a list of the buildings and property that are so identified, including with respect to each building or property the information referred to in section 501(c)(1)(B) of such Act; and

(iv) make available with respect to each building and property the information referred to in section 501(c)(1)(C) of such Act in accordance with such section 501(c)(1)(C).

(D) Any buildings and property included in a list published under subparagraph (C)(iii) shall be treated as property available for application for use to assist the homeless under section 501(d) of such Act.

(E) The Secretary of Defense shall make available in accordance with section 501(f) of such Act any buildings or property referred to in subparagraph (D) for which--

(i) a written notice of an intent to use such buildings or property to assist the homeless is received by the Secretary of Health and Human Services in accordance with section 501(d)(2) of such Act;

(ii) an application for use of such buildings or property for such purpose is submitted to the Secretary of Health and Human Services in accordance with section 501(e)(2) of such Act; and

(iii) the Secretary of Health and Human Services—

(I) completes all actions on the application in accordance with section 501(e)(3) of such Act; and

(II) approves the application under section 501(e) of such Act.

(F)(i) Subject to clause (ii), a redevelopment authority may express in writing an interest in using buildings and property referred to subparagraph (D), and buildings and property referred to in subparagraph (B)(ii) which have not been identified as suitable for use to assist the homeless under subparagraph (C), or use such buildings and property, in accordance with the redevelopment plan with respect to the installation at which such buildings and property are located as follows:

(I) If no written notice of an intent to use such buildings or property to assist the homeless is received by the Secretary of Health and Human Services in accordance with section 501(d)(2) of such Act during the 60-day period beginning on the date of the publication of the buildings and property under subparagraph (C)(iii).

(II) In the case of buildings and property for which such notice is so received, if no completed application for use of the buildings or property for such purpose is received by the Secretary of Health and Human Services in accordance with section 501(e)(2) of such Act during the 90-day period beginning on the date of the receipt of such notice.

(III) In the case of buildings and property for which such application is so received, if the Secretary of Health and Human Services rejects the application under section 501(e) of such Act.

(ii) Buildings and property shall be available only for the purpose of permitting a redevelopment authority to express in writing an interest in the use of such buildings and property, or to use such buildings and property, under clause (i) as follows:

(I) In the case of buildings and property referred to in clause (i)(I), during the one-year period beginning on the first day after the 60-day period referred to in that clause.

(II) In the case of buildings and property referred to in clause (i)(II), during the one-year period beginning on the first day after the 90-day period referred to in that clause.

(III) In the case of buildings and property referred to in clause (i)(III), during the one-year period beginning on the date of the rejection of the application referred to in that clause.

(iii) A redevelopment authority shall express an interest in the use of buildings and property under this subparagraph by notifying the Secretary of Defense, in writing, of such an interest.

(G)(i) Buildings and property available for a redevelopment authority under subparagraph (F) shall not be available for use to assist the homeless under section 501 of such Act while so available for a redevelopment authority.

(ii) If a redevelopment authority does not express an interest in the use of buildings or property, or commence the use of buildings or property, under subparagraph (F) within the applicable time periods specified in clause (ii) of such subparagraph, such buildings or property shall be treated as property available for use to assist the homeless under section 501(a) of such Act.

(7)(A) The disposal of buildings and property located at installations approved for closure

or realignment under this part after October 25, 1994, shall be carried out in accordance with this paragraph rather than paragraph (6).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(I) in the case of an installation for which a redevelopment authority has been recognized as of the date of the completion of the determinations referred to in paragraph (5), not earlier than 3 months and not later than 6 months after the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation under subparagraph (B)(i)(IV); and

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

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

(I) publish the date specified in a newspaper of general circulation in the communities in the vicinity of the installation concerned; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

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

(iii) The Secretary of Defense shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

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

(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 550 of title 40, United States Code, or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such subchapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance. The determination of such eligibility should be made before submission of the redevelopment plan concerned under subparagraph (G).

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

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

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

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

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

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

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

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

(III) Such information as that Secretary requires in order to determine the financial capacity of the representative to carry out the program and to ensure that the program will be carried out in compliance with Federal environmental law and Federal law against

discrimination.

(IV) A certification that police services, fire protection services, and water and sewer services available in the communities in the vicinity of the installation concerned are adequate for the program.

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

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

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

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

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

(III) The Secretary of Defense shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan submitted by the redevelopment authority for the installation.

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

(V) In the case of a request for a conveyance under subclause (I) of buildings and property for public benefit under section 550 of title 40, United States Code, or sections 47151 through 47153 of title 49, United States Code, the sponsoring Federal agency shall use the eligibility criteria set forth in such section or such subchapter (as the case may be) to determine the eligibility of the applicant and use proposed in the request for the public benefit conveyance. The determination of such eligibility should be made before submission of the redevelopment plan concerned under subparagraph (G).

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

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

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

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

(P) For purposes of this paragraph, the term "other interested parties", in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 550 of title 40, United States Code, or sections 47151 through 47153 of title 49, United States Code, whether or not the parties assist the homeless.

(8)(A) Subject to subparagraph (C), the Secretary may enter into agreements (including contracts, cooperative agreements, or other arrangements for reimbursement) with local governments for the provision of police or security services, fire protection services, airfield operation services, or other community services by such governments at military installations to be closed under this part, or at facilities not yet transferred or otherwise disposed of in the case of installations closed under this part, if the Secretary determines that the provision of such services under such agreements is in the best interests of the Department of Defense.

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

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

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

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

(2)(A) The provisions of the National Environmental Policy Act of 1969 shall apply to actions of the Department of Defense under this part (i) during the process of property disposal, and (ii) during the process of relocating functions from a military installation being closed or

realigned to another military installation after the receiving installation has been selected but before the functions are relocated.

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

(i) the need for closing or realigning the military installation which has been recommended for closure or realignment by the Commission;

(ii) the need for transferring functions to any military installation which has been selected as the receiving installation; or

(iii) military installations alternative to those recommended or selected.

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

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

(1) any provision of law restricting the use of funds for closing or realigning military installations included in any appropriations or authorization Act; and

(2) sections 2662 and 2687 of title 10, United States Code.

(e) TRANSFER AUTHORITY IN CONNECTION WITH PAYMENT OF ENVIRONMENTAL REMEDIATION COSTS.--(1)(A) Subject to paragraph (2) of this subsection and section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)), the Secretary may enter into an agreement to transfer by deed real property or facilities referred to in subparagraph (B) with any person who agrees to perform all environmental restoration, waste management, and environmental compliance activities that are required for the property or facilities under Federal and State laws, administrative decisions, agreements (including schedules and milestones), and concurrences.

(B) The real property and facilities referred to in subparagraph (A) are the real property and facilities located at an installation closed or to be closed, or realigned or to be realigned, under this part that are available exclusively for the use, or expression of an interest in a use, of a redevelopment authority under subsection (b)(6)(F) during the period provided for that use, or expression of interest in use, under that subsection. The real property and facilities referred to in subparagraph (A) are also the real property and facilities located at an installation approved for closure or realignment under this part after 2001 that are available for purposes other than to assist the homeless.

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

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

(A) the costs of all environmental restoration, waste management, and

environmental compliance activities otherwise to be paid by the Secretary with respect to the property or facilities are equal to or greater than the fair market value of the property or facilities to be transferred, as determined by the Secretary; or

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

(3) In the case of property or facilities covered by a certification under paragraph (2)(A), the Secretary may pay the recipient of such property or facilities an amount equal to the lesser of—

(A) the amount by which the costs incurred by the recipient of such property or facilities for all environmental restoration, waste, management, and environmental compliance activities with respect to such property or facilities exceed the fair market value of such property or facilities as specified in such certification; or

(B) the amount by which the costs (as determined by the Secretary) that would otherwise have been incurred by the Secretary for such restoration, management, and activities with respect to such property or facilities exceed the fair market value of such property or facilities as so specified

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

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

(6) Section 330 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 10 U.S.C. 2687 note) shall not apply to any transfer under this subsection to persons or entities described in subsection (a)(2) of such section 330, except in the case of releases or threatened releases not disclosed pursuant to paragraph (4).

SEC. 2906. DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 1990

(a) IN GENERAL.--(1) There is hereby established on the books of the Treasury an account to be known as the "Department of Defense Base Closure Account 1990" which shall be administered by the Secretary as a single account.

(2) There shall be deposited into the Account--

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

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

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

part the date of approval of closure or realignment of which is before January 1, 2005; and

(D) proceeds received after September 30, 1995, from the lease, transfer, or disposal of any property at a military installation closed or realigned under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2).

(b) USE OF FUNDS.--(1) The Secretary may use the funds in the Account only for the purposes described in section 2905 with respect to military installations the date of approval of closure or realignment of which is before January 1, 2005, or, after September 30, 1995, for environmental restoration and property management and disposal at installations closed or realigned under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note). After July 13, 2001, the Account shall be the sole source of Federal funds for environmental restoration, property management, and other caretaker costs associated with any real property at military installations closed or realigned under this part or such title II.

(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

(c) REPORTS.--(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

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

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

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

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

(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 2907(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of--

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

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

(2) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part with respect to military installations the date of approval of closure or realignment of which is before January 1, 2005, and no later than 60 days after the closure of the Account under subsection (a)(3), the Secretary shall transmit to the congressional defense committees a report containing an accounting of--

(A) all the funds deposited into and expended from the Account or otherwise expended under this part with respect to such installations; and

(B) any amount remaining in the Account.

(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.--(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part the date of approval of closure or realignment of which is before January 1, 2005, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary of Defense.

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

(A) commissary stores; and

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

(4) As used in this subsection:

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

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

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

(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except as provided in section 2906A(e) with respect to funds in the Department of

Defense Base Closure Account 2005 under section 2906A and except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not be used for purposes described in section 2905 (a)(1)(C). The prohibition in this subsection shall expire upon the closure of the Account under subsection (a)(3).

SEC. 2906A. DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

(a) IN GENERAL.—(1) If the Secretary makes the certifications required under section 2912(b), there shall be established on the books of the Treasury an account to be known as the "Department of Defense Base Closure Account 2005" (in this section referred to as the "Account"). The Account shall be administered by the Secretary as a single account.

(2) There shall be deposited into the Account—

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

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

(C) except as provided in subsection (d), proceeds received from the lease, transfer, or disposal of any property at a military installation that is closed or realigned under this part pursuant to a closure or realignment the date of approval of which is after January 1, 2005.

(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2),

(b) USE OF FUNDS.—(1) The Secretary may use the funds in the Account only for the purposes described in section 2905 with respect to military installations the date of approval of closure or realignment of which is after January 1, 2005.

(2) When a decision is made to use funds in the Account to carry out a construction project under section 2905(a) and the cost of the project will exceed the maximum amount authorized by law for a minor military construction project, the Secretary shall notify in writing the congressional defense committees of the nature of, and justification for, the project and the amount of expenditures for' such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

(c) REPORTS.—(1)(A) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this part using amounts in the Account, the Secretary shall transmit a report to the congressional defense committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 2905(a) during such fiscal year.

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

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

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

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

(iv) A description and explanation of the extent, if any, to which expenditures for military construction projects for the fiscal year differed from proposals for projects and funding levels that were included in the justification transmitted to Congress under section 2907(1), or otherwise, for the funding proposals for the Account for such fiscal year, including an explanation of—

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

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

(2) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this part with respect to military installations the date of approval of closure or realignment of which is after January 1, 2005, and no later than 60 days after the closure of the Account under subsection (a)(3), the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

(A) all the funds deposited into and expended from the Account or otherwise expended under this part with respect to such installations; and

(B) any amount remaining in the Account.

(d) DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.—(1) If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or nonappropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part the date of approval of closure or realignment of which is after January 1, 2005, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note).

(2) The amount so deposited shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary.

