

MEMORANDUM TO COMMISSIONERS

FROM: Sheila C. Cheston, General Counsel   
RE: Final Criteria

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As you know, the Commission may make changes in any one (or more) of the Secretary's recommendations if, and only if, the Commission determines that (1) the Secretary "deviated substantially from the force-structure plan and final criteria" in making the recommendation, and (2) "the change is consistent with the force-structure plan and final criteria." To assist you in making these determinations, I attach for your review copies of the following documents:

1. February 15, 1991 Federal Register (56 FR 6374) -- publishing the list of "final criteria" and analyzing public comments on the criteria.
2. December 15, 1992 Federal Register (57 FR 59334) -- providing that DoD will use the same "final criteria" in connection with the 1993 recommendations as it used in 1991 (and as were published on February 15, 1991 (item 1 above)).
3. Memorandum from Colin McMillan (Assistant Secretary of Defense (Production and Logistics)) to Secretaries of the Military Departments, et al., dated December 4, 1992, providing DoD guidance regarding the BRAC process and final criteria.
4. Memorandum from David J. Berteau (Principal Deputy Assistant Secretary of Defense (Production and Logistics)) to Assistant/Deputy Assistant Secretaries of the Services, dated December 24, 1992, providing further DoD guidance with respect to cumulative economic impact (criteria 6).

I strongly encourage you to review these materials (particularly item 1) before final deliberations begin.

cc: M. Behrman  
B. Borden  
Team Leaders

DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

56 FR 6374

February 15, 1991

Department of Defense Selection Criteria for Closing and Realigining Military Installations Inside the United States

ACTION: Final selection criteria.

SUMMARY: The Secretary of Defense, in accordance with section 2903(b), title XXIX, part A of the FY 1991 National Defense Authorization Act, is required to publish the proposed selection criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations insikde the United States.

EFFECTIVE DATE: February 15, 1991.

FOR FURTHER INFORMATION CONTACT: Mr. Jim Whittaker or Ms. Patricia Walker, Base Closure and Utilization, OASD(P&L), (703) 614-5356.

TEXT: SUPPLEMENTARY INFORMATION:

A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations inside the United States under title XXIX, part A of the National Defense Authorization Act for Fiscal Year 1991 as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

### **Impacts**

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.

## **B. Analysis of Public Comments**

The Department of Defense (DoD) received 169 public comments in response to the proposed DoD selection criteria for closing and realigning military installations inside the United States. The public's comments can be grouped into four topics: General, military value, costs and "payback", and impacts. The following is an analysis of these comments.

### **(1) General Comments**

(a) A substantial number of commentors expressed concern over the proposed criteria's broad nature and similarity to the 1988 Defense Secretary's Base Realignment and Closure Commission criteria. Many of the comments noted a need for objective measures or factors for the criteria. Some commentors also suggested various standard measures or factors for the criteria. The inherent mission diversity of the Military Departments and Defense Agencies (DoD Components) makes it impossible for DoD to specify detailed criteria, or objective measures or factors that could be applied to all bases within a Military Department or Defense Agency. We have provided the commentors' letters to each Military Department for their consideration. The similarity to the 1988 Base Closure Commission criteria is acknowledged. After reviewing the public comments we concluded that using similar criteria is appropriate.

(b) Many commentors noted that a correlation between force structure and the criteria was not present. The base closure and realignment procedures mandated by title XXIX, part A, of the National Defense Authorization Act for Fiscal Year 1991 (the Act) require that the Secretary of Defense's recommendations for closure and realignment be founded on the force structure plan and the final criteria required by the Act. DoD's analytical and decision processes for applying the final criteria will be based on the force structure plan. The military value criteria provide the connection to the force structure plan.

(c) Many commentors noted the need for more detailed information on how DoD would implement the base closure procedures required by the Act. A recurrent suggestion was to group like bases into categories for analysis. In response to this comment and suggestion, and to respond to the general comments (a) and (b) above, we have issued policy guidance to the Military Departments and Defense Agencies on the base closure process. This guidance requires them to:

-- Treat all bases equally: They must consider all bases equally in selecting bases for closure or realignment under the Act, without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department. This policy does not apply to closures or realignments that fall below the thresholds established by the Act or to the 86 bases closed under Public Law 100-526;

-- Categorize bases: They must categorize bases with like missions, capabilities and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other; and

-- Perform a capacity analysis: They must link force structure changes described in the force structure plan with the existing force and bases structure, to determine if a potential for closure or realignment exists. In the event a determination is made that no excess capacity exists in a category, then there will be no need to continue the analysis of that category, unless there is a military value or other reason to continue the analysis;

-- Develop and Use Objective Measures/Factors: They must develop and use objective measures or factors within categories for each criterion, whenever feasible. We recognize that it will not always be possible to develop appropriate objective measures or factors, and that measures/factors (whether they be objective or subjective) may vary for different categories of bases.

(d) A number of commentors recommended assigning specific weights to individual criteria. It would be impossible for DoD to specify weights for each criterion that could be applied across the board to all bases, again due to the mission diversity of the Military Departments and Defense Agencies. It appears from the comments that numbering the criteria may have been mistaken as an order of precedence associated with individual criteria. We do not intend to assign an

order of precedence to an individual criterion, other than to give priority to the first four.

(e) Several commentors gave various reasons why a particular installation should be eliminated from any closure or realignment evaluation. Public Law 101-510 directs DoD to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the threshold of section 2687, title 10, U.S. Code. Public Law 100-526 implemented the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure. We have issued guidance to the DoD Components instructing them to consider all bases equally, this includes those previously nominated for study in the Defense Secretary's January 29, 1990, base realignment and closure announcement that are above the thresholds established in the Act. Conversely, we did not receive any requests that a particular installation be closed or realigned pursuant to section 2924 of Public Law 101-510.

(f) A number of commentors noted a need for more management controls over data collection to ensure accuracy of data. We agree with this recommendation and have issued guidance that requires the DoD Components to develop and implement internal controls, consistent with their organizational and program structure, to ensure the accuracy of data collection and analyses being performed. This guidance incorporates the lessons learned from the General Accounting Office's review of the 1988 Base Closure Commission's work.

(g) After detailed consideration of all comments, we have determined that some of the criteria may have been unclear. We have revised the criteria for additional clarity.

(h) Some of the early comments we received recommended extending the original December 31, 1990, public comment deadline. We agreed and extended the public comment period to January 24, 1991. In addition, we accepted for consideration 19 public comments received after the January 24, 1991, deadline.

## (2) Military Value Comments

(a) A majority of comments received supported DoD's decision to give priority consideration to the military value criteria. In the aggregate, military value refers to the collection of attributes that describe how well a base supports its assigned force structure and missions.

(b) Several commentors recommended that National Guard and Reserve Component forces be included as part of DoD's base closure analysis. The Department's total force concept includes National Guard and Reserve Component forces, and these forces will be reflected in the force structure plan required by the Act for this base closure process. To clarify that point, criteria number one and

three were amended.

(c) Some commentors recommended DoD apply the military value criteria without regard to the DoD component currently operating or receiving the services of the base. The commentors noted that this would maximize utilization of Defense assets and therefore improve the national security. We agree with this comment. DoD must retain its best bases and where there is a potential to consolidate, share or exchange assets, that potential will be pursued. We also recognize that this potential does not exist among all categories of bases and that the initial determination of the military value of bases must be made by the DoD Component currently operating the base. Consequently, we have left the military value criteria general in nature and therefore applicable DoD-wide, where appropriate. We have also issued guidance to the DoD Components that encourages inter-service and multi-service asset sharing and exchange. Finally, we will institute procedures to ensure each DoD Component has the opportunity to improve the military value of its base structure through analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the thresholds of section 2687, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value

consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number

three accordingly.

(h) One commentator recommended retaining all bases supporting operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### **(3) Cost and "Payback" Comments**

(a) Some commentators recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentators noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Componentes have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentators recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental

restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

#### **(4) Impacts Comments**

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plans, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing

and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commenters questioned the meaning of criterion number nine. "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (Increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

### C. Previous Federal Register References

(1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR53586, December 31, 1990: Extend comment period on proposed selection criteria.

D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 11, 1991.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
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3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.

4. The cost and 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.

### **Impacts**

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.

### **B. Background Information**

The February 15, 1991 Federal Register notice contained an analysis of public comments received and a description of the changes DoD made to the proposed criteria published in a November 30, 1990 Federal Register Notice. DoD received 169 public comments in response to the proposed criteria and request for comments. The proposed criteria were appropriately amended based on these comments. The final criteria were accepted by Congress in 1991 and served well in the 1991 effort. They will therefore be used again, unchanged, by the Department of Defense to make recommendations to the 1993 Defense Base Closure and Realignment Commission.

### **C. Previous Federal Register References**

(1) 55 FR 49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR 53536, December 31, 1990: Extend comment period on proposed selection criteria.

(3) 56 FR 6374, February 15, 1991: Publish selection criteria and analysis of comments.

DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

57 FR 59334

December 15, 1992

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

ACTION: Notice of Final Selection Criteria.

SUMMARY: The Secretary of Defense, in accordance with Section 2903(b), Public Law 101-510, as amended, published in the February 15, 1991, Federal Register the Final Selection Criteria to be used in making recommendations for the closure and realignment of military installations inside the United States. These final criteria became effective on February 15, 1991. The final criteria published at that time will be used again, unchanged, by the Department of Defense to make recommendations that will be reviewed by the 1993 Defense Base Closure and Realignment Commission. This notice republishes those criteria. **FOR FURTHER INFORMATION CONTACT**: Mr. Peter Potochney or Colonel Kirby Allen, OASD (P&L), (703) 697-8048.

TEXT: SUPPLEMENTARY INFORMATION:

A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations in accordance with Public Law 101-510, as amended, follow:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.

Dated: December 11, 1992.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
[FR Doc. 92-30523 Filed 12-11-92; 2:35 pm]



PRODUCTION AND  
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

04 DEC 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
DIRECTORS OF THE DEFENSE AGENCIES  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
COMPTROLLER  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Base Closure Policy Memorandum Two

Background

This memorandum is the second in a series of additional ASD(P&L) policy guidance implementing the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended, and the Deputy Secretary's 1993 Base Realignment and Closure (BRAC 93) guidance of May 5, 1992. ASD(P&L) Policy Memorandum One was dated August 4, 1992.

Military Treatment Facility (MTF) Analyses

The Secretaries of the Military Departments will be responsible for including Military Treatment Facilities (MTFs) in their BRAC 93 analyses. Nominations of the Military Departments of MTF closures or realignments will be reviewed by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) and returned to the Secretaries of the Military Departments. The final recommendations of the Secretaries of the Military Departments to the Secretary of Defense will include the views of the ASD(HA), if different from those of the Secretaries of the Military Departments.