(3) The Secretary may use amounts in the reserve account, without further appropriation, for the purpose of acquiring, constructing, and improving—

(A) commissary stores; and

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

(4) In this subsection, the terms commissary store funds", "nonappropriated funds", and "nonappropriated fund instrumentality" shall have the meaning given those terms in section 2906(d)(4).

(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—Except as provided in section 2906(e) with respect to funds in the Department of Defense Base Closure Account 1990 under section 2906 and except for funds deposited into the Account under subsection (a), funds appropriated to the Department of Defense may not he used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the closure of the Account under subsection (a)(3).

SEC. 2907. REPORTS

As part of the budget request for fiscal year 1993 and for each fiscal year thereafter for the Department of Defense, the Secretary shall transmit to the congressional defense committees of Congress--

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

(2) a description of the military installations, including those under construction and those planned for construction, to which functions are to be transferred as a result of such closures and realignments, together with the Secretary's assessment of the environmental effects of such transfers.

SEC. 2908. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT

(a) TERMS OF THE RESOLUTION.--For purposes of section 2904(b), the term "joint resolution" means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the report to the Congress under section 2903(e), and--

(1) which does not have a preamble;

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

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

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

(c) DISCHARGE.--If the committee to which a resolution described in subsection (a) is referred has not reported such a resolution (or an identical resolution) by the end of the 20-day

period beginning on the date on which the President transmits the report to the Congress under section 2903(e), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

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

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

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

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

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

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

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

(i) the procedure in that House shall be the same as if no resolution had

been received from the other House; but

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

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

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

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

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

SEC. 2909. RESTRICTION ON OTHER BASE CLOSURE AUTHORITY

(a) IN GENERAL.--Except as provided in subsection (c), during the period beginning on November 5, 1990, and ending on April 15, 2006, this part shall be the exclusive authority for selecting for closure or realignment, or for carrying out any closure or realignment of, a military installation inside the United States.

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

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

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

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

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

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

SEC. 2910. DEFINITIONS

As used in this part:

(1) The term "Account" means the Department of Defense Base Closure Account 1990 established by section 2906(a)(1).

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

(3) The term "Commission" means the Commission established by section 2902.

(4) The term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility. Such term does not include any facility used primarily for civil works, rivers and harbors projects, flood control, or other projects not under the primary jurisdiction or control of the Department of Defense. [*The preceding sentence shall take effect as of November 5, 1990, and shall apply as if it had been included in section 2910(4) of the Defense Base Closure and Realignment Act of 1990 on that date.*]

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

(6) The term "Secretary" means the Secretary of Defense.

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

(8) The term "date of approval", with respect to a closure or realignment of an installation, means the date on which the authority of Congress to disapprove a recommendation of closure or realignment, as the case may be, of such installation under this part expires. [*The date of approval of closure of any installation approved for closure before November 30, 1993 shall be deemed to be November 30, 1993.*]

(9) The term "redevelopment authority", in the case of an installation to be closed or realigned under this part, means any entity (including an entity established by a State or local government) recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation or for directing the implementation of such plan. [*The above revision shall take effect as if included in the amendments made by section 2918 of Pub. L. 103-160.*]

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

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

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

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

SEC. 2911. CLARIFYING AMENDMENT

Section 2687(e)(1) of title 10, United States Code, is amended--

(1) by inserting "homeport facility for any ship," after "center,"; and

(2) by striking out "under the jurisdiction of the Secretary of a military department" and inserting in lieu thereof "under the jurisdiction of the Department of Defense, including any leased facility,".

SEC. 2912. 2005 ROUND OF REALIGNMENTS AND CLOSURES OF MILITARY INSTALLATIONS.

(a) FORCE-STRUCTURE PLAN AND INFRASTRUCTURE INVENTORY.—

(1) PREPARATION AND SUBMISSION.—As part of the budget justification documents submitted to Congress in support of the budget for the Department of Defense for fiscal year 2005, the Secretary shall include the following:

(A) A force-structure plan for the Armed Forces based on an assessment by the Secretary of the probable threats to the national security during the 20-year period beginning with fiscal year 2005, the probable end-strength levels and major military force units (including land force divisions, carrier and other major combatant vessels, air wings, and other comparable units) needed to meet these threats, and the anticipated levels of funding that will be available for national defense purposes during such period.

(B) A comprehensive inventory of military installations world-wide for each military department, with specifications of the number and type of facilities in the active and reserve forces of each military department.

(2) RELATIONSHIP OF PLAN AND INVENTORY.— Using the force-structure plan and infrastructure inventory prepared under paragraph (1), the Secretary shall prepare (and include as part of the submission of such plan and inventory) the following:

(A) A description of the infrastructure necessary to support the force structure described in the force-structure plan.

(B) A discussion of categories of excess infrastructure and infrastructure capacity.

(C) An economic analysis of the effect of the closure or realignment of military installations to reduce excess infrastructure.

(3) SPECIAL CONSIDERATIONS.—In determining the level of necessary versus excess infrastructure under paragraph (2), the Secretary shall consider the following:

(A) The anticipated continuing need for and availability of military installations outside the United States, taking into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions on the use of such military installations.

(B) Any efficiencies that may be gained from joint tenancy by more than one branch of the Armed Forces at a military installation.

(4) REVISION.—The Secretary may revise the force-structure plan and

infrastructure inventory; If the Secretary makes such a revision, the Secretary shall submit the revised plan or inventory to Congress not later than March 15, 2005. For purposes of selecting military installations for closure or realignment under this part in 2005, no revision of the force-structure plan or infrastructure inventory is authorized after that date.

(b) CERTIFICATION OF NEED FOR FURTHER CLOSURES AND REALIGNMENTS.—

(1) CERTIFICATION REQUIRED—On the basis of the force-structure plan and infrastructure inventory prepared under subsection (a) and the descriptions and economic analysis prepared under such subsection, the Secretary shall include as part of the submission of the plan and inventory—

(A) a certification regarding whether the need exists for the closure or realignment of additional military installations; and

(B) if such need exists, a certification that the additional round of closures and realignments would result in annual net savings for each of the military departments beginning not later than fiscal year 2011.

(2) EFFECT OF FAILURE TO CERTIFY.—If the Secretary does not include the certifications referred to in paragraph (1), the process by which military installations may be selected for closure or realignment under this part in 2005 shall be terminated.

(c) COMPTROLLER GENERAL EVALUATION.—

(1) EVALUATION REQUIRED.—If the certification is provided under subsection (b), the Comptroller General shall prepare an evaluation of the following:

(A) The force-structure plan and infrastructure inventory prepared under subsection (a) and the final selection criteria specified in section 2913, including an evaluation of the accuracy and analytical sufficiency of such plan, inventory, and criteria.

(B) The need for the closure or realignment of additional military installations.

(2) SUBMISSION.—The Comptroller General shall submit the evaluation to Congress not later than 60 days after the date on which the force-structure plan and infrastructure inventory are submitted to Congress.

(d) AUTHORIZATION OF ADDITIONAL ROUND; COMMISSION.—

(1) APPOINTMENT OF COMMISSION.—Subject to the certifications required under subsection (b), the President may commence an additional round for the selection of military installations for closure and realignment under this part in 2005 by transmitting to the Senate, not later than March 15, 2005, nominations pursuant to section 2902(c) for the appointment of new members to the Defense Base Closure and Realignment Commission.

(2) EFFECT OF FAILURE TO NOMINATE.—If the President does not transmit to the Senate the nominations for the Commission by March 15, 2005, the process by which military installations may be selected for closure or realignment under this part in 2005 shall be terminated.

(3) MEMBERS.—Notwithstanding section 2902(c)(1), the Commission appointed

under the authority of this subsection shall consist of nine members.

(4) TERMS; MEETINGS; TERMINATION.—Notwithstanding subsections (d), (e)(1), and (1) of section 2902, the Commission appointed under the authority of this subsection shall meet during calendar year 2005 and shall terminate on April 15, 2006.

(5) FUNDING.—If no funds are appropriated to the Commission by the end of the second session of the 108th Congress for the activities of the Commission in 2005, the Secretary may transfer to the Commission for purposes of its activities under this part in that year such funds as the Commission may require to carry out such activities. The Secretary may transfer funds under the preceding sentence from any funds available to the Secretary. Funds so transferred shall remain available to the Commission for such purposes until expended.

SEC. 2913. SELECTION CRITERIA FOR 2005 ROUND.

(a) FINAL SELECTION CRITERIA.—The final criteria to be used by the Secretary in making recommendations for the closure or realignment of military installations inside the United States under this part in 2005 shall be the military value and other criteria specified in subsections (b) and (c).

(b) MILITARY VALUE CRITERIA.— The military value criteria are as follows:

(1) The current and future mission capabilities and the impact on operational readiness o the total force of the Department of Defense, including the impact on joint warfighting, training, and readiness.

(2) The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.

(3) The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.

(4) The cost of operations and the manpower implications.

(c) OTHER CRITERIA.—The other criteria that the Secretary shall use in making recommendations for the closure or realignment of military installations inside the United States under this part in 2005 are as follows:

(1) The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

(2) The economic impact on existing communities in the vicinity of military installations.

(3) The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.

(4) The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

(d) PRIORITY GIVEN TO MILITARY VALUE.—The Secretary shall give priority consideration tot he military value criteria specified in subsection (b) in the making of recommendations for the closure or realignment of military installations.

(e) EFFECT ON DEPARTMENT AND OTHER AGENCY COSTS.—The selection criteria relating to the cost savings or return on investment from the proposed closure or realignment of military installations shall take into account the effect of the proposed closure or realignment on the costs of any other activity of the Department of Defense or any other Federal agency that may be required to assume responsibility for activities at the military installations.

(f) RELATION TO OTHER MATERIALS.—The final selection criteria specified in this section shall be the only criteria to be used, along with the force-structure plan and infrastructure inventory referred to in section 2912, in making recommendations for the closure or realignment of military installations inside the Untied States under this part in 2005.

(g) RELATION TO CRITERIA FOR EARLIER ROUNDS.—Section 2903(b), and the selection criteria prepared under such section, shall not apply with respect to the process of making recommendations for the closure or realignment of military installations in 2005.

SEC. 2914. SPECIAL PROCEDURES FOR MAKING RECOMMENDATIONS FOR REALIGNMENTS AND CLOSURES FOR 2005 ROUND; COMMISSION CONSIDERATION OF RECOMMENDATIONS.

(a) RECOMMENDATIONS REGARDING CLOSURE OR REALIGNMENT OF MILITARY INSTALLATIONS.—If the Secretary makes the certifications required under section 2912(b), the Secretary shall publish in the Federal Register and transmit to the congressional defense committees and the Commission, not later than May 16, 2005, a list of the military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force-structure plan and infrastructure inventory prepared by the Secretary under section 2912 and the final selection criteria specified in section 2913.

(b) PREPARATION OF RECOMMENDATIONS.—

(1) IN GENERAL.—The Secretary shall comply with paragraphs (2) through (6) of section 2903(c) in preparing and transmitting the recommendations under this section. However, paragraph (6) of section 2903(e) relating to submission of information to Congress shall be deemed to require such submission within 48 hours.

(2) CONSIDERATION OF LOCAL GOVERNMENT VIEWS.—(A) In making recommendations to the Commission in 2005, the Secretary shall consider any notice received from a local government in the vicinity of a military installation that the government would approve of the closure or realignment of the installation,

(B) Notwithstanding the requirement in subparagraph (A), the Secretary shall make the recommendations referred to in that subparagraph based on the force-structure plan, infrastructure inventory, and final selection criteria otherwise applicable to such

recommendations.

(C) The recommendations shall include a statement of the result of the consideration of any notice described in subparagraph (A) that is received with respect to a military installation covered by such recommendations. The statement shall set forth the reasons for the result.