The Secretaries of the Military Departments and ASD (HA), working together through the Health Affairs Base Closure Joint Service Working Group, may also identify MTFs as candidates for closure or reduction, such as when multiple DoD health care delivery activities create overlapping catchment areas or when small beneficiary populations reside within areas where more cost effective alternatives should be considered. Working group recommendations will be forwarded to the Secretaries of the Military Departments for inclusion in their final recommendations as appropriate. If the Secretary of a Military Department disagrees with a closure recommendation forwarded by the Health Affairs Base Closure Joint Service Working Group, the Secretary shall forward the Group's recommendation with the Secretary's reason for disagreeing, to the Secretary of Defense.

#### Return on Investment (ROI)

Return on investment must be calculated, considered and reported with DoD Components' justifications for each recommended closure or realignment package. All costs and savings attributable over time to a closure or realignment package, subject to the below guidance, should be calculated, including costs or savings at receiving locations. Costs or savings elements that are identified, but determined to be insignificant, need not be calculated. However, DoD Component records should indicate that determination.

The Cost of Base Realignment Actions (COBRA) model calculates return on investment. ASD (P&L) Policy Memorandum One required the Military Departments and Defense Agencies to use the current COBRA version (4.0), in order to ensure consistency in methodology. Although the model does not produce budget quality data, it uses standard cost factors and algorithms to estimate costs and savings over time.

We recognize that Military Department and Defense Agency planning and accounting mechanisms are sufficiently different to warrant Department/Agency specific standard cost factors in the COBRA model. DoD Component documentation must justify the use of such cost factors.

Attachment 1 provides additional guidance on the COBRA model and return on investment calculations for those rare instances when it is impossible to use the COBRA model for calculations.

Specific instructions follow for the calculation of health care costs, unemployment costs, Homeowners Assistance Program and environmental costs, and savings for input to the COBRA model.

o Health Care Costs

oo CHAMPUS Costs Base closures and realignments can have an impact on CHAMPUS costs DoD-wide. These net cost impacts must be included in analyses of closures or realignments involving Military Treatment Facilities.

oo Medicare Costs Medicare costs will not be included in DoD Component cost analyses. The Medicare program consists of Part A (hospital and related costs) and Part B (supplemental costs). Part A is financed by Medicare payroll taxes. The only appropriated funds used to support Medicare are those portions of the Part B costs that exceed the monthly premiums paid by the members/beneficiaries. Therefore, total Medicare appropriations will not significantly change return on investment calculations.

o Unemployment Costs The Military Departments and Defense Agencies annually budget unemployment contributions to the Federal Employees Compensation Account for DoD military and civilian employees. DoD Components should include the contributions attributable to closures and realignments in their cost calculations.

o Homeowners Assistance Program (HAP) The Secretary of the Army will provide each Military Department and Defense Agency with a list of installations that have a reasonable probability of having a HAP program approved, should the installation be selected for closure or realignment. HAP costs will be included for each of the installations so identified by the Secretary of the Army.

o Environmental Restoration Costs Environmental Restoration costs at closing bases are not to be considered in cost of closure calculations. DoD has a legal obligation for environmental restoration regardless of whether a base is closed or realigned. Where closing or realigning installations have unique contamination problems requiring environmental restoration, these will be considered as a potential limitation on near-term community reuse of the installation.

o Environmental Compliance Costs Environmental compliance costs can be a factor in a base closure or realignment decision. Costs associated with bringing existing practices into compliance with environmental rules and regulations can potentially be avoided when the base closes. Environmental compliance costs may be incurred at receiving locations also, and therefore will be estimated.

o Land Value Given existing statute and practice regarding the disposal of real property, especially public benefit transfers, land and facilities value may not always be realized. In cases where some proceeds can be expected, Military Departments and Defense Agencies must estimate the amount to be received for such real property. Estimated land and facility value will generally be based on the anticipated highest and best use for the land and facilities, assuming appropriate zoning, unless readily available information indicates that zoning is likely to be more restrictive. Where installations have unique contamination problems, a portion of the installation may have to be segregated from disposal so that community reuse may proceed on the balance. Estimated value should be adjusted: for any such parceling, including discounting proceeds when sale of contaminated property is possible only after cleanup is complete; for reduced prices where property is likely to be sold for restricted uses; or, when significant public benefit discount transfers are anticipated.

o Force Structure Savings The savings associated with force structure drawdowns shall not be included in the return on investment calculations. While decreased force structure will often be the underlying reason for recommending base closures or realignments, the savings associated with closing bases should be founded on the elimination of base operating support (BOS), infrastructure and related costs.

o Military Construction Military Departments and Defense Agencies will describe anticipated construction requirements (barracks square feet, etc.) to implement a BRAC recommendation and not actual projects. These requirements only become projects during the implementation phase after the Commission meets and after installation site surveys are conducted and formal project documents (DD 1391s) are prepared.

o Construction Cost Avoidances Closing and realigning bases can result in construction cost avoidances. Cost avoidances should include FY94-99 programmed military and family housing construction that can be avoided at the closing or realigning base, other than new-mission construction.

### COBRA Model Assumptions

The following statements clarify certain cost assumptions written into the COBRA model:

o Local Moves. Moves of less than 50 miles will not incur PCS moving costs.

o Priority Placement System Costs. Forty-one percent of all employees placed in other jobs through the DoD Priority Placement Program will be relocated at government expense (based on historical data).

o Students. For the purposes of return on investment calculations, relocation of students will only impact the COBRA model's calculation of overhead costs, and as appropriate, estimates of military construction requirements.

### Economic Impacts

Attachment 2 provides guidance on the calculation of economic impact on closing, realigning and receiving communities.

### Environmental Impacts

Attachment 3 provides guidance on documenting environmental impact considerations at closing, realigning and receiving locations.

For environmental impact considerations, there is no need to undertake new environmental studies. DoD Components may use all available environmental information regardless of when, how or for what purpose it was collected. If a DoD Component should choose to undertake a new environmental study, the study must collect the same information from all bases in the DoD Component's base structure, unless the study is designed to fill gaps in information so that all bases can be treated equally. Attachment 3 provides a sample of the reporting format used to summarize the environmental consequences of closure or realignment of an installation.

### Receiving Bases

DoD Components must identify receiving bases for large units or activities, including tenants which are to be relocated from closing or realigning bases. The COBRA model will calculate the costs for relocating such units or activities. DoD Components do not need to identify specific receiving bases for units or tenants with less than 100 civilian/military employees. Finding homes for these activities can be left to execution. However, DoD Components should establish a generic "base x" within the COBRA model to act as the surrogate receiving base for the aggregation of these smaller units or activities, in order to ensure completeness of cost and savings calculations.

### Reserve Enclaves

On each base designated for closure or realignment the future of guard and reserve units of all Military Departments residing on or receiving support from that base must be considered. Once a decision has been made to include an enclave or relocate guard and reserve units, the effected unit identifications must be included in the DoD Component's recommendations to the Secretary of Defense. Military construction and repair costs of fitting out an enclave for reserve component or guard use will be estimated.

### Community Preference

Military Departments and Defense Agencies must document the receipt of valid requests received under section 2924 of P.L. 101-510 and document the steps taken to give them special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

### Release of Information

Public Law 101-510, as amended, established the Defense Base Closure and Realignment Commission to review the Secretary of Defense's recommendations for the closure or realignment of military installations and to conduct public hearings on the recommendations. Unless specifically required by law, data used by the DoD Components to analyze and evaluate military installations will not be released until the Secretary's recommendations have been forwarded to the Commission.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Secretary's selection process. As such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The Military Departments and Defense Agencies must keep records of all data provided to the GAO.

#### Actions With Multiple Installation Impacts

This expands the policy guidance on cumulative impacts on installations previously provided in ASD(P&L) Policy Memorandum One.

As the DoD Components review their base structure or conduct functional studies with base closure or realignment impacts, a determination must be made as to whether a review or study impacting more than one installation should be considered a single action under P.L. 101-510. To be considered a single action, the review or study must:

- (1) Result in the closure or realignment of at least one installation which would trigger the numerical thresholds of P.L. 101-510; and
- (2) Involve inextricably linked elements, in that failure to proceed with any one element of the action would require reevaluation of the entire action.

#### Reporting Formats

Attachment 4 describes the reporting formats for: (1) the anticipated DoD report to the Commission, and (2) Military Department and Defense Agency justifications for their March 15, 1993, closure and realignment recommendations.

*Col. McVitt*

#### Attachments

1. Return on Investment Calculations
2. Economic Impact Calculations
3. Environmental Impact Considerations
4. Report Format

## Return on Investment Calculations (COBRA Alternative)

In those rare instances when use of the COBRA model is not possible, Return on Investment can be calculated as follows:

- 1) Array all the calculated costs and savings by fiscal year for the closure or realignment option. Costs and savings should be arrayed uninflated for 20 years.
- 2) Discount each year of the net costs or savings using a 10 percent discount rate.
- 3) Determine the fiscal year the closure or realignment is completed. The year of the closure is defined as the year in which the majority of personnel have left, and the mission and functions cease to be performed at the installation. For these calculations, a closure or realignment can be considered complete even if the installation is in caretaker status.
- 4) Count the number of years, after the year of completion, it takes for the net present value to reach zero or become negative. This number is the return on investment years.
- 5) Sum the discounted net costs/savings for the 20-year period. This sum is the 20-year net present value.

OMB Circular A-94 applies to these calculations, in general, by specifying a 10 percent discount rate and zero percent inflation.

Exceptions to the above guidance will be considered on a case by case basis by ASD(P&L) if warranted.

## Economic Impact Calculations

Economic impact on communities will be measured by the direct and indirect effect on employment at closing and realigning bases, as well as at receiving locations.

The Office of Economic Adjustment (OEA) will design and update computer spreadsheets with the appropriate multipliers to measure indirect economic impacts.

The Military Departments and Defense Agencies will be responsible for determining changes in military, civilian and contractor employment at each base. Only contractor personnel employed on the base, or in the immediate vicinity, which support on-base activities will be considered. This is the direct employment impact. The OEA spreadsheets have a place for entry of this data which will be a Military Department and Defense Agency responsibility. Once entered, the computerized spreadsheet will calculate the economic impact (the direct and indirect effect on employment) of the closure or realignment for each affected installation. The military and DoD civilian data used for calculating the economic impact must be the same as used in the COBRA model.