(d) COMMISSION REVIEW AND RECOMMENDATIONS.—

(1) IN GENERAL.—Except as provided in this subsection, section 2903(d) shall apply to the consideration by the Commission of the recommendations transmitted by the Secretary in 2005. The Commission's report containing its findings and conclusions, based on a review and analysis of the Secretary's recommendations, shall be transmitted to the President not later than September 8, 2005.

(2) AVAILABILITY OF RECOMMENDATIONS TO CONGRESS.—After September 8, 2005, the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

(3) LIMITATIONS ON AUTHORITY TO CONSIDER ADDITIONS TO CLOSURE OR REALIGNMENT LISTS.—The Commission may not consider making a change in the recommendations of the Secretary that would add a military installation to the Secretary's list of installations recommended for closure or realignment unless, in addition to the requirements of section 2903(d)(2)(C)—

(A) the Commission provides the Secretary with at least a 15-day period, before making the change, in which to submit an explanation of the reasons why the installation was not included on the closure or realignment list by the Secretary; and

(B) the decision to add the installation for Commission consideration is supported by at least seven members of the Commission.

(4) TESTIMONY BY SECRETARY.—The Commission shall invite the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on any proposed change by the Commission to the Secretary's recommendations.

(5) REQUIREMENTS TO EXPAND CLOSURE OR REALIGNMENT RECOMMENDATIONS.—In the report required under section 2903(d)(2)(A) that is to be transmitted under paragraph (1), the Commission may not make a change in the recommendations of the Secretary that would close a military installation not recommended for closure by the Secretary, would realign a military installation not recommended for closure or realignment by the Secretary, or would expand the extent of the realignment of a military installation recommended for realignment by the Secretary unless—

(A) at least two members of the Commission visit the military installation before the date of the transmittal of the report; and

(B) the decision of the Commission to make the change to recommend the closure of the military installation, the realignment of the installation, or the expanded realignment of the installation is supported by at least seven members of the Commission.

(6) COMPTROLLER GENERAL REPORT.—The Comptroller General report required

by section 2903(d)(5)(B) analyzing the recommendations of the Secretary and the selection process in 2005 shall be transmitted to the congressional defense committees not later than July 1, 2005.

(e) REVIEW BY THE PRESIDENT.—

(1) IN GENERAL.—Except as provided in this subsection, section 2903(e) shall apply to the review by the President of the recommendations of the Commission under this section, and the actions, if any, of the Commission in response to such review, in 2005. The President shall review the recommendations of the Secretary and the recommendations contained in the report of the Commission under subsection (d) and prepare a report, not later than September '23, 2005, containing the President's approval or disapproval of the Commission's recommendations.

(2) COMMISSION RECONSIDERATION.—If the Commission prepares a revised list of recommendations under section 2903(e)(3) in 2005 in response to the review of the President in that year under paragraph (1), the Commission shall transmit the revised list to the President not later than October 20, 2005.

(3) EFFECT OF FAILURE TO TRANSMIT.—If the President does not transmit to Congress an approval and certification described in paragraph (2) or (4) of section 2903(e) by November 7, 2005, the process by which military installations may be selected for closure or realignment under this part in 2005 shall he terminated.

(4) EFFECT OF TRANSMITTAL.—A report of the President under this subsection containing the President's approval of the Commission's recommendations is deemed to be a report under section 2903(e) for purposes of sections 2904 and 2908.

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GAO

United States Government Accountability Office

Statement

Before the Defense Base Closure and Realignment Commission

For Release on Delivery
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Tuesday, May 3, 2005

Military Base Closures

Observations on Prior and Current BRAC Rounds

Statement of Barry W. Holman, Director
Defense Capabilities and Management

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GAO-05-614

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Highlights

Highlights of GAO-05-614, a statement before the Defense Base Closure and Realignment Commission

May 3, 2005

MILITARY BASE CLOSURES

Observations of Prior and Current BRAC Rounds

Why GAO Did This Study

The Defense Base Closure and Realignment Act of 1990, as amended, authorized a new round of base realignment and closures (BRAC) in 2005, the fifth such round in recent years but the first since 1995. The legislation requires the Secretary of Defense to submit his list of bases recommended for closure and realignment to an independent BRAC commission by May 16, 2005. The Commission is charged with reviewing these recommendations and submitting its report with recommendations to the President for his acceptance or rejection of them in their entirety by September 8, 2005. Subsequently, Congress has final action to accept or reject the recommendations in their entirety later this year. By law, GAO is mandated to review the Department of Defense's (DOD) process and recommendations and to report its findings by July 1, 2005.

For the inaugural hearing of the 2005 BRAC Commission GAO was asked to address: (1) the status of implementing recommendations from previous BRAC rounds, (2) DOD's expectations for the 2005 BRAC round, and (3) the analytical framework for the 2005 BRAC round. GAO offers some suggestions for the Commission to consider as it prepares for the 2005 BRAC round.

www.gao.gov/cgi-bin/getrpt?GAO-05-614.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry Holman at (202) 512-5581 or holmanb@gao.gov.

What GAO Found

DOD indicates that recommendations from the previous BRAC rounds were implemented within the 6-year period mandated by law. As a result, DOD estimated that it reduced its domestic infrastructure by about 20 percent; about 90 percent of unneeded BRAC property is now available for reuse. Substantial net savings of approximately $29 billion have been realized over time. Most communities surrounding closed bases are continuing to recover from the impact of BRAC and faring well compared with average U.S. rates for unemployment and income growth. In examining DOD's proposed closures and realignments, the Commission may want to ensure that all proposed closure and realignment actions can be implemented within the mandated 6-year period recognizing property transfers may take longer.

DOD's expectations for the 2005 BRAC round include the traditional emphasis on eliminating unneeded infrastructure and achieving savings. It also expects to use BRAC to further transformation and related efforts such as restationing of troops from overseas as well as efforts to further joint basing among the military services. DOD's preliminary assessment of excess capacity completed outside the BRAC process in 2004 to help justify the 2005 round has led to much speculation about the percentage of bases likely to close. While DOD's assessment gave some indication of excess capacity across certain functional areas, GAO's assessment showed the methodology had significant limitations, such as use of varying capacity metrics among the military services for similar type facilities. As a result, it is difficult to use that data to make a reliable projection of total excess capacity across DOD, or projections of number of bases likely to close. Further, the methodology neither fully considered the potential impact of major force structuring and other rebasing changes nor the impact of analyzing facilities or functions on a joint or cross-service basis, a priority for the 2005 round. As a result, we await the results of DOD's proposed closures and realignments to see the extent of potential capacity reduction and how the results of this round compare with prior rounds. The Commission may want to look at such measures as projected net reduction in plant replacement value or square footage of space as reduction indicators.

The 2005 BRAC round process follows a historical analytical framework with many elements of the process being carried forward or building upon lessons learned from the past. A key part of that framework is the selection criteria which essentially follow a framework similar to that employed in prior BRAC rounds, with more specificity in selected areas mandated by Congress. The Commission may want to be aware of changes for the 2005 round based on lessons learned from the past related to such issues as privatizing functions in place as a closure option, considering total cost to the government in evaluating closure and realignment recommendations, clarifying the size of reserve enclaves that may be created, and strengthening the emphasis on cross-servicing of selected functions and increased jointness in basing decisions.

DCN: 11890

Mr. Chairman and Members of the Commission:

I am pleased to have the opportunity today to provide you with an overview of our work involving the Department of Defense's (DOD) base realignment and closure (BRAC) process and give some context for the challenging task before you through a retrospective view of prior rounds and some perspectives on the unfolding 2005 round that the BRAC Commission may want to consider. My testimony today addresses the (1) status of implementing the recommendations from the four prior BRAC rounds; (2) Secretary of Defense's expectations for BRAC 2005 and the difficulty in getting a handle on the amount of excess capacity that may be reduced; and (3) analytical framework for the previous and current BRAC process, and how changes related to the 2005 round could affect the work of this year's Commission.

GAO has played a long-standing role in the BRAC process. As requested by congressional committees (1988 BRAC round) or mandated by law since 1990, we have served as an independent and objective observer of the BRAC process and have assessed and reported on DOD's decision-making processes leading up to proposed realignment and closure recommendations in each of the four prior rounds. To make informed and timely assessments, we have consistently operated in a real-time setting since the 1991 BRAC round and have had access to portions of the process as it has evolved, thus affording the department an opportunity to address any concerns we raised on a timely basis. We have been observing the 2005 BRAC process since DOD's initial work began on the 2005 round. Because of our ongoing monitoring of DOD's BRAC 2005 process, and some access to the internal workings of that process, any comments by me today regarding specifics of the 2005 round must of necessity be somewhat limited because of nondisclosure requirements that remain in place until DOD releases its list of recommended closures and realignments later this month.

In preparing this testimony, we relied largely on our prior work related to assessing BRAC decision-making processes and implementation of the previous four rounds. Appendix I has a listing of our previous reports on the base realignment and closure process. Our previous work was performed in accordance with generally accepted government auditing standards.

Summary

DOD reported that as of September 30, 2001, it had taken all necessary actions to implement the recommendations of the BRAC Commissions for the four prior rounds. As a result, DOD estimated that it had reduced its domestic infrastructure by about 20 percent measured in terms of facilities plant replacement value.[1] The following summarize the status of recommendations with respect to property transfer, savings, and economic recovery of communities affected by the last four rounds.

- BRAC recommendations were implemented within the 6-year period mandated by law. As of September 2004, DOD data show that about 72 percent (about 364,000 acres) of the approximately 504,000 acres of unneeded BRAC property from the previous four rounds had been transferred to other federal and nonfederal entities.[2] When leased acreage is added to property that has already been transferred, the amount of unneeded BRAC property that is available for reuse rises to 90 percent. About 140,000 acres have not yet been transferred, primarily because of delays resulting from environmental cleanup requirements that DOD is obligated to address to ensure that former base property is cleaned up to a level sufficiently safe for its intended reuse. In looking at the Secretary of Defense's recommendations for the 2005 BRAC round, the Commission may want to assure itself that all proposed closure and realignment actions can be implemented within the mandated 6-year period. Property transfers are not subject to the 6-year implementation period.

- Based on our analysis of DOD data, the department generated substantial net estimated savings (estimated total savings minus costs) of about $29 billion through fiscal year 2003 from the previous four BRAC rounds, and it expects to save about $7 billion annually thereafter. Our work has shown that these savings actually reflect cost avoidances, that is, money that DOD would likely have needed to operate BRAC bases had they remained open. At the same time, our reviews have found that DOD's savings estimates are not precise but instead rough approximations of the likely savings, in part because the military services have not regularly updated their estimates over time and

[1] DOD defines plant replacement value as the cost to replace an existing facility with a facility of the same size at the same location, using today's building standards.

[2] In this statement, "transferred property" refers to property that has been deeded to another user; it does not include leased property.

because DOD's accounting systems are not oriented toward identifying and tracking savings. From the BRAC Commission perspective, it is important to note that historically most reported DOD savings result from reductions in operation and maintenance and military personnel costs.

- Most communities surrounding closed bases are continuing to recover from the impact of BRAC. DOD data show that almost 85 percent of local DOD civilian jobs that were lost on bases as a result of realignments and closures have been replaced through development of the properties. Two key economic indicators—the unemployment rate and the average annual real per capita income growth rate—show that BRAC communities are generally doing well when compared with average U.S. rates. As we have reported in the past, the recovery process has not necessarily been easy with the strength of the national economy and the diversity of local economies having a significant bearing on the recovery of any particular community facing a BRAC closure. From the BRAC Commission perspective, few bases were eliminated from closure or realignment in prior rounds due to economic impact, but this is an issue the Commission will hear much about as it engages communities affected by the Secretary's proposed closures and realignments.