Environmental Impact Considerations

SUMMARY OF ENVIRONMENTAL CONSEQUENCES

RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

Installation Name

Location

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- o Threatened or Endangered Species
- o Wetlands
- o Historic or archeological sites
- o Pollution Control
- o Hazardous Materials/Wastes
- o Land Use and Airspace Implications
- o Programmed Environmental Costs/Cost Avoidances

Department of Defense  
Base Closure and Realignment  
Report to the Commission

Executive Summary (Volume I)

- |   |             |
|---|-------------|
| 1. 1993 Base Closure Procedures           | P&L         |
| 2. Force Structure Summary - Unclassified | Joint Staff |
| 3. Final Criteria                         | P&L         |
| 4. Compilation of Recommendations         | P&L         |
| 5. Implementation                         | P&L         |

Appendices

- |   |     |
|---|-----|
| i. Public Law 101-510 (as amended)              | P&L |
| ii. Section 2687, Title 10, US Code             | P&L |
| iii. DoD Policy Memoranda                       | P&L |
| iv. Base Structure Summary                      | P&L |
| v. History of Base Closures                     | P&L |
| vi. Index of Affected Bases & Personnel Impacts | P&L |

Force Structure Plan (classified) (Volume II) Joint Staff

Department of the Army Analyses and Recommendations (Volume III) Army

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Navy Analyses and Recommendations (Volume IV) Navy & Marine Corps

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Air Force Analyses and Recommendations (Volume V) Air Force

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Defense Agencies Analyses and Recommendations (Volume VI) Defense Agencies

1. Executive Summary
2. Statement of Purpose
3. Agency Projected Force Structure
4. Agency Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

**Name of Recommendation**  
(e g., John Q. Public Naval Air Facility, [State])

**Recommendation:** Describe what is to be closed and/or realigned; units, functions or organizations that will be eliminated or moved; identify the receiving installations, if applicable; and describe units functions or organizations that will remain on the base, if applicable.

**Justification:** Explain the reasons for the recommendation: i.e., force structure reductions, mission transfer, consolidation or elimination, excess capacity, etc., as applicable.

**Impact:** Describe the impact the recommendation will have on the local community's economy in terms of direct and indirect employment loss. Also include an estimate of the cost of implementing the recommendation and expected annual savings after implementation.



PRODUCTION AND  
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

December 24, 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,  
LOGISTICS AND ENVIRONMENT)  
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS  
AND ENVIRONMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(INSTALLATIONS)

SUBJECT: Base Closure Cumulative Economic Impact

Base Closure Policy Memorandum Two included guidance on the calculation of economic impact at closing, realigning or receiving bases during the 1993 round of base closures (BRAC 93). Specifically, the Military Departments and Defense Agencies are responsible for determining changes in military, civilian and contractor employment at each base recommended for closure, realignment or as a receiving base, and entering this data into the economic impact spreadsheet supplied by the Office of Economic Adjustment (OEA).

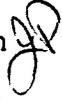
To ensure that the impact of previous closures and realignments are reflected in cumulative economic impact considerations, data must also be entered for closed, realigned or gaining bases identified during BRAC 88 and BRAC 91. This information should be readily available in your BRAC 91 economic impact spreadsheet printouts. Any adjustments to previous BRAC 88 or BRAC 91 actions necessitated by BRAC 93 recommendations should also be made on the spreadsheets (i.e., personnel now going to Base "Y" instead of Base "X", etc).

We will combine Department/Agency spreadsheets to determine DoD-wide cumulative economic impact within each defined geographic area.

If you have any questions please contact Mr. Dom Miglionico at 697-8050.

David J. Berteau  
Principal Deputy

M E M O R A N D U M

From: Jeff Patterson   
To: Sheila Cheston  
Mary Ann Hook  
Date: May 13, 1993  
Re: Federal Register Notices of Final Selection Criteria  
Utilized in 1991 and 1993 Recommendations

-----  
Copies of the following documents are attached:

- (1) Final Selection Criteria as listed in the Federal Register (56 FR 6374) on February 15, 1991, establishing the criteria to be used by the DoD in making its recommendation for closure or realignment of military installations to the 1991 Commission.

Of special concern is Part 3(c) under Section B, "Analysis of Public Comments," which discusses the issue of whether costs for environmental restoration or environmental compliance should be used in making determinations of closings or realignments. In short, the notice explicitly states that environmental restorations costs will not be considered in the DoD's calculations, whereas environmental compliance costs may be considered.

- (2) Notice of Final Selection Criteria as listed in the Federal Register (57 FR 59334) on December 15, 1992.

This notice states that criteria used by the DoD in making its recommendations on base closings and realignments to the 1991 Commission will be adopted and utilized in making recommendations to the 1993 Commission.

DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

56 FR 6374

February 15, 1991

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

ACTION: Final selection criteria.

SUMMARY: The Secretary of Defense, in accordance with section 2903(b), title XXIX, part A of the FY 1991 National Defense Authorization Act, is required to publish the proposed selection criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States.

EFFECTIVE DATE: February 15, 1991.

FOR FURTHER INFORMATION CONTACT: Mr. Jim Whittaker or Ms. Patricia Walker, Base Closure and Utilization, OASD(P&L), (703) 614-5356.

TEXT: SUPPLEMENTARY INFORMATION:

A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations inside the United States under title XXIX, part A of the National Defense Authorization Act for Fiscal Year 1991 as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

### **Impacts**

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.

## **B. Analysis of Public Comments**

The Department of Defense (DoD) received 169 public comments in response to the proposed DoD selection criteria for closing and realigning military installations inside the United States. The public's comments can be grouped into four topics: General, military value, costs and "payback", and impacts. The following is an analysis of these comments.

### **(1) General Comments**

(a) A substantial number of commentors expressed concern over the proposed criteria's broad nature and similarity to the 1988 Defense Secretary's Base Realignment and Closure Commission criteria. Many of the comments noted a need for objective measures or factors for the criteria. Some commentors also suggested various standard measures or factors for the criteria. The inherent mission diversity of the Military Departments and Defense Agencies (DoD Components) makes it impossible for DoD to specify detailed criteria, or objective measures or factors that could be applied to all bases within a Military Department or Defense Agency. We have provided the commentors' letters to each Military Department for their consideration. The similarity to the 1988 Base Closure Commission criteria is acknowledged. After reviewing the public comments we concluded that using similar criteria is appropriate.

(b) Many commentors noted that a correlation between force structure and the criteria was not present. The base closure and realignment procedures mandated by title XXIX, part A, of the National Defense Authorization Act for Fiscal Year 1991 (the Act) require that the Secretary of Defense's recommendations for closure and realignment be founded on the force structure plan and the final criteria required by the Act. DoD's analytical and decision processes for applying the final criteria will be based on the force structure plan. The military value criteria provide the connection to the force structure plan.

(c) Many commentors noted the need for more detailed information on how DoD would implement the base closure procedures required by the Act. A recurrent suggestion was to group like bases into categories for analysis. In response to this comment and suggestion, and to respond to the general comments (a) and (b) above, we have issued policy guidance to the Military Departments and Defense Agencies on the base closure process. This guidance requires them to:

-- Treat all bases equally: They must consider all bases equally in selecting bases for closure or realignment under the Act, without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department. This policy does not apply to closures or realignments that fall below the thresholds established by the Act or to the 86 bases closed under Public Law 100-526;

-- Categorize bases: They must categorize bases with like missions, capabilities and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other; and

-- Perform a capacity analysis: They must link force structure changes described in the force structure plan with the existing force and bases structure, to determine if a potential for closure or realignment exists. In the event a determination is made that no excess capacity exists in a category, then there will be no need to continue the analysis of that category, unless there is a military value or other reason to continue the analysis;

-- Develop and Use Objective Measures/Factors: They must develop and use objective measures or factors within categories for each criterion, whenever feasible. We recognize that it will not always be possible to develop appropriate objective measures or factors, and that measures/factors (whether they be objective or subjective) may vary for different categories of bases.

(d) A number of commentors recommended assigning specific weights to individual criteria. It would be impossible for DoD to specify weights for each criterion that could be applied across the board to all bases, again due to the mission diversity of the Military Departments and Defense Agencies. It appears from the comments that numbering the criteria may have been mistaken as an order of precedence associated with individual criteria. We do not intend to assign an

order of precedence to an individual criterion, other than to give priority to the first four.

(e) Several commentors gave various reasons why a particular installation should be eliminated from any closure or realignment evaluation. Public Law 101-510 directs DoD to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the threshold of section 2687, title 10, U.S. Code. Public Law 100-526 implemented the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure. We have issued guidance to the DoD Components instructing them to consider all bases equally, this includes those previously nominated for study in the Defense Secretary's January 29, 1990, base realignment and closure announcement that are above the thresholds established in the Act. Conversely, we did not receive any requests that a particular installation be closed or realigned pursuant to section 2924 of Public Law 101-510.

(f) A number of commentors noted a need for more management controls over data collection to ensure accuracy of data. We agree with this recommendation and have issued guidance that requires the DoD Components to develop and implement internal controls, consistent with their organizational and program structure, to ensure the accuracy of data collection and analyses being performed. This guidance incorporates the lessons learned from the General Accounting Office's review of the 1988 Base Closure Commission's work.

(g) After detailed consideration of all comments, we have determined that some of the criteria may have been unclear. We have revised the criteria for additional clarity.

(h) Some of the early comments we received recommended extending the original December 31, 1990, public comment deadline. We agreed and extended the public comment period to January 24, 1991. In addition, we accepted for consideration 19 public comments received after the January 24, 1991, deadline.

## (2) Military Value Comments

(a) A majority of comments received supported DoD's decision to give priority consideration to the military value criteria. In the aggregate, military value refers to the collection of attributes that describe how well a base supports its assigned force structure and missions.

(b) Several commentors recommended that National Guard and Reserve Component forces be included as part of DoD's base closure analysis. The Department's total force concept includes National Guard and Reserve Component forces, and these forces will be reflected in the force structure plan required by the Act for this base closure process. To clarify that point, criteria number one and

three were amended.

(c) Some commentors recommended DoD apply the military value criteria without regard to the DoD component currently operating or receiving the services of the base. The commentors noted that this would maximize utilization of Defense assets and therefore improve the national security. We agree with this comment. DoD must retain its best bases and where there is a potential to consolidate, share or exchange assets, that potential will be pursued. We also recognize that this potential does not exist among all categories of bases and that the initial determination of the military value of bases must be made by the DoD Component currently operating the base. Consequently, we have left the military value criteria general in nature and therefore applicable DoD-wide, where appropriate. We have also issued guidance to the DoD Components that encourages inter-service and multi-service asset sharing and exchange. Finally, we will institute procedures to ensure each DoD Component has the opportunity to improve the military value of its base structure through analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the thresholds of section 2687, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value

consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number

three accordingly.

(h) One commentator recommended retaining all bases supporting operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### **(3) Cost and "Payback" Comments**

(a) Some commentators recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentators noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Components have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentators recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental

restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

#### **(4) Impacts Comments**

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plans, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing

and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commenters questioned the meaning of criterion number nine. "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (Increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

### C. Previous Federal Register References

(1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR53586, December 31, 1990: Extend comment period on proposed selection criteria.

D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 11, 1991.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
[FR Doc. 91-3645 Filed 2-14-91; 8:45 am]

DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

57 FR 59334

December 15, 1992

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

ACTION: Notice of Final Selection Criteria.

SUMMARY: The Secretary of Defense, in accordance with Section 2903(b), Public Law 101-510, as amended, published in the February 15, 1991, Federal Register the Final Selection Criteria to be used in making recommendations for the closure and realignment of military installations inside the United States. These final criteria became effective on February 15, 1991. The final criteria published at that time will be used again, unchanged, by the Department of Defense to make recommendations that will be reviewed by the 1993 Defense Base Closure and Realignment Commission. This notice republishes those criteria. FOR FURTHER INFORMATION CONTACT: Mr. Peter Potochney or Colonel Kirby Allen, OASD (P&L), (703) 697-8048.