DOD's expectations for the 2005 BRAC round include the traditional emphasis on eliminating unneeded infrastructure and achieving savings, but they also extend to using BRAC to further transformation efforts such as restationing of troops from overseas as well as improving joint basing among the military services. Nevertheless, much emphasis has been given to estimating the amount of excess capacity in advance of the BRAC round and that has led to much speculation about the number or percentage of bases that are likely to close. That is a tougher issue to deal with than it might seem on the surface as evidenced by an earlier assessment of excess capacity that DOD was required to complete in advance of the BRAC round. The results of that analysis were included in a 2004 report to Congress[3] in justifying the need for the 2005 BRAC round. While that report did give indications of excess capacity, our work shows the analysis did not give a well-grounded assessment of total excess capacity across DOD or the potential for achieving greater efficiencies in use of that capacity. It has also led to much speculation on the number of bases likely to be closed in this BRAC round. Our analysis indicated that DOD's methodology for that

[3] Report required by Section 2912 of the Defense Base Closure and Realignment Act of 1990.

report had limitations, such as use of varying capacity metrics among the military services for similar type facilities, that made it difficult to get a precise reading on excess capacity across various functional areas, and made it even more difficult to credibly project a total amount of excess capacity across DOD. Moreover, in completing its analysis, the military services assessed their bases as though they were being used for a single function, and did not consider either the existing or the potential for increased multi-functional/joint use that was identified as an objective of the 2005 BRAC round—and which provides the potential for better identifying excess capacity or opportunities to use existing capacity more efficiently for multiple purposes. As a result, we must await the results of DOD's proposed closures and realignments to see the extent of capacity reductions and to determine how this round compares with prior rounds in that regard. The Commission may want to look at such measures as projected net reduction in plant replacement value or square footage of space as meaningful indicators of the magnitude of reductions in BRAC 2005.

The BRAC process follows a historical analytical framework with many elements of the process being carried forward or building upon lessons learned from previous rounds. First, the selection criteria essentially follow a framework that is similar to that employed in previous BRAC rounds, with more specificity in selected areas—especially in those that speak to military value. In this regard, the criteria give priority to military value and incorporate such factors as joint warfighting, training, readiness, and the ability to accommodate contingency and mobilization requirements, as is called for in the fiscal year 2002 legislation.[4] In addition, the 2005 round is expected to incorporate several lessons learned from the previous rounds, such as privatizing functions in place rather than closing facilities and moving affected work to other locations, not always considering total cost to the government when examining individual closure or realignment decisions, clarifying the size of reserve enclaves that may be created when bases are closed or realigned, and strengthening the role of the joint cross-service teams.

[4] P.L. 107-107, section 3002 (Dec. 28, 2001).

Background

To enable DOD to close unneeded bases and realign other bases, Congress enacted legislation that instituted BRAC rounds in 1988, 1991, 1993, and 1995.[5] A special commission established for the 1988 round made realignment and closure recommendations to the Senate and House Committees on Armed Services. For the 1991, 1993, and 1995 rounds, special BRAC Commissions were set up, as required by legislation, to make specific recommendations to the President for his approval, who in turn sent the Commissions' recommendations to Congress. The four Commissions generated 499 recommendations—97 major closures and hundreds of smaller base realignments, closures, and other actions.[6] Of the 499 recommendations, 451 required action; the other 48 were modified in some way by a later commission. DOD was required to complete BRAC realignment and closure actions for the 1988 round by September 30, 1995, and for the 1991, 1993, and 1995 rounds within 6 years from the date the President forwarded the recommended actions to Congress.

Legislation authorizing the BRAC rounds has also stipulated that closure and realignment decisions must be based upon selection criteria, a current force structure plan, and infrastructure inventory developed by the Secretary of Defense. Further, the selection criteria were required to be publicized in the *Federal Register* to solicit public comments on the criteria before they were finalized. The criteria historically have included four related to military value, one related to return on investment, and three related to community impacts. However, the National Defense Authorization Act of 2002[7] required DOD to give priority to the criteria dealing with military value for the 2005 BRAC round.

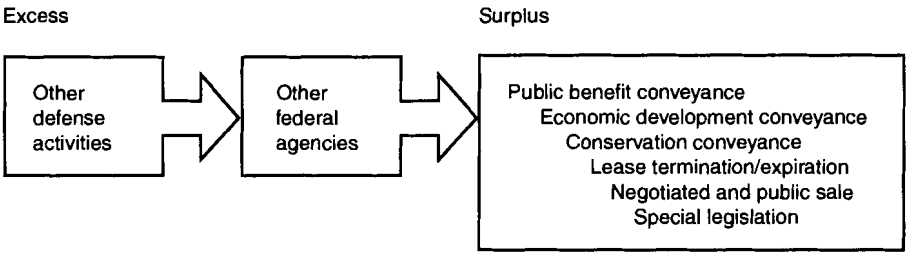
[5] The 1988 round was completed under the Defense Authorization Amendments and Base Closure and Realignment Act (P.L. 100-526, Title II (Oct. 24, 1988), as amended). The last three rounds were completed under the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510, Title XXIX (Nov. 5, 1990), as amended).

[6] The number of recommendations may vary depending on how they are categorized. In this report, the recommendations include closures, realignments, disestablishments, relocations, and redirections. In a closure, all missions that are carried out at a base either cease or relocate, while in a realignment, a base remains open but loses and sometimes gains missions. "Disestablishments" and "relocations" refer to missions; those disestablished cease operations, while those relocated are moved to another base. "Redirections" refer to cases in which a BRAC Commission changes the recommendation of a previous commission.

[7] P.L. 107-107, Section 3002 (Dec. 28, 2001).

While DOD has closed or realigned bases as recommended by the various BRAC Commissions, other actions, such as the cleanup of environmentally contaminated property and the subsequent transfer of unneeded property to other users, have extended beyond the 6-year implementation period for each round. Once DOD no longer needs BRAC property, the property is considered excess and is offered to other federal agencies. As shown in figure 1, any property that is not taken by other federal agencies is then considered surplus and is disposed of through a variety of means to state and local governments, local redevelopment authorities,[8] or private parties.

Figure 1: DOD's Usual Procedures for Transferring Property



Source: GAO.

The various methods noted in figure 1 to convey unneeded property to parties external to the U.S. government are targeted, in many cases, to a particular end use for the property. For example, under a public benefit conveyance, state and local governments and local redevelopment authorities acquire surplus DOD property for such purposes as schools, parks, and airports for little or no cost. Under an economic development conveyance, property is transferred for uses that promote economic recovery and job creation. Conservation conveyances, which were introduced in the Bob Stump National Defense Authorization Act for Fiscal Year 2003,[9] provide for the transfer of property to a state or political subdivision of a state or qualified not-for-profit groups for natural resource

[8] A local redevelopment authority is any authority or instrumentality established by a state or local government and recognized by the Secretary of Defense, through the Office of Economic Adjustment, as the entity responsible for developing the redevelopment plan with respect to an installation or for directing implementation of the (land reuse) plan.

[9] P.L. 107-314, § 2811, 2812 (Dec. 2, 2002).

and conservation purposes. Property can, in other cases, also be conveyed to nonfederal parties through the other cited methods as shown in figure 1 without regard, in many cases, to a particular end use. For example, property can be sold or special congressional legislation can dictate transfer to a particular entity.

The National Defense Authorization Act for Fiscal Year 2002[10] extended the authority of the Defense Base Closure and Realignment Act of 1990, with some modifications, to authorize an additional BRAC round in 2005. The 2002 legislation also required the Secretary of Defense to publish in the *Federal Register* the selection criteria proposed for use in the BRAC 2005 round and to provide an opportunity for public comment. The proposed selection criteria were published on December 23, 2003, with a public comment period ending January 30, 2004. The final criteria were published on February 12, 2004. The criteria for the 2005 BRAC round continue the tradition of having four criteria related to military value that are to be given priority consideration, and four others that require consideration. As discussed more fully later in this statement, while the eight criteria essentially follow a framework similar to that employed in previous BRAC rounds, greater specificity was added to selected criterion as mandated by Congress for the 2005 round.

Status of Prior BRAC Recommendations

Following the adoption of the previous BRAC recommendations, DOD declared 504,000 acres of property as unneeded and available for transfer to other federal or nonfederal entities. As of September 30, 2004, DOD had transferred about 72 percent of that property while 28 percent had not been transferred, due primarily to the need for environmental cleanup. According to DOD data, the BRAC recommendations have generated substantial savings—an estimated $29 billion in savings or cost avoidances through fiscal year 2003, with expectations of an additional $7 billion in annual net recurring savings thereafter. Finally, while BRAC can have a traumatic short-term effect on communities in the vicinity of closing or realigning bases, most nearby communities continue to recover from BRAC actions. Our analysis of key economic indicators shows that most communities are generally faring well in terms of national averages for unemployment and income growth rates.

[10] P.L. 107-107, Title XXX (Dec. 28, 2001).

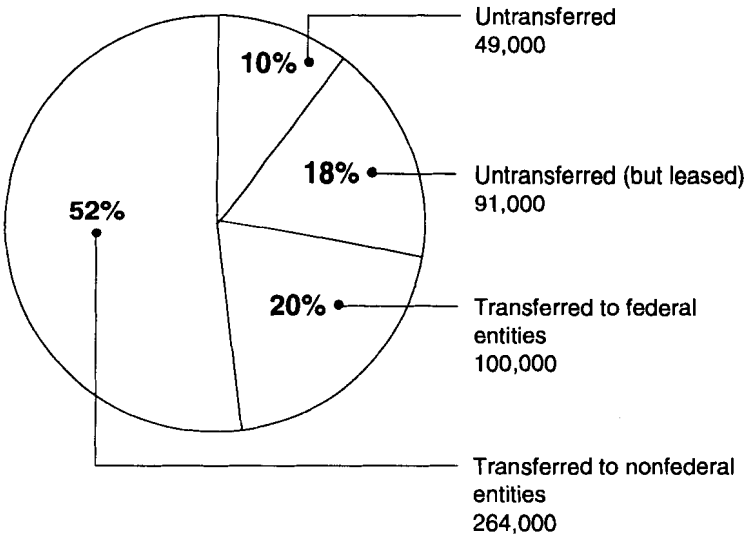
Implementation of Previous Recommendations and Status of Property Transfers

DOD reported that as of September 30, 2001, it had taken all required actions to implement the recommendations of the BRAC Commissions for the four rounds.[11] Currently, of the approximately 504,000 unneeded acres available for disposal external to DOD, 72 percent have been transferred either to other federal or nonfederal entities, while 28 percent, including leased acreage, remain in DOD's inventory. A breakdown of the current status of unneeded BRAC property shows that as of September 30, 2004 (1) 52 percent had been transferred to nonfederal entities, (2) 20 percent had been transferred to other federal agencies, (3) 18 percent had been leased but not transferred, and (4) 10 percent was untransferred and is awaiting future disposition (see fig. 2).

[11] The 1995 BRAC round recommendation to close family housing units on Fort Buchanan, Puerto Rico, was not implemented because the National Defense Appropriations Act for Fiscal Year 1999 (P.L. 105-262, Section 8142 (Oct. 17, 1998), authorized the Secretary of Defense to retain all or a portion of the units to support the U.S. Army South's (USARSO) relocation from Panama to Fort Buchanan. On September 30, 2003, USARSO officially completed a further restationing from Puerto Rico to Texas.

Figure 2: Disposition of Unneeded BRAC Acreage

Total acreage = 504,000



Source: GAO's analysis of DOD data.

Note: As part of the BRAC process, DOD retained approximately 350,000 acres for reserve component use.