TEXT: SUPPLEMENTARY INFORMATION:

A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations in accordance with Public Law 101-510, as amended, follow:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

### **Impacts**

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.

### **B. Background Information**

The February 15, 1991 Federal Register notice contained an analysis of public comments received and a description of the changes DoD made to the proposed criteria published in a November 30, 1990 Federal Register Notice. DoD received 169 public comments in response to the proposed criteria and request for comments. The proposed criteria were appropriately amended based on these comments. The final criteria were accepted by Congress in 1991 and served well in the 1991 effort. They will therefore be used again, unchanged, by the Department of Defense to make recommendations to the 1993 Defense Base Closure and Realignment Commission.

### **C. Previous Federal Register References**

(1) 55 FR 49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR 53536, December 31, 1990: Extend comment period on proposed selection criteria.

(3) 56 FR 6374, February 15, 1991: Publish selection criteria and analysis of comments.

Dated: December 11, 1992.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
[FR Doc. 92-30523 Filed 12-11-92; 2:35 pm]

Federal Government under 41 U.S.C. 46-46c and 41 CFR 81-2.8.

I certify that the following actions will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

a. The action will not result in any additional reporting, recordkeeping or other compliance requirements.

b. The action will not have a serious economic impact on any contractors for the service listed.

c. The action will result in authorizing small entities to provide the service procured by the Government.

Accordingly, the following service is hereby added to the Procurement List: Commissary Shelf Stocking & Custodial, Fitzsimmons Army Medical Center, Denver, Colorado.

This action does not affect contracts awarded prior to the effective date of this addition or options exercised under those contracts.

E.R. Alley, Jr.,

Deputy Executive Director.

[FR Doc. 91-3704 Filed 2-14-91; 8:45 am]

BILLING CODE 8330-33-M

commodities and services to the Procurement List:

**Commodities**

*Case, Ear Plug*

8345-01-212-9452,  
(Remaining 20 percent of Government's Requirement)

*Wash Kit, Personal*

7380-00-138-1063

*Bag, Parts*

8105-LL-800-0208

8105-LL-800-0209

8105-LL-800-0210

8105-LL-800-0274

8105-LL-800-0275

(Requirements of Mare Island Naval Shipyard, CA)

**Services**

Janitorial/Custodial, Department of the Army, Corvillie Reservoir, Corvillie Lake, Iowa.

Janitorial/Custodial, Internal Revenue Service Center, 3651 South Interregional Highway 35, Austin, Texas

Sending and Oiling Picnic Tables, Deschutes National Forest, Bend Ranger District, Bend, Oregon.

E.R. Alley, Jr.,

Deputy Executive Director.

[FR Doc. 91-3705 Filed 2-14-91; 8:45 am]

BILLING CODE 8330-33-M

XXIX, part A of the National Defense Authorization Act for Fiscal Year 1991 as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

**Impacts**

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.

**B. Analysis of Public Comments**

The Department of Defense (DoD) received 189 public comments in response to the proposed DoD selection criteria for closing and realigning military installations inside the United States. The public's comments can be grouped into four topics: General, military value, costs and "payback", and impacts. The following is an analysis of these comments.

**(1) General Comments**

(a) A substantial number of commentors expressed concern over the proposed criteria's broad nature and similarity to the 1988 Defense Secretary's Base Realignment and Closure Commission criteria. Many of the comments noted a need for objective measures or factors for the criteria. Some commentors also suggested various standard measures or factors for

**Procurement List Proposed Additions**

**AGENCY:** Committee for Purchase from the Blind and Other Severely Handicapped.

**ACTION:** Proposed additions to procurement list.

**SUMMARY:** The Committee has received proposals to add to the Procurement List commodities to be produced and services to be provided by workshops for the blind or other severely handicapped.

**COMMENTS MUST BE RECEIVED ON OR BEFORE:** March 18, 1991.

**ADDRESSES:** Committee for Purchase from the Blind and Other Severely Handicapped, Crystal Square 5, suite 1107, 1755 Jefferson Davis Highway, Arlington, Virginia 22202-3509.

**FOR FURTHER INFORMATION CONTACT:** Beverly Milkman, (703) 557-1145.

**SUPPLEMENTARY INFORMATION:** This notice is published pursuant to 41 U.S.C. 47(a)(2) and 41 CFR 81-2.8. Its purpose is to provide interested persons an opportunity to submit comments on the possible impact of the proposed actions.

If the Committee approves the proposed additions, all entities of the Federal Government will be required to procure the commodities and services listed below from workshops for the blind or other severely handicapped. It is proposed to add the following

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final selection criteria.

**SUMMARY:** The Secretary of Defense, in accordance with section 2903(b), title XXIX, part A of the FY 1991 National Defense Authorization Act, is required to publish the proposed selection criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States.

**EFFECTIVE DATE:** February 15, 1991.

**FOR FURTHER INFORMATION CONTACT:** Mr. Jim Whittaker or Ms. Patricia Walker, Base Closure and Utilization, OASD(P&L), (703) 614-3358.

**SUPPLEMENTARY INFORMATION:**

**A. Final Selection Criteria**

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations inside the United States under title

the criteria. The inherent mission diversity of the Military Departments and Defense Agencies (DoD Components) makes it impossible for DoD to specify detailed criteria, or objective measures or factors that could be applied to all bases within a Military Department or Defense Agency. We have provided the commentors' letters to each Military Department for their consideration. The similarity to the 1988 Base Closure Commission criteria is acknowledged. After reviewing the public comments we concluded that using similar criteria is appropriate.

(b) Many commentors noted that a correlation between force structure and the criteria was not present. The base closure and realignment procedures mandated by title XXIX, part A, of the National Defense Authorization Act for Fiscal Year 1991 (the Act) require that the Secretary of Defense's recommendations for closure and realignment be founded on the force structure plan and the final criteria required by the Act. DoD's analytical and decision processes for applying the final criteria will be based on the force structure plan. The military value criteria provide the connection to the force structure plan.

(c) Many commentors noted the need for more detailed information on how DoD would implement the base closure procedures required by the Act. A recurrent suggestion was to group like bases into categories for analysis. In response to this comment and suggestion, and to respond to the general comments (a) and (b) above, we have issued policy guidance to the Military Departments and Defense Agencies on the base closure process. This guidance requires them to:

- Treat all bases equally: They must consider all bases equally in selecting bases for closure or realignment under the Act, without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department. This policy does not apply to closures or realignments that fall below the thresholds established by the Act or to the 86 bases closed under Public Law 100-526;

- Categorize bases: They must categorize bases with like missions, capabilities and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other, and

- Perform a capacity analysis: They must link force structure changes described in the force structure plan with the existing force and bases structure, to determine if a potential for closure or realignment exists. In the

event a determination is made that no excess capacity exists in a category, then there will be no need to continue the analysis of that category, unless there is a military value or other reason to continue the analysis;

- Develop and Use Objective Measures/Factors: They must develop and use objective measures or factors within categories for each criterion, whenever feasible. We recognize that it will not always be possible to develop appropriate objective measures or factors, and that measures/factors (whether they be objective or subjective) may vary for different categories of bases.

(d) A number of commentors recommended assigning specific weights to individual criteria. It would be impossible for DoD to specify weights for each criterion that could be applied across the board to all bases, again due to the mission diversity of the Military Departments and Defense Agencies. It appears from the comments that numbering the criteria may have been mistaken as an order of precedence associated with individual criteria. We do not intend to assign an order of precedence to an individual criterion, other than to give priority to the first four.

(e) Several commentors gave various reasons why a particular installation should be eliminated from any closure or realignment evaluation. Public Law 101-510 directs DoD to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the threshold of section 2687, title 10, U.S. Code. Public Law 100-526 implemented the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure. We have issued guidance to the DoD Components instructing them to consider all bases equally, this includes those previously nominated for study in the Defense Secretary's January 29, 1990, base realignment and closure announcement that are above the thresholds established in the Act. Conversely, we did not receive any requests that a particular installation be closed or realigned pursuant to section 2924 of Public Law 101-510.

(f) A number of commentors noted a need for more management controls over data collection to ensure accuracy of data. We agree with this recommendation and have issued guidance that requires the DoD Components to develop and implement internal controls, consistent with their organizational and program structure, to ensure the accuracy of data collection and analyses being performed. This

guidance incorporates the lessons learned from the General Accounting Office's review of the 1988 Base Closure Commission's work.

(g) After detailed consideration of all comments, we have determined that some of the criteria may have been unclear. We have revised the criteria for additional clarity.

(h) Some of the early comments we received recommended extending the original December 31, 1990, public comment deadline. We agreed and extended the public comment period to January 24, 1991. In addition, we accepted for consideration 19 public comments received after the January 24, 1991, deadline.

#### (2) Military Value Comments

(a) A majority of comments received supported DoD's decision to give priority consideration to the military value criteria. In the aggregate, military value refers to the collection of attributes that describe how well a base supports its assigned force structure and missions.

(b) Several commentors recommended that National Guard and Reserve Component forces be included as part of DoD's base closure analysis. The Department's total force concept includes National Guard and Reserve Component forces, and these forces will be reflected in the force structure plan required by the Act for this base closure process. To clarify that point, criteria number one and three were amended.

(c) Some commentors recommended DoD apply the military value criteria without regard to the DoD component currently operating or receiving the services of the base. The commentors noted that this would maximize utilization of Defense assets and therefore improve the national security. We agree with this comment. DoD must retain its best bases and where there is a potential to consolidate, share or exchange assets, that potential will be pursued. We also recognize that this potential does not exist among all categories of bases and that the initial determination of the military value of bases must be made by the DoD Component currently operating the base. Consequently, we have left the military value criteria general in nature and therefore applicable DoD-wide, where appropriate. We have also issued guidance to the DoD Components that encourages inter-service and multi-service asset sharing and exchange. Finally, we will institute procedures to ensure each DoD Component has the opportunity to improve the military value of its base structure through

analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the thresholds of section 2687, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number three accordingly.

(h) One commentor recommended retaining all bases supporting Operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### (3) Cost and "Payback" Comments

(a) Some commentors recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentors noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Componentes have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentors recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in

order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

### (4) Impacts Comments

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plants, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commentors questioned the meaning of criterion number nine, "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

#### C. Previous Federal Register References

- (1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.
- (2) 55 FR53538, December 31, 1990: Extend comment period on proposed selection criteria.

#### D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 13, 1991.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 91-3645 Filed 2-14-91; 8:45 am]

BILLING CODE 5010-01-M

#### Department of the Army

##### Environmental Assessment; Exoatmospheric Discrimination Experiment (EDX) Program

AGENCY: U.S. Army Strategic Defense Command (USASDC); DOD.

COOPERATING AGENCY: Strategy Defense Initiative Organization, DOD U.S. Department of the Navy, DOD.

ACTION: Notice of Availability of finding of no significant impact.