Even though DOD has 140,000 acres of its BRAC property remaining to be transferred, much of this land is in long-term lease with other users. Altogether, the services have nearly 91,000 acres (65 percent) of their untransferred property under lease, leaving 49,000 acres (35 percent) that has not been transferred and is not in reuse. The department expects that this property will eventually be transferred to nonfederal users. Leased property, while not transferred to the user, can afford the user and DOD some benefits. Communities, for example, can opt for leasing while awaiting final environmental cleanup as an interim measure to promote property reuse and job creation. By adding leased acres to the number of transferred acres, the amount of unneeded BRAC property that is in reuse rises to 90 percent.

What may be different for this BRAC round is that Congress, in authorizing the 2005 BRAC round, gave renewed emphasis to seeking fair market value in disposing of BRAC property[12] and we have seen evidence of this in recent land sales by the Navy for some remaining property disposals from prior BRAC rounds. It is too soon for us to know to what extent land sales will occur in implementing results of the 2005 round in comparison with other forms of property disposal such as no-cost economic development conveyances, or transfers to other federal agencies. While this is not an issue that bears directly on the Commission's task of assessing the Secretary's recommendations, it could be an issue that will arise in your contacts with communities as you complete your task.

While DOD has closed or realigned bases as recommended by the various BRAC Commissions, other actions, such as the cleanup of environmentally contaminated property and the subsequent transfer of unneeded property to other users, continue beyond the 6-year implementation period for each round. As we have reported in the past, environmental cleanup constraints have delayed the military services from rapidly transferring unneeded BRAC property. Army data show that about 82 percent of the Army's approximately 101,000 untransferred acres have some kind of environmental impediment, such as unexploded ordnance (UXO)[13] or some level of chemical contamination that requires cleanup before transfer can take place. Navy data show that about 65 percent of the Navy's almost 13,000 untransferred acres could not be transferred because of environmental reasons. Likewise, about 98 percent of the Air Force's approximately 24,000 untransferred acres is attributable to environmental cleanup issues. While the Commission is likely to be confronted with the issue of environmental cleanup in examining the Secretary's recommendations, complete information is not always fully available during the time frame for the Commission's work since cleanup costs are affected by yet-to-be-developed reuse plans.

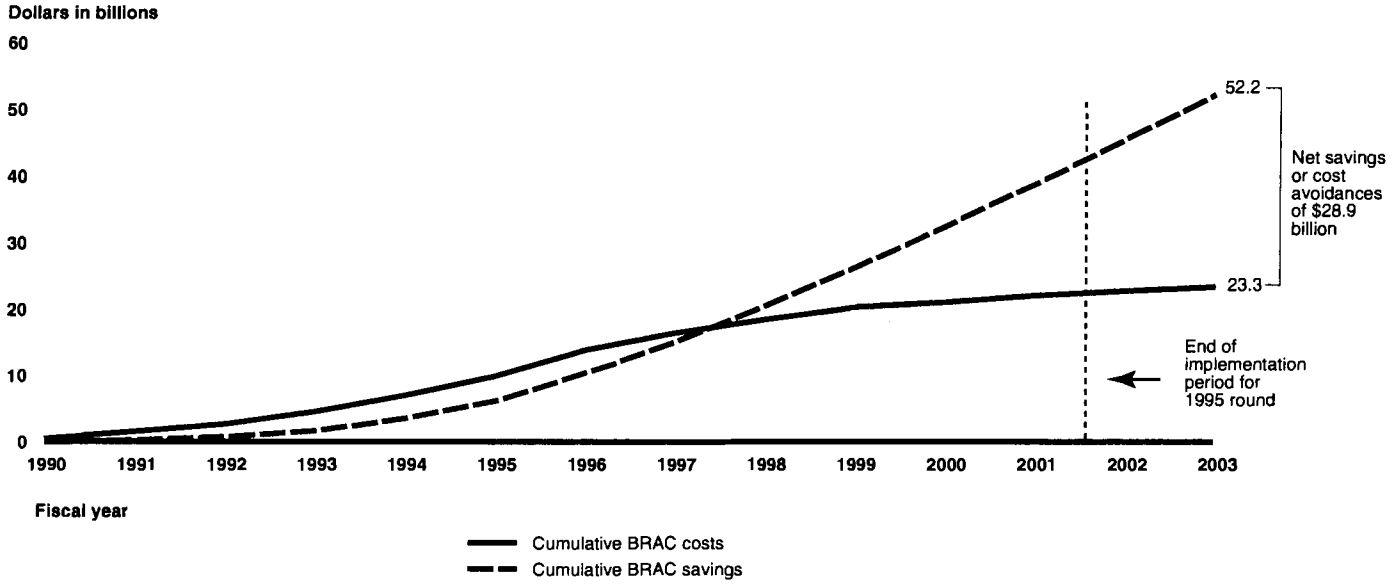
[12] P.L. 107-107, Section 3006 (Dec. 28, 2001).

[13] UXO is ordnance that remains unexploded either through malfunction or design and can injure personnel or damage material. Types of UXO include bombs, missiles, rockets, artillery rounds, ammunition, or mines. DOD, *Defense Environmental Restoration Program Annual Report to Congress—Fiscal Year 2003* (Washington, D.C., April 2004), Appendix F, page F-21. In this report UXO also refers to munitions and explosives of concern.

Net Savings Estimates for the Prior BRAC Rounds Remain Substantial

Our analysis of DOD data shows that the department had accrued an estimated $29 billion in net savings or cost avoidances through fiscal year 2003 for the four previous BRAC rounds.[14] In calculating net savings, DOD deducts the costs of implementing BRAC actions for the four closure rounds from the estimated savings. As figure 3 shows, the cumulative estimated savings surpassed the cumulative costs to implement BRAC actions in 1998, and the net savings have grown and will continue to grow from that point, even though some costs (e.g., environmental cleanup) have been incurred after that time and some costs will continue for a number of years until cleanup or required monitoring is completed.

Figure 3: Cumulative BRAC Cost and Savings Estimates for the Previous Rounds through Fiscal Year 2003



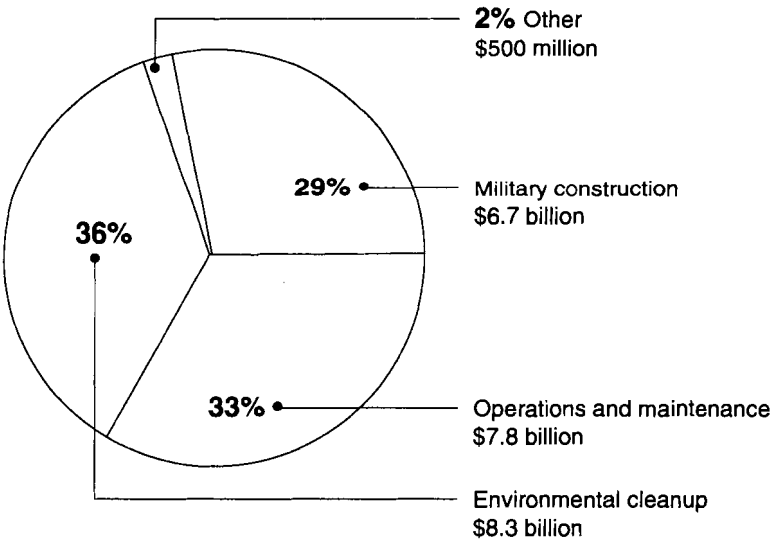
Source: GAO's analysis of DOD data.

[14] This does not include about $1.9 billion in costs incurred by other DOD and federal agencies to provide assistance to communities and individuals impacted by BRAC. DOD estimates of annual recurring savings beyond fiscal year 2003 do not take into account the estimated $3.6 billion in costs that are needed to complete environmental cleanup at BRAC bases.

Our analysis shows that the rate of net savings accumulation has increased over time because the cumulative BRAC costs flattened out just before the 6-year implementation period for the last round ending in fiscal year 2001.

Most expenses associated with closures and realignments were incurred through fiscal year 2001; most of the expenses beyond fiscal year 2001 were primarily incurred for environmental cleanup. Through fiscal year 2003, the cumulative costs to implement the four previous round actions amounted to about $23.3 billion. As shown in figure 4, approximately one-third ($7.8 billion) of this amount was spent for operations and maintenance, such as the maintenance and repair needed to keep facilities and equipment in good working order, as well as civilian severance and relocation costs. A little more than one-third ($8.3 billion) was spent on environmental cleanup and compliance activities, for example, to reduce, remove, and recycle hazardous wastes and to remove unsafe buildings and debris from closed bases. Finally, a little less than one-third ($6.7 billion) was used for military construction at bases that were not closed, including renovating existing facilities and constructing new buildings to accommodate relocating military units and various functions.

Figure 4: Costs Incurred for Prior BRAC Rounds through Fiscal Year 2003
Total = $23.3 billion

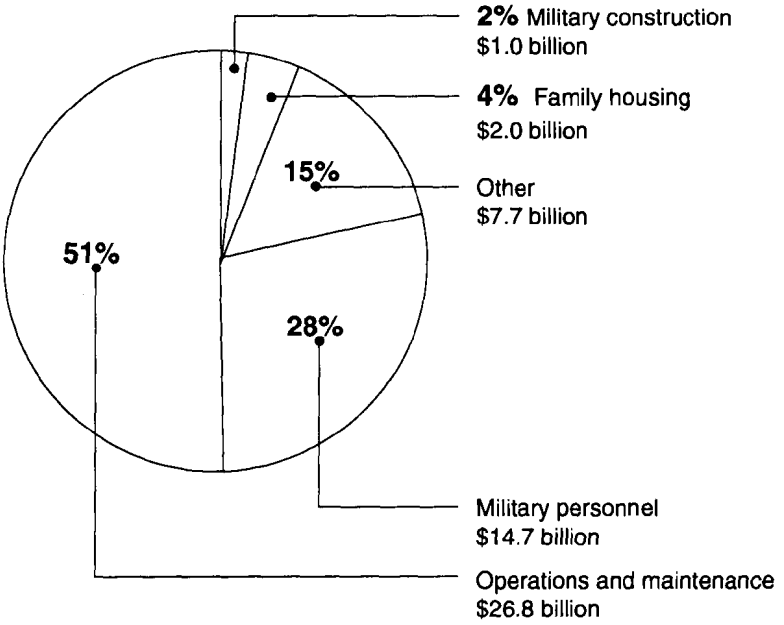


Source: GAO's analysis of DOD data.

As figure 5 shows, DOD estimates that it accrued BRAC savings of $52.2 billion through fiscal year 2003 as a result of eliminating or reducing operation and maintenance costs, including base support costs, and eliminating or reducing military and civilian personnel costs. Of this amount, about half ($26.8 billion) can be attributed to savings from operation and maintenance activities, such as terminating or reducing physical security, fire protection, utilities, property maintenance, accounting, civilian payroll, and a variety of other services that have associated costs. An additional $14.7 billion in estimated savings resulted from military personnel reductions.

Figure 5: Estimated Savings Breakout for Prior BRAC Rounds through Fiscal Year 2003

Total: $52.2 billion (exclusive of implementation costs)



Source: GAO's analysis of DOD data.

Based on the previous rounds, the Commission should expect that the majority of the savings from the 2005 recommendations will result from reductions in operation and maintenance and military personnel costs.

Most Affected Communities Are Recovering from Prior BRAC Rounds

While the short-term impact can be very traumatic, several factors, such as the strength of the national, regional, and local economies, play a role in determining the long-term economic impact of the base realignment or closure process on communities. Our work has shown that recovery for some communities remains a challenge, while other communities surrounding a base closure are faring better. As DOD last reported, as of September 30, 2004, almost 85 percent (110,086) of the 129,649 DOD civilian jobs lost on military bases as a result of realignments or closures in the previous BRAC rounds had been replaced at these locations as the properties were redeveloped. I want to emphasize that this recovery figure does not include other jobs created off the bases. Appendix II gives a detailed listing of jobs lost and created at major BRAC locations during the

last four rounds. In addition, two key economic indicators—the unemployment rate and the average annual real per capita income growth rate—show that BRAC communities are generally doing well when compared with average U.S. rates. Since 1997 (after completion of the implementation periods for the first two rounds, in 1988 and 1991) and through the implementation periods of the past two rounds (1993 and 1995), about 70 percent of the 62 BRAC-affected communities have consistently been at or below the national unemployment rate. Appendix III provides more information on the average unemployment rates and on the average annual real per capita income growth rates for 62 communities affected by previous BRAC actions.

Our previous reports have pointed out a number of factors that can affect economic recovery including the robustness of the national economy, diversity of the local economy, and assistance from various federal agencies to facilitate recovery efforts. By way of comparison, I would note that the national unemployment rate at the time of the 1995 round was 5.4 percent; today it is 5.2 percent.

We have previously reported that as of September 30, 2004, federal agencies reported that they had spent about $1.9 billion for such purposes as base reuse planning, airport planning, job training, infrastructure improvements, and community economic development. These activities include the following:

- About $611 million was provided by the Department of Commerce's Economic Development Administration to assist communities with infrastructure improvements, building demolition, and revolving fund loans.
- About $760 million was provided by the Federal Aviation Administration to assist with converting former military airfields to civilian use.
- About $223 million was provided by the Department of Labor to help communities retrain workers who lost their jobs.
- About $280 million was provided by DOD's Office of Economic Adjustment to help communities plan and implement the reuse of BRAC bases.

While economic impact is one of the selection criteria used in BRAC decision making, few bases were eliminated from closure or realignment

consideration in previous rounds because of potential economic impact. Having said that, I would point out that while, from an economic impact standpoint, BRAC is most known for the losses suffered by communities, some communities gained missions and personnel as the result of BRAC decisions. The 2005 BRAC round could potentially have a greater impact on gaining communities than in past rounds since this round is expected to be used to inform decisions on placement of units and thousands of personnel returning from overseas in implementing the results of the department's separate overseas basing study. Also, there are major force structure changes underway in the Army with the creation of new units of action which expand on existing brigade sizes. Each of these could impact community infrastructure in many areas such as housing and schools. However, we will not have a clear indication of any such expanded impacts until the Secretary's BRAC recommendations are made public in a few days.

DOD's Expectations for BRAC 2005

DOD recognized at the time it was completing its recommendations for the 1995 BRAC round that excess infrastructure would remain and that additional closures and realignments would be needed in the future. The BRAC 2005 round continues the goal of previous rounds of reducing excess infrastructure within the department and achieving savings that could be applied to other priorities. However, DOD expanded the focus of BRAC 2005 to include transformation issues, to accommodate restationing of forces from overseas, and to improve jointness efforts among the military services.

In a memorandum dated November 15, 2002, the Secretary of Defense issued initial guidance outlining goals for the 2005 BRAC round. He noted that, at a minimum, BRAC 2005 must eliminate excess physical capacity—the operation, sustainment, and recapitalization of which diverts scarce resources from defense capability. At the same time, the Secretary's guidance depicted the round as focusing on more than simply reducing excess capacity. He stated that the round could make an even more profound contribution to transforming the department by rationalizing its infrastructure and defense strategy. He further noted that another primary objective of the round was to examine opportunities for greater joint activity.

While the broader goals of BRAC 2005 have increased traditional interest in the potential outcome of this BRAC round, great public attention has been devoted to the issue of excess capacity and how many bases are likely to be

closed in this round. While we await the Secretary's announcement of proposed closures and realignments in a few days, the Commission may want to review an earlier assessment of excess infrastructure capacity that DOD was required to complete in advance of the BRAC round which has led to much public speculation about what could result from this round. The result of that analysis was included in a 2004 report to Congress in justifying the need for the 2005 BRAC round. Although that report did give indications of excess capacity, our work shows the analysis on which it was based did not provide a well-grounded assessment of total excess capacity across DOD or the potential for achieving greater efficiencies in use of that capacity. It also led to much speculation on the number of bases likely to be closed in this BRAC round.

DOD's analysis of its infrastructure capacity for the 2004 report, which was completed outside the 2005 BRAC process, indicates the presence of excess capacity across certain functional areas through fiscal year 2009. However, the limitations of the methodology used for that analysis, such as use of varying capacity metrics among the military services for similar type facilities, prevented it from giving a precise indication of excess capacity across all classes of facilities. This raises questions about the appropriateness of its use to project a total amount of excess capacity across DOD. Furthermore, DOD's methodology did not analyze facilities or functions on a joint or cross-service basis to determine any additional excess capacity, but such a cross-service analysis is a priority for the 2005 round. Moreover, it did not fully consider the impact of force structure changes underway and the planned restationing of thousands of forces from overseas bases. Based on this, it is problematic for anyone to try to add up these diverse measures and point to a single cumulative figure of excess capacity. Even more problematic are efforts to translate this figure to a set percentage of bases that are likely to be closed.

While previous BRAC rounds have focused primarily on reducing excess capacity, DOD officials have stated that in addition to that goal, the 2005 BRAC round aims to further transform the military by correlating base infrastructure to the force structure, and enhancing joint capabilities by improving joint utilization. That approach takes you past the point of simply focusing efforts on reducing excess infrastructure and generating savings. As a result, we must await the results of the Secretary of Defense's closure and realignment recommendations to see how the extent of capacity reduction proposed in this round compares to that in prior rounds. If you are looking for indicators of capacity reduction in BRAC 2005, the Commission may want to focus on such measures as net reduction in plant

replacement value or square footage of space. While these are not all-inclusive indicators, they should give you some sense of the potential impact of the 2005 round.

2005 BRAC Analytical Framework Builds on Historic Structure

The framework used in the 2005 BRAC round continues the historical framework used in previous rounds. The Defense Base Closure and Realignment Act of 1990 led to the creation of what has become a structured process for making BRAC recommendations and one that gives the public insight into the basis for recommendations made by the Secretary of Defense. Selection criteria for the 2005 BRAC round preserve a framework similar to that used in earlier BRAC rounds, with specificity added in several areas that pertain to military value. In addition, the framework for the 2005 round is expected to incorporate several lessons learned from the previous rounds, related to privatization in place, total cost to the government, reserve enclaves, and cross-service issues.

Requirements to Ensure Fairness of BRAC Process

Closing unneeded defense facilities has historically been difficult because of public concern about the economic effects of closures on communities and the perceived lack of impartiality in the decision-making process. A variety of requirements or procedures have been either mandated by the 1990 act, as amended, or adopted by DOD over time to ensure the fairness and objectivity of the base closing process. Some of these requirements or procedures include:

- All installations must be compared equally against selection criteria and a current force structure plan must be developed by the Secretary of Defense.
- Decisions to close military installations with authorization for at least 300 civilian personnel must be made under the BRAC process. Decisions to realign military installations authorized for at least 300 civilian personnel that involve a reduction of more than 1,000—or 50 percent or more of the civilian personnel authorized—also must undergo the BRAC process. DOD components retain the option of including facilities/activities that fall below the threshold.
- Selection criteria for identifying candidates for closure and realignment must be made available for public comment before being finalized.

- All components must use specific models for assessing (1) the cost and savings associated with BRAC actions and (2) the potential economic impact on communities affected by those actions.

- Information submitted for use by the Secretary of Defense or the Commission in the BRAC decision-making process must be certified—that is, certified as accurate and complete to the best of the originator's knowledge and belief. This requirement was designed to overcome concerns about the consistency and reliability of data used in the process.

- An independent commission is required to review DOD's proposed closures and realignments and to finalize a list of proposed closures and realignments to be presented to the President for his review and subsequent submission to Congress.

- The BRAC Commission is required to hold public hearings.

- The BRAC process imposes specific time frames for completing specific portions of the process.

- The President and Congress are required to accept or reject the Commission's recommendations in their entirety.

- In addition to GAO's legislatively mandated role in reporting on the BRAC process, the military service audit agencies and DOD Inspector General personnel are extensively involved in auditing the process to better ensure the accuracy of data used in decision making and enhance the overall integrity of the process.

An important tool used in the BRAC process for analyzing estimates of costs and savings for potential recommendations is the Cost of Base Realignment Actions (COBRA) model. This model has been used in the base closure process since 1988, with improvements made to the model in the intervening years. We noted in 1995 that two of the more significant actions affecting BRAC 1995 were the validation of the COBRA model by the Army Audit Agency and a greater emphasis on using standard cost factors. Refinements to the model historically have been initiated and controlled by a COBRA Joint Process Action Team. We will be reporting on recent efforts to update the model in our upcoming report on the BRAC 2005 process.

In the interim, it is important to distinguish between the use of the COBRA model for evaluating alternative closure and realignment scenarios and use of other efforts to produce more refined cost and budget data for implementing BRAC decisions. Differences between COBRA and budget quality data used in implementing BRAC decisions include the following. First, COBRA estimates, particularly those based on standard cost factors, are averages, which are later refined for budget purposes. Further, COBRA costs are expressed in constant-year dollars; budgets are expressed in then-year (inflated) dollars.

Our work in examining lessons learned from previous BRAC rounds found general agreement that the previous legislation and the framework it established served the process well, and general agreement that this framework would be useful for a future round.[15] That is not to say that the previous process was perfect or entirely devoid of concerns over the role of politics in the process. As we have previously noted, we recognize that no public policy process, especially none as open as BRAC, can be completely removed from the U.S. political system. However, the elements of the process noted above provide several checks and balances to hold political influences at a minimum. That said, the success of these provisions requires that all participants of the process adhere to the rules and procedures.

[15] See GAO/NSIAD-97-151.

Selection Criteria for 2005 Round Continue Sound Framework Used in Prior Rounds

The department's final selection criteria for the 2005 BRAC round essentially follow a framework similar to that employed in previous BRAC rounds, with specificity added in selected areas in response to requirements mandated by Congress. The 2002 legislation authorizing the 2005 BRAC round required that DOD give priority to military value and consider (1) the impact on joint warfighting, training, and readiness; (2) the availability and condition of training areas suitable for maneuver by ground, naval, or air forces throughout diverse climates and terrains, and staging areas for use by the armed forces in homeland defense missions; and (3) the ability to accommodate contingency, mobilization, and future force requirements. The legislation also required DOD to give consideration to other factors, many of which replicated criteria used in previous BRAC rounds. Further, the legislation required DOD to consider cost impacts to other federal entities as well as to DOD in its BRAC decision making. Additionally, the National Defense Authorization Act for Fiscal Year 2004[16] required DOD to consider surge requirements in the 2005 BRAC process. Table 1 compares the 1995 BRAC criteria with those adopted for 2005, with changes highlighted in bold.

[16] P.L. 108-136, section 2822, (Nov. 24, 2003).

Table 1: BRAC Criteria from 1995 and Those Adopted for 2005

Criteria for 1995 round	Criteria for 2005 round
Military value 1. The current and future mission requirements and the impact on operational readiness of DOD's total force. 2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations. 3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations. 4. Cost and manpower implications.	Military value 1. The current and future mission capabilities and the impact on operational readiness of the Defense Department's total force, **including the impact on joint warfighting, training, and readiness**. 2. The availability and condition of land, facilities, and associated airspace **(including training areas suitable for maneuver by ground, naval, or air forces throughout diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions)** at both existing and potential receiving locations. 3. The ability to accommodate contingency, mobilization, **surge**, and future total force requirements at both existing and potential receiving locations to **support operations and training**. 4. The cost **of operations** and the manpower implications.
Return on investment 5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.	**Other considerations** 5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs. 6. The economic impact on **existing** communities **in the vicinity of military installations**. 7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel. 8. The environmental impact, **including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities**.
Community impa[illegible] 6. The eco[illegible]nities. 7. The ability [illegible]oth t[illegible] and potential receiving communities' infrastructures to support forces, missions, and personnel. 8. The environment impact.	