**SUMMARY:** Pursuant to the Council on Environmental Quality regulations for implementing the procedural provisions of the National Environmental Policy Act (40 CFR parts 1500-1508), Army Regulation 200-2, Chief of Naval Operations Instruction 5090.1, and the Department of Defense (DOD) Directive 6050.1 on Environmental Effects in the United States of DOD actions, the USASDC has conducted an assessment of the potential environmental consequences of conducting EDX program activities for the Strategic Defense Initiative Organization. The Environmental Assessment considered all potential impacts of the proposed action alone and in conjunction with ongoing activities. The finding of no significant impact summarizes the results of the evaluations of EDX activities at the proposed installations. The discussion focuses on those locations where there was a potential for significant impacts and mitigation measures that would reduce the potential impact to a level of no significance. Alternatives to the EDX launch facility were examined early in the siting process but were eliminated as unreasonable. A no-action alternative was also considered. The Environmental Assessment resulted in a finding of no significant impact. Construction will proceed as scheduled, however, due to budgetary constraints, the flight program implementation has been delayed. When the flight schedule becomes firm, this document will be reviewed and revised, as necessary, in light of any changes to the program.

**DATES:** Written comments are required by March 18, 1991.

**POINT OF CONTACT:** Mr. D.R. Gallien, Address: U.S. Army Strategic Defense Command, CSSD-EN, Post Office Box 1500, Huntsville, AL 35807-3801, Fax (205) 955-3658.

**SUPPLEMENTARY INFORMATION:** The USASDC was assigned the mission of acquiring critical mid-course data on ballistic missile re-entry vehicles and decoys; EDX would accomplish this mission. The EDX program would use

the ARIES booster to launch a suborbital sensor into space to observe a target ballistic missile re-entry complex during the mid-course phase of its flight. The proposed EDX program would involve nine flights over three years from two different launch sites after October 1993. The target complex would be released from a MINUTEMAN I missile launched from Vandenberg Air Force Base, California and the EDX booster and sensor payload vehicle would be launched from the Kauai Test Facility (KTF), located on the Pacific Missile Range Facility (PMRF), Kauai, Hawaii. Current launch activities would continue, however, public access through these areas would be limited for a total of less than 1 day over a three year period.

The EDX program would include a number of activities to be conducted at seven different sites. These activities are categorized as design, fabrication/assembly/testing, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, data analysis, and site maintenance/disposition. The locations and types of EDX activities are: Vandenberg Air Force Base, California/Western Test Range, flight preparation, launch/flight/data collection; Pacific Missile Range Facility, Kauai, Hawaii, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, site maintenance/disposition; Sandia National Laboratories, New Mexico, design, fabrication/assembly/testing; U.S. Army Kwajalein Atoll, Republic of the Marshall Islands, flight preparation, launch/flight/data collection; Hill Air Force Base, Utah, fabrication/assembly/testing; Space Dynamics Laboratory, Utah State University, Logan, Utah, design, fabrication/assembly/testing, data analysis; and Boeing Aerospace and Electronics, Kent Space Center, Kent, Washington, design, fabrication/assembly/testing, sensor payload vehicle refurbishment, data analysis.

To determine the potential for significant environmental impacts as a result of the EDX program, the magnitude and frequency of the tests that would be conducted at the proposed locations were compared to the current activities and existing conditions at those locations. To assess possible impacts, each activity was evaluated in the context of the following environmental components: Air quality, biological resources, cultural resources, hazardous materials/waste, infrastructure, land use, noise, public



M E M O R A N D U M

From: Jeff Patterson   
To: Sheila Cheston  
Mary Ann Hook  
Date: May 13, 1993  
Re: Federal Register Notices of Final Selection Criteria  
Utilized in 1991 and 1993 Recommendations

-----  
Copies of the following documents are attached:

- (1) Final Selection Criteria as listed in the Federal Register (56 FR 6374) on February 15, 1991, establishing the criteria to be used by the DoD in making its recommendation for closure or realignment of military installations to the 1991 Commission.

Of special concern is Part 3(c) under Section B, "Analysis of Public Comments," which discusses the issue of whether costs for environmental restoration or environmental compliance should be used in making determinations of closings or realignments. In short, the notice explicitly states that environmental restorations costs will not be considered in the DoD's calculations, whereas environmental compliance costs may be considered.

- (2) Notice of Final Selection Criteria as listed in the Federal Register (57 FR 59334) on December 15, 1992.

This notice states that criteria used by the DoD in making its recommendations on base closings and realignments to the 1991 Commission will be adopted and utilized in making recommendations to the 1993 Commission.



PRODUCTION AND  
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

December 24, 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,  
LOGISTICS AND ENVIRONMENT)  
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS  
AND ENVIRONMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(INSTALLATIONS)

SUBJECT: Base Closure Cumulative Economic Impact

Base Closure Policy Memorandum Two included guidance on the calculation of economic impact at closing, realigning or receiving bases during the 1993 round of base closures (BRAC 93). Specifically, the Military Departments and Defense Agencies are responsible for determining changes in military, civilian and contractor employment at each base recommended for closure, realignment or as a receiving base, and entering this data into the economic impact spreadsheet supplied by the Office of Economic Adjustment (OEA).

To ensure that the impact of previous closures and realignments are reflected in cumulative economic impact considerations, data must also be entered for closed, realigned or gaining bases identified during BRAC 88 and BRAC 91. This information should be readily available in your BRAC 91 economic impact spreadsheet printouts. Any adjustments to previous BRAC 88 or BRAC 91 actions necessitated by BRAC 93 recommendations should also be made on the spreadsheets (i.e., personnel now going to Base "Y" instead of Base "X", etc).

We will combine Department/Agency spreadsheets to determine DoD-wide cumulative economic impact within each defined geographic area.

If you have any questions please contact Mr. Dom Miglionico at 697-8050.

A handwritten signature in black ink, appearing to read "David J. Berteau".

David J. Berteau  
Principal Deputy



DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

57 FR 59334

December 15, 1992

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

**ACTION:** Notice of Final Selection Criteria.

**SUMMARY:** The Secretary of Defense, in accordance with Section 2903(b), Public Law 101-510, as amended, published in the February 15, 1991, Federal Register the Final Selection Criteria to be used in making recommendations for the closure and realignment of military installations inside the United States. These final criteria became effective on February 15, 1991. The final criteria published at that time will be used again, unchanged, by the Department of Defense to make recommendations that will be reviewed by the 1993 Defense Base Closure and Realignment Commission. This notice republishes those criteria. **FOR FURTHER INFORMATION CONTACT:** Mr. Peter Potochney or Colonel Kirby Allen, OASD (P&L), (703) 697-8048.

**TEXT:** SUPPLEMENTARY INFORMATION:

A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations in accordance with Public Law 101-510, as amended, follow:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.

## Economic Impact Calculations

Economic impact on communities will be measured by the direct and indirect effect on employment at closing and realigning bases, as well as at receiving locations.

The Office of Economic Adjustment (OEA) will design and update computer spreadsheets with the appropriate multipliers to measure indirect economic impacts.

The Military Departments and Defense Agencies will be responsible for determining changes in military, civilian and contractor employment at each base. Only contractor personnel employed on the base, or in the immediate vicinity, which support on-base activities will be considered. This is the direct employment impact. The OEA spreadsheets have a place for entry of this data which will be a Military Department and Defense Agency responsibility. Once entered, the computerized spreadsheet will calculate the economic impact (the direct and indirect effect on employment) of the closure or realignment for each affected installation. The military and DoD civilian data used for calculating the economic impact must be the same as used in the COBRA model.

SUMMARY OF ENVIRONMENTAL CONSEQUENCES  
RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

Installation Name

Location

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- o Threatened or Endangered Species
- o Wetlands
- o Historic or archeological sites
- o Pollution Control
- o Hazardous Materials/Wastes
- o Land Use and Airspace Implications
- o Programmed Environmental Costs/Cost Avoidances

Base Closure and Realignment  
Report to the Commission

Executive Summary (Volume I)

- |   |             |
|---|-------------|
| 1. 1993 Base Closure Procedures           | P&L         |
| 2. Force Structure Summary - Unclassified | Joint Staff |
| 3. Final Criteria                         | P&L         |
| 4. Compilation of Recommendations         | P&L         |
| 5. Implementation                         | P&L         |

Appendices

- |   |     |
|---|-----|
| i. Public Law 101-510 (as amended)              | P&L |
| ii. Section 2687, Title 10, US Code             | P&L |
| iii. DoD Policy Memoranda                       | P&L |
| iv. Base Structure Summary                      | P&L |
| v. History of Base Closures                     | P&L |
| vi. Index of Affected Bases & Personnel Impacts | P&L |

Force Structure Plan (classified) (Volume II) Joint Staff

Department of the Army Analyses and Recommendations (Volume III) Army

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Navy Analyses and Recommendations (Volume IV) Navy & Marine Corps

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Department of the Air Force Analyses and Recommendations (Volume V) Air Force

1. Executive Summary
2. Statement of Purpose
3. Service Projected Force Structure
4. Service Process
5. Description of Analyses
6. Recommendations (see attached format)
7. Budget Impacts
8. Classified Appendices (if required)

Defense Agencies Analyses and Recommendations (Volume VI) Defense Agencies

1. Executive Summary
2. Statement of Purpose
3. Agency Projected Force Structure
4. Agency Process
5. Description of Analyses
6. Recommendations (see attached format)
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**Name of Recommendation**  
(e g., John Q. Public Naval Air Facility, [State])

**Recommendation:** Describe what is to be closed and/or realigned; units, functions or organizations that will be eliminated or moved; identify the receiving installations, if applicable; and describe units functions or organizations that will remain on the base, if applicable.

**Justification:** Explain the reasons for the recommendation: i.e., force structure reductions, mission transfer, consolidation or elimination, excess capacity, etc., as applicable.

**Impact:** Describe the impact the recommendation will have on the local community's economy in terms of direct and indirect employment loss. Also include an estimate of the cost of implementing the recommendation and expected annual savings after implementation.



PRODUCTION AND  
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

December 24, 1992

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,  
LOGISTICS AND ENVIRONMENT)  
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To ensure that the impact of previous closures and realignments are reflected in cumulative economic impact considerations, data must also be entered for closed, realigned or gaining bases identified during BRAC 88 and BRAC 91. This information should be readily available in your BRAC 91 economic impact spreadsheet printouts. Any adjustments to previous BRAC 88 or BRAC 91 actions necessitated by BRAC 93 recommendations should also be made on the spreadsheets (i.e., personnel now going to Base "Y" instead of Base "X", etc).

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M E M O R A N D U M

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This notice states that criteria used by the DoD in making its recommendations on base closings and realignments to the 1991 Commission will be adopted and utilized in making recommendations to the 1993 Commission.

### COBRA Model Assumptions

The following statements clarify certain cost assumptions written into the COBRA model:

- o Local Moves. Moves of less than 50 miles will not incur PCS moving costs.

- o Priority Placement System Costs. Forty-one percent of all employees placed in other jobs through the DoD Priority Placement Program will be relocated at government expense (based on historical data).

- o Students. For the purposes of return on investment calculations, relocation of students will only impact the COBRA model's calculation of overhead costs, and as appropriate, estimates of military construction requirements.