Source: GAO based on information from DOD and legislation (emphasis bolding added by GAO to denote changes from 1995).

I want to note that the National Defense Authorization Act for Fiscal Year 2005 codified these criteria in its entirety.[17]

Our analysis of lessons learned from previous BRAC rounds affirmed the soundness of these basic criteria and generally endorsed their retention for the future, while recognizing the potential for improving the process by which the criteria are used in decision making.[18] Adoption of these criteria adds to the approach an element of consistency and continuity with those of the past three BRAC rounds.

[17] P.L. 108-375, Section 2832 (Oct. 28, 2004).

[18] See GAO/NSIAD-97-151.

Apart from changes to DOD's criteria required by legislation, DOD received a variety of comments on the draft criteria once they were published for comment in the *Federal Register* in December 2003, but did not make any changes before issuing the final criteria in February 2004. Most of these comments were on the four military value criteria and centered on the maintenance of adequate surge capacity; the roles military installations fulfill in homeland defense missions; the unique features of research, development, test, and evaluation facilities; and the preservation of vital human capital in various support functions. In responding to those comments, DOD expressed the view that the draft criteria adequately addressed these issues and DOD did not see the need to make any changes to its draft criteria. For example, DOD said that surge requirements will be addressed under criterion one, which requires the department to consider "current and future mission capabilities," and criterion three, which requires DOD to consider an installation's ability to "accommodate contingency, mobilization, and future total force requirements" to support operations and training.

Collectively, in our view, many of the public comments on DOD's criteria expressed concern that the criteria for the 2005 BRAC round focused more on assessing military value based on military missions and operational capabilities without recognizing important support capabilities such as research, development, test, and evaluation. Although modifications to the criteria might have been made to address some of these concerns, the absence of such changes did not indicate that these issues would not be considered in applying the criteria during the BRAC process. For example, the department has established a variety of joint cross-service groups[19] to analyze various support functions during the upcoming round and each group has had to adapt the selection criteria to assess military value related to each functional area. Historically, in assessing military value DOD components typically identify multiple attributes, facets, or evaluative components related to each military value criteria, then identify a number of qualitative metrics and numerous questions to collect data to support the overall military value analysis. Our July report on the 2005 process will highlight the use of military value criteria by each service and cross-service group.

[19] DOD has established seven joint cross-service groups to examine the following defense functional support areas—industrial, technical, medical, headquarters and support activities, supply and storage, education and training, and intelligence—during the 2005 BRAC process.

Lessons Learned from Previous Rounds Have Implications for 2005 BRAC Round

Our prior work has identified several lessons learned from the conduct of the prior BRAC rounds that we believe you should be aware of in reviewing DOD's proposed closure and realignment recommendations for the 2005 round and finalizing your decisions on the merits of those recommendations. These lessons learned relate directly to the development of individual recommendations and include issues related to (1) the privatization-in-place of specific DOD facilities; (2) the consideration of total costs to the government in implementing specific recommendations; (3) the retention of property and facilities, typically referred to as enclaves, on closing bases; and (4) the consideration of cross-servicing in fostering jointness in the decision-making process.

Privatization-in-place

The 1993 and 1995 BRAC rounds were notable for a few recommendations that resulted in functions being privatized-in-place rather than being closed with the work moved to another location. In December 1999,[20] we reported that privatization-in-place had not optimized reductions in excess capacity in DOD's infrastructure, but that it can allow for some cost savings in the overall public-private defense infrastructure. Rather than closing facilities to reduce excess capacity, privatization-in-place enables the workload to remain at those sites. As a result, DOD continues to support costs associated with maintaining that facility infrastructure through rates charged by the contractors for the work performed. We concluded that privatization-in-place would only be a more cost-effective alternative if contractors can achieve savings that are significant enough to offset the savings lost by not relocating workloads to DOD's underutilized facilities. In enacting authority for the 2005 BRAC round, Congress stipulated that privatization-in-place can occur only if it is specified in the Commission recommendations and determined by the Commission to be the most cost-effective method of implementing the recommendation.[21] I am not in a position today to say to what extent this will be a factor in the 2005 round, but I did want to bring this to your attention in case it does become an issue during your deliberations.

[20] GAO, *Military Base Closures: Lack of Data Inhibits Cost-Effectiveness Analyses of Privatization-in-Place Initiatives*, GAO/NSIAD-00-23 (Washington, D.C.: Dec. 20, 1999).

[21] P.L. 107-107, Section 3004 (Dec. 28, 2001).

Total cost to the government

Our report on the 1995 BRAC process noted that although the proposed closure of one Air Force base would decrease the Air Force's overhead, it could result in an increase in operational costs to the Department of Energy. We reiterated a concern we had made in an earlier BRAC round that some DOD BRAC decisions excluded consideration of costs that may be incurred by other federal agencies, and we recommended that DOD at least disclose such costs. In enacting authority for the 2005 BRAC round, Congress stipulated that the selection criteria related to cost or savings of proposed closures would have to take into account the effect of the proposed action on the costs of any other DOD activity or any other federal agency.[22] I am not in a position today to say to what extent this may be an issue in the 2005 BRAC round but did want to bring it to your attention for its potential consideration.

Reserve enclaves

The four previous BRAC Commissions recommended 27 actions in which either a reserve enclave or similar reserve presence was to be formed at a base that was to be closed or realigned. In June 2003,[23] we reported that the specific infrastructure needed for many reserve enclaves was generally not identified until after the base closure and realignment commission for a closure round had rendered its recommendations. According to Army officials, while the Army had generally decided it wanted to retain much of the available training land for its enclaves prior to completion of commission decision making during the 1995 round, time constraints precluded the Army from fully identifying the specific training acreages and facilities needed until after the commission made its recommendations. Consequently, while some of the commission's recommendation language[24] for the 1995 closure round suggested that many Army reserve enclaves would retain minimum essential facilities, the language was nevertheless sufficiently general to allow the Army wide flexibility in creating such enclaves. Subsequently, several enclaves were created by the Army that were nearly as large as the closing bases on which they were located. In contrast, the infrastructure needed for Air Force enclaves was more clearly

[22] P.L. 107-107, Section 3002 (Dec. 28, 2001).

[23] GAO, *Military Base Closures: Better Planning Needed for Future Reserve Enclaves*, GAO-03-723 (Washington, D.C.: June 27, 2003).

[24] See Defense Base Closure and Realignment Commission, *1995 Report to the President* (Washington, D.C.: July 1, 1995). The report recommendation language generally provided that the Army bases be closed or realigned, except that minimum essential ranges, facilities, and training areas be retained for reserve component use.

defined during the decision-making process and subsequent commission recommendations were more specific than those provided for the Army. Table 2 provides a comparison of the reported size and number of facilities of pre-BRAC bases with those of post-BRAC enclaves for DOD's 10 major enclaves.

Table 2: DOD Pre-BRAC and Post-BRAC Base Acreage and Facilities for Bases Where Major Reserve Enclaves Were Created

		Number of acres			Square footage of facilities		
Service	**Base**	**Pre-BRAC**	**Post-BRAC**	**Percent retained**	**Pre-BRAC**	**Post-BRAC**	**Percent retained**
Army	Fort Hunter Liggett	164,762	164,272	100	836,420	832,906	100
	Fort Chaffee	71,381	64,272	90	4,839,241	1,695,132	35
	Fort Pickett	45,145	42,273	94	3,103,000	1,642,066	53
	Fort Dix	30,997	30,944	100	8,645,293	7,246,964	84
	Fort Indiantown Gap	17,797	17,227	97	4,388,000	1,565,726	36
	Fort McClellan	41,174	22,531	55	6,560,687	873,852	13
	Fort Devens	9,930	5,226	53	5,610,530	1,537,174	27
Air Force	March Air Force Base	6,606	2,359	36	3,184,321	2,538,742	80
	Grissom Air Force Base	2,722	1,380	51	3,910,171	1,023,176	26
	Homestead Air Force Base	2,916	852	29	5,373,132	867,341	16
Total		**394,430**	**351,386**	**89**	**46,450,795**	**19,823,079**	**43**

Source: DOD.

Note: "Major" reserve enclaves refer to those enclaves with more than 500 acres. "Pre-BRAC" refers to base data at the time of the BRAC Commission recommendation while "Post-BRAC" refers to enclave data as of the end of fiscal year 2002. Percentages are rounded to nearest whole number.

We also reported that the Army did not include estimated costs to operate and maintain most of its major reserve enclaves in deriving net estimated base savings during the decision-making process. Our analysis as well as that of the Army Audit Agency[25] showed that the omission of these costs had a significant impact on the estimated savings and payback periods[26]—important considerations in the realignment and closure decision-making process—for several of these bases. In particular, the estimated savings were overstated and the estimated payback periods were understated for those specific bases. DOD concurred with our recommendation that in BRAC 2005 it should ensure that data provided to the BRAC Commission clearly specify the (1) infrastructure (e.g., acreage and total square footage of facilities) needed for any proposed reserve enclaves and (2) estimated costs to operate and maintain such enclaves. To the extent that DOD proposes the creation of enclaves in the 2005 round, the Commission may want to ensure that both infrastructure requirements and costs to operate and maintain the enclaves are clearly identified and factored in relevant BRAC recommendations.

Cross-service issues

While previous BRAC rounds were generally effective in dealing with basing decisions within individual services and defense agencies, they did not provide an adequate forum for resolving cross-service issues. While some cross-service emphasis occurred in the 1993 and 1995 BRAC rounds, their contributions were essentially marginalized by a process that was largely driven by the individual military services. Our previous lessons learned report[27] noted that parochial interests and disagreements among the services over evaluations of their facilities served as barriers to achieving significant cross-service agreements in 1993 and 1995. As a result, the department missed opportunities to reduce its infrastructure in various support-functional areas.

[25] The Army revised its estimate of costs and savings from these actions following an Army Audit Agency review of this issue in July 1997.

[26] A payback period is the time required for cumulative estimated savings to exceed the cumulative estimated costs incurred as a result of implementing BRAC actions.

[27] GAO, *Military Bases: Lessons Learned from Prior Base Closure Rounds*, GAO/NSIAD-97-151 (Washington, D.C.: July 25, 1997).

A primary objective of BRAC 2005 is to examine and implement opportunities for greater joint activity. Based on lessons learned from previous efforts to analyze jointness, the Secretary of Defense has established seven joint cross-service groups[28] to analyze common business-oriented support functions. Each group is chaired by a senior member of the department and includes representatives from each service. The joint cross-service groups were empowered to make recommendations directly to the Infrastructure Steering Committee, the group established by the Secretary of Defense to oversee the analyses of the joint cross-service groups and ensure integration of that process with the military departments. This suggests the potential for these cross-service groups to have a stronger role in the 2005 BRAC process than they had in the past.

In conclusion, we have completed much work to date in monitoring DOD's decision-making process but much work remains to finalize our review and issue our report by the mandated July 1 time frame. From a front-end perspective, we have gained much insight observing the military services and cross-service teams developing and implementing their plans for completing their analyses, and identifying and analyzing potential closure and realignment scenarios. However, we still have much work to do before finalizing and issuing our report to meet our congressionally mandated reporting time frame. In the time remaining, as DOD's candidate recommendations are finalized, we will be looking back through the process examining the collection of recommendations against the framework of DOD's selection criteria, its objectives for the round, and with a special emphasis on cost and savings. I look forward to discussing the results of our work with you and your staff once our work is completed. This concludes my statement. I would be pleased to answer any questions you or other Members of the Commission may have at this time.

Contacts and Acknowledgments

For further information regarding this statement, please contact Barry W. Holman at (202) 512-5581. Individuals making key contributions to this statement include Michael Kennedy, James Reifsnyder, Tom Mahalek, Alissa Czyz, and Cheryl Weissman.