### Economic Impacts

Attachment 2 provides guidance on the calculation of economic impact on closing, realigning and receiving communities.

### Environmental Impacts

Attachment 3 provides guidance on documenting environmental impact considerations at closing, realigning and receiving locations.

For environmental impact considerations, there is no need to undertake new environmental studies. DoD Components may use all available environmental information regardless of when, how or for what purpose it was collected. If a DoD Component should choose to undertake a new environmental study, the study must collect the same information from all bases in the DoD Component's base structure, unless the study is designed to fill gaps in information so that all bases can be treated equally. Attachment 3 provides a sample of the reporting format used to summarize the environmental consequences of closure or realignment of an installation.

### Receiving Bases

DoD Components must identify receiving bases for large units or activities, including tenants which are to be relocated from closing or realigning bases. The COBRA model will calculate the costs for relocating such units or activities. DoD Components do not need to identify specific receiving bases for units or tenants with less than 100 civilian/military employees. Finding homes for these activities can be left to execution. However, DoD Components should establish a generic "base x" within the COBRA model to act as the surrogate receiving base for the aggregation of these smaller units or activities, in order to ensure completeness of cost and savings calculations.

### Reserve Enclaves

On each base designated for closure or realignment the future of guard and reserve units of all Military Departments residing on or receiving support from that base must be considered. Once a decision has been made to include an enclave or relocate guard and reserve units, the effected unit identifications must be included in the DoD Component's recommendations to the Secretary of Defense. Military construction and repair costs of fitting out an enclave for reserve component or guard use will be estimated.

### Community Preference

Military Departments and Defense Agencies must document the receipt of valid requests received under section 2924 of P.L. 101-510 and document the steps taken to give them special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

### Release of Information

Public Law 101-510, as amended, established the Defense Base Closure and Realignment Commission to review the Secretary of Defense's recommendations for the closure or realignment of military installations and to conduct public hearings on the recommendations. Unless specifically required by law, data used by the DoD Components to analyze and evaluate military installations will not be released until the Secretary's recommendations have been forwarded to the Commission.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Secretary's selection process. As such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The Military Departments and Defense Agencies must keep records of all data provided to the GAO.

#### Actions With Multiple Installation Impacts

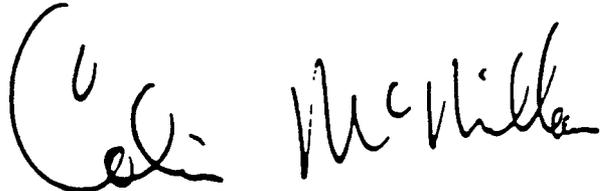
This expands the policy guidance on cumulative impacts on installations previously provided in ASD(P&L) Policy Memorandum One.

As the DoD Components review their base structure or conduct functional studies with base closure or realignment impacts, a determination must be made as to whether a review or study impacting more than one installation should be considered a single action under P.L. 101-510. To be considered a single action, the review or study must:

- (1) Result in the closure or realignment of at least one installation which would trigger the numerical thresholds of P.L. 101-510; and
- (2) Involve inextricably linked elements, in that failure to proceed with any one element of the action would require reevaluation of the entire action.

#### Reporting Formats

Attachment 4 describes the reporting formats for: (1) the anticipated DoD report to the Commission, and (2) Military Department and Defense Agency justifications for their March 15, 1993, closure and realignment recommendations.



#### Attachments

1. Return on Investment Calculations
2. Economic Impact Calculations
3. Environmental Impact Considerations
4. Report Format

## Return on Investment Calculations (COBRA Alternative)

In those rare instances when use of the COBRA model is not possible, Return on Investment can be calculated as follows:

- 1) Array all the calculated costs and savings by fiscal year for the closure or realignment option. Costs and savings should be arrayed uninflated for 20 years.
- 2) Discount each year of the net costs or savings using a 10 percent discount rate.
- 3)- Determine the fiscal year the closure or realignment is completed. The year of the closure is defined as the year in which the majority of personnel have left, and the mission and functions cease to be performed at the installation. For these calculations, a closure or realignment can be considered complete even if the installation is in caretaker status.
- 4) Count the number of years, after the year of completion, it takes for the net present value to reach zero or become negative. This number is the return on investment years.
- 5) Sum the discounted net costs/savings for the 20-year period. This sum is the 20-year net present value.

OMB Circular A-94 applies to these calculations, in general, by specifying a 10 percent discount rate and zero percent inflation.

Exceptions to the above guidance will be considered on a case by case basis by ASD(P&L) if warranted.

## Economic Impact Calculations

Economic impact on communities will be measured by the direct and indirect effect on employment at closing and realigning bases, as well as at receiving locations.

The Office of Economic Adjustment (OEA) will design and update computer spreadsheets with the appropriate multipliers to measure indirect economic impacts.

The Military Departments and Defense Agencies will be responsible for determining changes in military, civilian and contractor employment at each base. Only contractor personnel employed on the base, or in the immediate vicinity, which support on-base activities will be considered. This is the direct employment impact. The OEA spreadsheets have a place for entry of this data which will be a Military Department and Defense Agency responsibility. Once entered, the computerized spreadsheet will calculate the economic impact (the direct and indirect effect on employment) of the closure or realignment for each affected installation. The military and DoD civilian data used for calculating the economic impact must be the same as used in the COBRA model.

SUMMARY OF ENVIRONMENTAL CONSEQUENCES  
RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

Installation Name

Location

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- o Threatened or Endangered Species
- o Wetlands
- o Historic or archeological sites
- o Pollution Control
- o Hazardous Materials/Wastes
- o Land Use and Airspace Implications
- o Programmed Environmental Costs/Cost Avoidances

Base Closure and Realignment  
Report to the Commission

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**Name of Recommendation**  
(e g., John Q. Public Naval Air Facility, [State])

**Recommendation:** Describe what is to be closed and/or realigned; units, functions or organizations that will be eliminated or moved; identify the receiving installations, if applicable; and describe units functions or organizations that will remain on the base, if applicable.

**Justification:** Explain the reasons for the recommendation: i.e., force structure reductions, mission transfer, consolidation or elimination, excess capacity, etc., as applicable.

**Impact:** Describe the impact the recommendation will have on the local community's economy in terms of direct and indirect employment loss. Also include an estimate of the cost of implementing the recommendation and expected annual savings after implementation.





PRODUCTION AND  
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, DC 20301-8000

04 DEC 1992

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
DIRECTORS OF THE DEFENSE AGENCIES  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
COMPTROLLER  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Base Closure Policy Memorandum Two

Background

This memorandum is the second in a series of additional ASD(P&L) policy guidance implementing the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), as amended, and the Deputy Secretary's 1993 Base Realignment and Closure (BRAC 93) guidance of May 5, 1992. ASD(P&L) Policy Memorandum One was dated August 4, 1992.

Military Treatment Facility (MTF) Analyses

The Secretaries of the Military Departments will be responsible for including Military Treatment Facilities (MTFs) in their BRAC 93 analyses. Nominations of the Military Departments of MTF closures or realignments will be reviewed by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) and returned to the Secretaries of the Military Departments. The final recommendations of the Secretaries of the Military Departments to the Secretary of Defense will include the views of the ASD(HA), if different from those of the Secretaries of the Military Departments.

The Secretaries of the Military Departments and ASD (HA), working together through the Health Affairs Base Closure Joint Service Working Group, may also identify MTFs as candidates for closure or reduction, such as when multiple DoD health care delivery activities create overlapping catchment areas or when small beneficiary populations reside within areas where more cost effective alternatives should be considered. Working group recommendations will be forwarded to the Secretaries of the Military Departments for inclusion in their final recommendations as appropriate. If the Secretary of a Military Department disagrees with a closure recommendation forwarded by the Health Affairs Base Closure Joint Service Working Group, the Secretary shall forward the Group's recommendation with the Secretary's reason for disagreeing, to the Secretary of Defense.

#### Return on Investment (ROI)

Return on investment must be calculated, considered and reported with DoD Components' justifications for each recommended closure or realignment package. All costs and savings attributable over time to a closure or realignment package, subject to the below guidance, should be calculated, including costs or savings at receiving locations. Costs or savings elements that are identified, but determined to be insignificant, need not be calculated. However, DoD Component records should indicate that determination.

The Cost of Base Realignment Actions (COBRA) model calculates return on investment. ASD (P&L) Policy Memorandum One required the Military Departments and Defense Agencies to use the current COBRA version (4.0), in order to ensure consistency in methodology. Although the model does not produce budget quality data, it uses standard cost factors and algorithms to estimate costs and savings over time.

We recognize that Military Department and Defense Agency planning and accounting mechanisms are sufficiently different to warrant Department/Agency specific standard cost factors in the COBRA model. DoD Component documentation must justify the use of such cost factors.

Attachment 1 provides additional guidance on the COBRA model and return on investment calculations for those rare instances when it is impossible to use the COBRA model for calculations.

Specific instructions follow for the calculation of health care costs, unemployment costs, Homeowners Assistance Program and environmental costs, and savings for input to the COBRA model.

o Health Care Costs

oo CHAMPUS Costs Base closures and realignments can have an impact on CHAMPUS costs DoD-wide. These net cost impacts must be included in analyses of closures or realignments involving Military Treatment Facilities.

oo Medicare Costs Medicare costs will not be included in DoD Component cost analyses. The Medicare program consists of Part A (hospital and related costs) and Part B (supplemental costs). Part A is financed by Medicare payroll taxes. The only appropriated funds used to support Medicare are those portions of the Part B costs that exceed the monthly premiums paid by the members/beneficiaries. Therefore, total Medicare appropriations will not significantly change return on investment calculations.

o Unemployment Costs The Military Departments and Defense Agencies annually budget unemployment contributions to the Federal Employees Compensation Account for DoD military and civilian employees. DoD Components should include the contributions attributable to closures and realignments in their cost calculations.

o Homeowners Assistance Program (HAP) The Secretary of the Army will provide each Military Department and Defense Agency with a list of installations that have a reasonable probability of having a HAP program approved, should the installation be selected for closure or realignment. HAP costs will be included for each of the installations so identified by the Secretary of the Army.

o Environmental Restoration Costs Environmental Restoration costs at closing bases are not to be considered in cost of closure calculations. DoD has a legal obligation for environmental restoration regardless of whether a base is closed or realigned. Where closing or realigning installations have unique contamination problems requiring environmental restoration, these will be considered as a potential limitation on near-term community reuse of the installation.

o Environmental Compliance Costs Environmental compliance costs can be a factor in a base closure or realignment decision. Costs associated with bringing existing practices into compliance with environmental rules and regulations can potentially be avoided when the base closes. Environmental compliance costs may be incurred at receiving locations also, and therefore will be estimated.

o Land Value Given existing statute and practice regarding the disposal of real property, especially public benefit transfers, land and facilities value may not always be realized. In cases where some proceeds can be expected, Military Departments and Defense Agencies must estimate the amount to be received for such real property. Estimated land and facility value will generally be based on the anticipated highest and best use for the land and facilities, assuming appropriate zoning, unless readily available information indicates that zoning is likely to be more restrictive. Where installations have unique contamination problems, a portion of the installation may have to be segregated from disposal so that community reuse may proceed on the balance. Estimated value should be adjusted: for any such parceling, including discounting proceeds when sale of contaminated property is possible only after cleanup is complete; for reduced prices where property is likely to be sold for restricted uses; or, when significant public benefit discount transfers are anticipated.

o Force Structure Savings The savings associated with force structure drawdowns shall not be included in the return on investment calculations. While decreased force structure will often be the underlying reason for recommending base closures or realignments, the savings associated with closing bases should be founded on the elimination of base operating support (BOS), infrastructure and related costs.

o Military Construction Military Departments and Defense Agencies will describe anticipated construction requirements (barracks square feet, etc.) to implement a BRAC recommendation and not actual projects. These requirements only become projects during the implementation phase after the Commission meets and after installation site surveys are conducted and formal project documents (DD 1391s) are prepared.

o Construction Cost Avoidances Closing and realigning bases can result in construction cost avoidances. Cost avoidances should include FY94-99 programmed military and family housing construction that can be avoided at the closing or realigning base, other than new-mission construction.