[28] These teams are Education and Training, Headquarters and Support Activities, Industrial, Intelligence, Medical, Supply and Storage, and Technical.

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Key Previous GAO Reports on DOD's Base Realignments and Closures

Military Base Closures: Updated Status of Prior Base Realignment and Closures. GAO-05-138. Washington, D.C.: January 13, 2005.

Military Base Closures: Assessment of DOD's 2004 Report on the Need for a Base Realignment and Closure Round. GAO-04-760. Washington, D.C.: May 17, 2004.

Military Base Closures: Observations on Preparations for the Upcoming Base Realignment and Closure Round. GAO-04-558T. Washington, D.C.: March 25, 2004.

Military Base Closures: Better Planning Needed for Future Reserve Enclaves. GAO-03-723. Washington, D.C.: June 27, 2003.

Military Base Closures: Progress in Completing Actions from Prior Realignments and Closures. GAO-02-433. Washington, D.C.: April 5, 2002.

Military Base Closures: DOD's Updated Net Savings Estimate Remains Substantial. GAO-01-971. Washington, D.C.: July 31, 2001.

Military Bases: Status of Prior Base Realignment and Closure Rounds. GAO/NSIAD-99-36. Washington, D.C.: December 11, 1998.

Military Bases: Review of DOD's 1998 Report on Base Realignment and Closure. GAO/NSIAD-99-17. Washington, D.C.: November 13, 1998.

Military Bases: Lessons Learned from Prior Base Closure Rounds. GAO/NSIAD-97-151. Washington, D.C.: July 25, 1997.

Military Bases: Closure and Realignments Savings Are Significant, but Not Easily Quantified. GAO/NSIAD-96-67. Washington, D.C.: April 8, 1996.

Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closure and Realignment. GAO/NSIAD-95-133. Washington, D.C.: April 14, 1995.

Military Bases: Analysis of DOD's Recommendations and Selection Process for Closures and Realignments. GAO/NSIAD-93-173. Washington, D.C.: April 15, 1993.

Military Bases: Observations on the Analyses Supporting Proposed Closures and Realignments. GAO/NSIAD-91-224. Washington, D.C.: May 15, 1991.

Military Bases: An Analysis of the Commission's Realignment and Closure Recommendations. GAO/NSIAD-90-42. Washington, D.C.: November 29, 1989.

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Civilian Jobs Lost and Created at Major BRAC Locations Affected by the Previous Four Rounds

The closure or realignment of military bases creates job losses at these facilities, but subsequent redevelopment of the former bases' property provides opportunities for creating new jobs. The data presented in table 3 include civilian jobs lost and created at major base realignments and closures during the previous four BRAC rounds, as of September 30, 2004. The data do not include the job losses that may have occurred elsewhere in a community, nor do they capture jobs created from other economic activity in the area.

Table 3: Civilian Jobs Lost and Created at Major Locations Affected by Four Previous BRAC Rounds (as of September 30, 2004)

Major base	BRAC round	Estimated jobs lost	Estimated jobs created	Recovery (percent)
Alameda Naval Air Station and Naval Aviation Depot, Calif.	1993	3,228	1,448	45
Barbers Point Naval Air Station, Hawaii	1993	618	100	16
Bayonne Military Ocean Terminal, N.J.	1995	2,015	995	49
Bergstrom Air Force Base, Tex.	1991	927	4,359	470
Carswell Air Force Base, Tex.	1991	869	271	31
Castle Air Force Base, Calif.	1991	1,149	2,326	202
Cecil Field Naval Air Station, Fla.	1993	995	1,615	162
Chanute Air Force Base, Ill.	1988	1,035	1,869	181
Charleston Naval Complex, S.C.	1993	6,272	2,797	45
Chase Field Naval Air Station, Tex.	1991	956	1,018	106
Eaker Air Force Base, Ark.	1991	777	509	66
El Toro Marine Corps Air Station, Calif.	1993	979	123	13
England Air Force Base, La.	1991	682	1,963	288
Fitzsimmons Army Medical Center, Colo.	1995	1,612	1,116	69
Fort Benjamin Harrison, Ind.	1991	1,050	1,171	112
Fort Devens, Mass.	1991	2,178	4,180	192
Fort McClellan, Ala.	1995	2,156	2,028	94
Fort Ord, Calif.	1991	2,835	2,020	71
Fort Pickett, Va.	1995	245	272	111
Fort Ritchie, Md.	1995	1,373	42	3
Fort Sheridan, Ill.	1988	1,681	0	0
Gentile Air Force Station, Ohio	1993	2,804	1,800	64
George Air Force Base, Calif.	1988	506	1,631	322
Glenview Naval Air Station, Ill.	1993	389	4,098	1,053
Griffiss Air Force Base, N.Y.	1993	1,341	1,297	97

(Continued From Previous Page)

Major base	BRAC round	Estimated jobs lost	Estimated jobs created	Recovery (percent)
Grissom Air Force Base, Ind.	1991	792	1,036	131
Guam Naval Complex	1993	2,193	552	25
Homestead Air Force Base, Fla.	1993	136	423	311
Hunters Point Annex Naval Shipyard, Calif.	1991	93	1,150	1,237
Indianapolis Naval Air Warfare Center, Ind.	1995	2,196	1,776	81
Jefferson Proving Ground, Ind.	1988	387	179	46
Kelly Air Force Base, Tex.	1995	10,912	5,296	49
K.I. Sawyer Air Force Base, Mich.	1993	788	1,202	153
Letterkenny Army Depot, Pa.	1995	2,512	916	36
Lexington Army Depot, Ky.	1988	1,131	1,316	116
Long Beach Naval Complex, Calif.	1991	4,487	3,975	89
Loring Air Force Base, Maine	1991	1,311	1,161	89
Louisville Naval Ordnance Station, Ky.	1995	1,435	822	57
Lowry Air Force Base, Colo.	1991	2,275	5,666	249
March Air Force Base, Calif.	1993	997	678	68
Mare Island Naval Shipyard, Calif.	1993	7,567	1,363	18
Mather Air Force Base, Calif.	1988	1,012	4,498	444
McClellan Air Force Base, Calif.	1995	8,828	3,469	39
Memphis Defense Distribution Depot, Tenn.	1995	1,289	1,045	81
Memphis Naval Air Station, Tenn.	1993	250	148	59
Myrtle Beach Air Force Base, S.C.	1991	784	1,571	200
New York (Staten Island) Naval Station, N.Y.	1993	1,001	0	0
Newark Air Force Base, Ohio	1993	1,760	944	54
Norton Air Force Base, Calif.	1988	2,133	4,551	213
Oakland Military Complex, Calif.	1993	2,834	487	17
Ogden Defense Distribution Depot, Utah	1995	1,105	2,468	223
Orlando Naval Training Center, Fla.	1993	1,105	412	37
Pease Air Force Base, N.H.	1988	400	5,124	1,281
Philadelphia Defense Distribution Supply Center, Pa.	1993	1,485	1,270	86
Philadelphia Naval Complex, Pa.	1991	8,119	2,775	34
Plattsburgh Air Force Base, N.Y.	1993	352	1,096	311
Presidio of San Francisco, Calif.	1988	3,150	1,087	35
Red River Army Depot, Tex.	1995	386	183	47
Reese Air Force Base, Tex.	1995	1,238	468	38
Sacramento Army Depot, Calif.	1991	3,164	1,900	60
San Diego Naval Training Center, Calif.	1993	402	120	30

(Continued From Previous Page)

Major base	BRAC round	Estimated jobs lost	Estimated jobs created	Recovery (percent)
Savanna Army Depot, Ill.	1995	436	103	24
Seneca Army Depot, N.Y.	1995	273	1,205	441
Sierra Army Depot, Calif.	1995	374	7	2
Stratford Army Engineering Plant, Conn.	1995	1,400	0	0
Tooele Army Depot, Utah	1993	1,942	907	47
Treasure Island Naval Station, Calif.	1993	454	282	62
Tustin Marine Corps Air Station, Calif.	1991	348	16	5
Vint Hill Farms Station, Va.	1993	1,472	901	61
Warminster Naval Air Warfare Center, Pa.	1991	2,311	789	34
Watertown AMTL, Mass.	1988	540	1,167	216
Williams Air Force Base, Ariz.	1991	728	3,704	509
Wurtsmith Air Force Base, Mich.	1991	690	830	120
Total: 73 bases		**129,649**	**110,086**	**85**

Source: DOD Office of Economic Adjustment.

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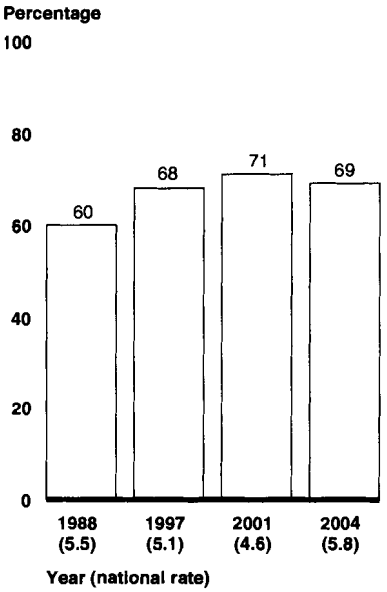
Economic Recovery at Major BRAC Locations

Unemployment rates in BRAC-affected communities continue to compare favorably with the national average. Since 1997 (after completion of the implementation periods for the first two rounds in 1988 and 1991) and through the implementation periods of the last two rounds (1993 and 1995), about 70 percent of the 62 BRAC-affected communities have consistently been at or below the national unemployment rate (see fig. 6).

Figure 6: Comparison of the Percentage of 62 BRAC-Affected Communities at or below the Average National Unemployment Rate over Time



Source: GAO's analysis of DOD data.

According to our analysis of the annual unemployment rates for the 7-month period ending July 31, 2004, most of the 62 BRAC-affected communities compared favorably with the national average and were consistent with the results we reported in 2002. During this period, 43 of the 62 communities (69 percent) affected by base closures had unemployment rates at or below the average 7-month national rate of 5.8 percent. This is one less community than in our 2002 report, when 44 communities (71 percent) had average unemployment rates lower than the (then) average 9-month national rate of 4.6 percent. For all BRAC communities with higher-than-average calendar year 2004 unemployment rates through July 2004, 4 had double-digit rates: Merced County, California

(Castle Air Force Base), 15.8 percent; Mississippi County, Arkansas (Eaker Air Force Base), 13.0 percent; Salinas, California (Fort Ord Army Base), 11.1 percent; and Iosco County, Michigan (Wurtsmith Air Force Base), 10.2 percent. Salinas, California, is the one addition to the other three communities that we also cited in our 2002 report for having double-digit unemployment rates.

Annual real per capita income growth rates for BRAC-affected communities exhibit mixed results. The latest available data (1999-2001 time frame) show that 30 (48 percent) of the 62 communities we studied had an estimated average real per capita income growth rate that was above the national average of 2.2 percent.[1] This represents a decline from our 2002 report in which 33 communities (53 percent) matched or exceeded the national rate of 3.03 percent during the 1996-1999 time frame. Additionally, our current analysis shows that of the 32 communities below the national average, 6 communities (10 percent) had average annual per capita income growth rates that were close to the national average (defined as within 10 percent), while the remaining 26 communities (42 percent) were below the national average growth rate. Forty-six (74 percent) of the 62 communities had lower per capita income growth rates than when we last reported on them in 2002. Three communities—Merced, California (Castle Air Force Base); Austin-San Marcos, Texas (Bergstrom Air Force Base); and Carroll County, Illinois (Savanna Army Depot)—had negative growth rates. By comparison, our 2002 report showed that no communities experienced a negative growth rate.

[1] Average annual real per capita income rates for 2002-2003 or later incorporate new Office of Management and Budget metropolitan area definitions that are not consistent with those for the communities we have assessed in this and previous BRAC update reports.

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