### COBRA Model Assumptions

The following statements clarify certain cost assumptions written into the COBRA model:

o Local Moves. Moves of less than 50 miles will not incur PCS moving costs.

o Priority Placement System Costs. Forty-one percent of all employees placed in other jobs through the DoD Priority Placement Program will be relocated at government expense (based on historical data).

o Students. For the purposes of return on investment calculations, relocation of students will only impact the COBRA model's calculation of overhead costs, and as appropriate, estimates of military construction requirements.

### Economic Impacts

Attachment 2 provides guidance on the calculation of economic impact on closing, realigning and receiving communities..

### Environmental Impacts

Attachment 3 provides guidance on documenting environmental impact considerations at closing, realigning and receiving locations.

For environmental impact considerations, there is no need to undertake new environmental studies. DoD Components may use all available environmental information regardless of when, how or for what purpose it was collected. If a DoD Component should choose to undertake a new environmental study, the study must collect the same information from all bases in the DoD Component's base structure, unless the study is designed to fill gaps in information so that all bases can be treated equally. Attachment 3 provides a sample of the reporting format used to summarize the environmental consequences of closure or realignment of an installation.

### Receiving Bases

DoD Components must identify receiving bases for large units or activities, including tenants which are to be relocated from closing or realigning bases. The COBRA model will calculate the costs for relocating such units or activities. DoD Components do not need to identify specific receiving bases for units or tenants with less than 100 civilian/military employees. Finding homes for these activities can be left to execution. However, DoD Components should establish a generic "base x" within the COBRA model to act as the surrogate receiving base for the aggregation of these smaller units or activities, in order to ensure completeness of cost and savings calculations.

### Reserve Enclaves

On each base designated for closure or realignment the future of guard and reserve units of all Military Departments residing on or receiving support from that base must be considered. Once a decision has been made to include an enclave or relocate guard and reserve units, the effected unit identifications must be included in the DoD Component's recommendations to the Secretary of Defense. Military construction and repair costs of fitting out an enclave for reserve component or guard use will be estimated.

### Community Preference

Military Departments and Defense Agencies must document the receipt of valid requests received under section 2924 of P.L. 101-510 and document the steps taken to give them special consideration. Such documentation is subject to review by the General Accounting Office, the Commission and the Congress.

### Release of Information

Public Law 101-510, as amended, established the Defense Base Closure and Realignment Commission to review the Secretary of Defense's recommendations for the closure or realignment of military installations and to conduct public hearings on the recommendations. Unless specifically required by law, data used by the DoD Components to analyze and evaluate military installations will not be released until the Secretary's recommendations have been forwarded to the Commission.

The General Accounting Office (GAO), however, has a special role in assisting the Commission in its review and analysis of the Secretary's recommendations and must also prepare a report detailing the Secretary's selection process. As such, the GAO will be provided, upon request, with as much information as possible without compromising the deliberative process. The Military Departments and Defense Agencies must keep records of all data provided to the GAO.

#### Actions With Multiple Installation Impacts

This expands the policy guidance on cumulative impacts on installations previously provided in ASD(P&L) Policy Memorandum One.

As the DoD Components review their base structure or conduct functional studies with base closure or realignment impacts, a determination must be made as to whether a review or study impacting more than one installation should be considered a single action under P.L. 101-510. To be considered a single action, the review or study must:

- (1) Result in the closure or realignment of at least one installation which would trigger the numerical thresholds of P.L. 101-510; and
- (2) Involve inextricably linked elements, in that failure to proceed with any one element of the action would require reevaluation of the entire action.

#### Reporting Formats

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*Col. McVitt*

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4. Report Format

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Environmental Impact Considerations

SUMMARY OF ENVIRONMENTAL CONSEQUENCES  
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Installation Name

Location

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**Name of Recommendation**  
(e g., John Q. Public Naval Air Facility, [State])

**Recommendation:** Describe what is to be closed and/or realigned; units, functions or organizations that will be eliminated or moved; identify the receiving installations, if applicable; and describe units functions or organizations that will remain on the base, if applicable.

**Justification:** Explain the reasons for the recommendation: i.e., force structure reductions, mission transfer, consolidation or elimination, excess capacity, etc., as applicable.

**Impact:** Describe the impact the recommendation will have on the local community's economy in terms of direct and indirect employment loss. Also include an estimate of the cost of implementing the recommendation and expected annual savings after implementation.





DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

56 FR 6374

February 15, 1991

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

**ACTION:** Final selection criteria.

**SUMMARY:** The Secretary of Defense, in accordance with section 2903(b), title XXIX, part A of the FY 1991 National Defense Authorization Act, is required to publish the proposed selection criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States.

**EFFECTIVE DATE:** February 15, 1991.

**FOR FURTHER INFORMATION CONTACT:** Mr. Jim Whittaker or Ms. Patricia Walker, Base Closure and Utilization, OASD(P&L), (703) 614-5356.

**TEXT:** SUPPLEMENTARY INFORMATION:

**A. Final Selection Criteria**

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations inside the United States under title XXIX, part A of the National Defense Authorization Act for Fiscal Year 1991 as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

#### **Impacts**

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.

#### **B. Analysis of Public Comments**

The Department of Defense (DoD) received 169 public comments in response to the proposed DoD selection criteria for closing and realigning military installations inside the United States. The public's comments can be grouped into four topics: General, military value, costs and "payback", and impacts. The following is an analysis of these comments.

##### **(1) General Comments**

(a) A substantial number of commentors expressed concern over the proposed criteria's broad nature and similarity to the 1988 Defense Secretary's Base Realignment and Closure Commission criteria. Many of the comments noted a need for objective measures or factors for the criteria. Some commentors also suggested various standard measures or factors for the criteria. The inherent mission diversity of the Military Departments and Defense Agencies (DoD Components) makes it impossible for DoD to specify detailed criteria, or objective measures or factors that could be applied to all bases within a Military Department or Defense Agency. We have provided the commentors' letters to each Military Department for their consideration. The similarity to the 1988 Base Closure Commission criteria is acknowledged. After reviewing the public comments we concluded that using similar criteria is appropriate.

(b) Many commentors noted that a correlation between force structure and the criteria was not present. The base closure and realignment procedures mandated by title XXIX, part A, of the National Defense Authorization Act for Fiscal Year 1991 (the Act) require that the Secretary of Defense's recommendations for closure and realignment be founded on the force structure plan and the final criteria required by the Act. DoD's analytical and decision processes for applying the final criteria will be based on the force structure plan. The military value criteria provide the connection to the force structure plan.

(c) Many commentors noted the need for more detailed information on how DoD would implement the base closure procedures required by the Act. A recurrent suggestion was to group like bases into categories for analysis. In response to this comment and suggestion, and to respond to the general comments (a) and (b) above, we have issued policy guidance to the Military Departments and Defense Agencies on the base closure process. This guidance requires them to:

— **Treat all bases equally:** They must consider all bases equally in selecting bases for closure or realignment under the Act, without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department. This policy does not apply to closures or realignments that fall below the thresholds established by the Act or to the 86 bases closed under Public Law 100-526;

— **Categorize bases:** They must categorize bases with like missions, capabilities and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other; and

— **Perform a capacity analysis:** They must link force structure changes described in the force structure plan with the existing force and bases structure, to determine if a potential for closure or realignment exists. In the event a determination is made that no excess capacity exists in a category, then there will be no need to continue the analysis of that category, unless there is a military value or other reason to continue the analysis;

— **Develop and Use Objective Measures/Factors:** They must develop and use objective measures or factors within categories for each criterion, whenever feasible. We recognize that it will not always be possible to develop appropriate objective measures or factors, and that measures/factors (whether they be objective or subjective) may vary for different categories of bases.

(d) A number of commentors recommended assigning specific weights to individual criteria. It would be impossible for DoD to specify weights for each criterion that could be applied across the board to all bases, again due to the mission diversity of the Military Departments and Defense Agencies. It appears from the comments that numbering the criteria may have been mistaken as an order of precedence associated with individual criteria. We do not intend to assign an

order of precedence to an individual criterion, other than to give priority to the first four.

(e) Several commentors gave various reasons why a particular installation should be eliminated from any closure or realignment evaluation. Public Law 101-510 directs DoD to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the threshold of section 2687, title 10, U.S. Code. Public Law 100-526 implemented the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure. We have issued guidance to the DoD Components instructing them to consider all bases equally, this includes those previously nominated for study in the Defense Secretary's January 29, 1990, base realignment and closure announcement that are above the thresholds established in the Act. Conversely, we did not receive any requests that a particular installation be closed or realigned pursuant to section 2924 of Public Law 101-510.

(f) A number of commentors noted a need for more management controls over data collection to ensure accuracy of data. We agree with this recommendation and have issued guidance that requires the DoD Components to develop and implement internal controls, consistent with their organizational and program structure, to ensure the accuracy of data collection and analyses being performed. This guidance incorporates the lessons learned from the General Accounting Office's review of the 1988 Base Closure Commission's work.

(g) After detailed consideration of all comments, we have determined that some of the criteria may have been unclear. We have revised the criteria for additional clarity.

(h) Some of the early comments we received recommended extending the original December 31, 1990, public comment deadline. We agreed and extended the public comment period to January 24, 1991. In addition, we accepted for consideration 19 public comments received after the January 24, 1991, deadline.

## (2) Military Value Comments

(a) A majority of comments received supported DoD's decision to give priority consideration to the military value criteria. In the aggregate, military value refers to the collection of attributes that describe how well a base supports its assigned force structure and missions.

(b) Several commentors recommended that National Guard and Reserve Component forces be included as part of DoD's base closure analysis. The Department's total force concept includes National Guard and Reserve Component forces, and these forces will be reflected in the force structure plan required by the Act for this base closure process. To clarify that point, criteria number one and

three were amended.

(c) Some commentors recommended DoD apply the military value criteria without regard to the DoD component currently operating or receiving the services of the base. The commentors noted that this would maximize utilization of Defense assets and therefore improve the national security. We agree with this comment. DoD must retain its best bases and where there is a potential to consolidate, share or exchange assets, that potential will be pursued. We also recognize that this potential does not exist among all categories of bases and that the initial determination of the military value of bases must be made by the DoD Component currently operating the base. Consequently, we have left the military value criteria general in nature and therefore applicable DoD-wide, where appropriate. We have also issued guidance to the DoD Components that encourages inter-service and multi-service asset sharing and exchange. Finally, we will institute procedures to ensure each DoD Component has the opportunity to improve the military value of its base structure through analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the thresholds of section 2687, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) ~~Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.~~

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value

consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number

three accordingly.

(h) One commentor recommended retaining all bases supporting operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### **(3) Cost and "Payback" Comments**

(a) Some commentors recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentors noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Components have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentors recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental

restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

#### **(4) Impacts Comments**

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plans, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing

and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commentors questioned the meaning of criterion number nine. "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (Increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

### C. Previous Federal Register References

(1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR53586, December 31, 1990: Extend comment period on proposed selection criteria.

D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 11, 1991.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
[FR Doc. 91-3645 Filed 2-14-91; 8:45 am]





PRODUCTION AND  
LOGISTICS

## ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-8000

February 13, 1991

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
COMPTROLLER  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Base Closure Policy Memorandum Two -- Review  
Requirements, Responsibilities and Controls

### Background

Title XXIX, Part A of the National Defense Authorization Act for Fiscal Year 1991 (the Act) establishes procedures for closing and realigning bases. The Deputy Secretary's memorandum of December 10, 1990, established procedures for implementing the provisions of the Act. This memorandum is the second in a series of additional policy guidance for implementation of the Act. The first policy memorandum was dated January 7, 1991.

### Final Criteria

The Deputy Secretary has approved the final criteria for recommending the closure or realignment of military installations inside the United States under the Act. The final criteria are at attachment (1).

### Categories of Bases

The first step in the process of evaluating your base structure for potential closures and realignments must involve grouping bases with like missions or capabilities/attributes into categories, and when applicable, subcategories. Categorizing bases is the necessary link between the forces described in the Force Structure Plan and the base structure. Determining appropriate categories of bases is a Service and Defense Agency responsibility.

### Capacity Analysis

Should you determine there is no excess capacity in a category/subcategory, you do not need to continue analyzing that portion of your base structure, unless there is a military value or other reason to continue the analysis.

Conversely, if you recommend a base for closure or realignment, your analysis must have considered all bases within that category/subcategory, as well as cross-category opportunities. If in applying the military value criteria, you find bases that are militarily/geographically unique or mission-essential (such that no other base could substitute for them) you may justify that fact and exclude these bases from further analysis.

### Criteria Measures/Factors

You must develop and use one or more measures/factors for analyzing each of the final criteria. We recognize that it will not always be possible to develop appropriate objective and quantifiable measures or factors, and that they may vary for different categories of bases (whether they be objective or subjective).

### Cross-Category/Multi-Service Opportunities

As you analyze your base structure, you should continually look for cross-category opportunities, and coordinate and cooperate with your sister Services and Defense Agencies to pursue multi-service asset sharing or exchange.

### Internal Controls

Services and Defense Agencies must develop and implement an internal-control plan for these base structure reviews to ensure the accuracy of data collection and analyses. At a minimum, your plan should include:

- o Uniform guidance defining data requirements and sources for each category of base,
- o Systems for verifying accuracy of data,
- o Documentation justifying any changes made to data submissions, and
- o Procedures to check the accuracy of the analyses made from the data provided.

### Costs and Savings

Specific instructions follow for the calculation of health care costs, unemployment costs, and environmental costs and savings.

- o CHAMPUS Costs. Base closures and realignments can impact CHAMPUS costs DoD-wide. These net cost impacts must be included in your analysis, regardless of which Military Department may eventually have to budget for such costs.

- o Unemployment Costs. The Services and Defense Agencies annually budget unemployment contributions to the Federal Employees Compensation Account for DoD military and civilian employees. You should include the contributions attributable to closures and realignments in your cost calculations.

- o Environmental Costs and Savings. Environmental Restoration costs at closing bases are not to be considered in your cost calculations. DoD has a legal obligation for environmental restoration, regardless of whether a base is closed or realigned. Where installations have unique contamination problems requiring environmental restoration, these will be considered as a potential limitation on near-term community reuse of the installation.

On the other hand, environmental compliance costs or savings can be factors in a base closure or realignment decision. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. Conversely, environmental compliance costs may be a consideration in determining appropriate closure, realignment or receiving location options.

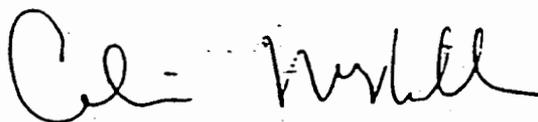
### Return on Investment

Return on investment must be calculated, considered and reported with your justifications for each recommended closure or realignment package. All costs and savings attributable over time to a closure or realignment package should be calculated, including costs or savings at receiving locations. Costs or savings elements that are identified, but determined to be insignificant, need not be calculated. However, your records should indicate that determination.

We have been working to improve the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission. It shall be used for your return on investment calculations. Attachment two provides additional guidance on the model and return on investment calculations.

### Impacts

Attachment three provides guidance on the calculation of economic impact on closing, realigning and receiving communities. Attachment four provides guidance on environmental impact considerations at closing, realigning and receiving locations, in addition to the environmental costs and savings considerations above.



Colin McMillan  
Assistant Secretary of Defense  
(Production and Logistics)

### Attachments

1. Final Criteria
2. Return on Investment Calculations
3. Economic Impact Calculations
4. Environmental Impact Considerations

## Final Criteria

The final criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States under Title XXIX, Part A of the National Defense Authorization Act for Fiscal Year 1991 are as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

### **Military Value**

1. The ~~current and future mission~~ requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

### **Impacts**

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.

### Return on Investment Calculations

The Cost of Base Realignment Actions (COBRA) model (used by the 1988 Base Closure Commission) is a useful tool to calculate return on investment for closure and realignment options. The model does not produce budget quality data. The model uses standard cost factors and algorithms to estimate costs and savings over time. It then calculates return on investment years and the 20-year net present value of a closure or realignment package.

In order to ensure consistency in methodology, Services and Defense Agencies shall use the improved COBRA model developed under the sponsorship of the Army's Total Army Basing Study (TABS) office. We recognize that Service and Defense Agency planning and accounting mechanisms are sufficiently different to warrant Service/Agency specific standard cost factors. Your documentation must justify use of such cost factors.

Return on Investment can be calculated as follows:

- 1) Array all the calculated costs and savings by fiscal year for the closure or realignment option. Costs and savings should be arrayed uninflated for 20 years.
- 2) Discount each year of the net costs or savings using a 10 percent discount rate.
- 3) Determine the fiscal year the closure or realignment is completed.\*
- 4) Count the number of years, after the year of completion, it takes for the net present value to reach zero or become negative. This number is the return on investment years.
- 5) Sum the discounted net costs/savings for the 20-year period. This sum is the 20-year net present value.

OMB Circular A-94 applies to these calculations, in general, by specifying a 10 percent discount rate and zero percent inflation. Final criterion number five specifically applies to return on investment. If you have any questions, please call Mr. Dom Miglionico on (703) 697-8048 (AV 227-8048).

- \* The year of the closure is defined as the year in which the majority of personnel have left, and the mission and functions cease to be performed at the installation. For these calculations, a closure or realignment can be considered complete even if the installation is in caretaker status.

### Economic Impact Calculations

The 1988 Base Closure Commission calculated economic impact by measuring the decrease or increase in direct employment in a community, county, or standard metropolitan district that would result at closing or realigning bases or at receiving locations. The General Accounting Office, in their review of the Commission's work, recommended that indirect employment impacts also be considered.

Economic impact on communities will be measured by the direct and indirect effect on employment at closing and realigning bases, as well as at receiving locations.

The Office of Economic Adjustment (OEA) will develop computerized spreadsheets based on the formulae and rationale used in 1988, with the addition of appropriate multipliers to measure indirect economic impacts. OEA will provide a description of how they developed the formulae, rationale and multipliers, and how they are used in the calculations.

The Services and Defense Agencies will be responsible for determining changes in military, civilian and contractor (local on-base contracts only) employment at each base. This is the direct employment impact. The OEA spreadsheets have a place for entry of this data which will be a Service and Defense Agency responsibility. Once entered, the computerized spreadsheet will calculate the economic impact (the direct and indirect effect on employment) of the closure or realignment for each affected installation.

Environmental Impact Considerations

SUMMARY OF ENVIRONMENTAL CONSEQUENCES

RESULTING FROM CLOSURE/REALIGNMENT ACTION AT:

Installation Name

Location

(Provide a summary statement and status for the following environmental attributes at each installation affected by the closure/realignment action, including receiving installations. These key environmental attributes are not meant to be all inclusive. Others may be added as appropriate.)

- o Threatened or Endangered Species
- o Wetlands
- o Historic or archeological sites
- o Pollution Control
- o Hazardous Materials/Wastes
- o Land and Air Uses
- o Programmed Environmental Costs/Cost Avoidances

DEPARTMENT OF DEFENSE  
Office of the Secretary  
AGENCY: Department of Defense (DoD).

57 FR 59334

December 15, 1992

Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States

**ACTION:** Notice of Final Selection Criteria.

**SUMMARY:** The Secretary of Defense, in accordance with Section 2903(b), Public Law 101-510, as amended, published in the February 15, 1991, Federal Register the Final Selection Criteria to be used in making recommendations for the closure and realignment of military installations inside the United States. These final criteria became effective on February 15, 1991. The final criteria published at that time will be used again, unchanged, by the Department of Defense to make recommendations that will be reviewed by the 1993 Defense Base Closure and Realignment Commission. This notice republishes those criteria. FOR FURTHER INFORMATION CONTACT: Mr. Peter Potochney or Colonel Kirby Allen, OASD (P&L), (703) 697-8048.

**TEXT:** SUPPLEMENTARY INFORMATION:

**A. Final Selection Criteria**

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations in accordance with Public Law 101-510, as amended, follow:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

**Military Value**

1. The current and future mission requirements and the impact on operational readiness of the Department of Defense'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. The cost and 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.

### **Impacts**

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.

### **B. Background Information**

The February 15, 1991 Federal Register notice contained an analysis of public comments received and a description of the changes DoD made to the proposed criteria published in a November 30, 1990 Federal Register Notice. DoD received 169 public comments in response to the proposed criteria and request for comments. The proposed criteria were appropriately amended based on these comments. The final criteria were accepted by Congress in 1991 and served well in the 1991 effort. They will therefore be used again, unchanged, by the Department of Defense to make recommendations to the 1993 Defense Base Closure and Realignment Commission.

### **C. Previous Federal Register References**

(1) 55 FR 49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR 53536, December 31, 1990: Extend comment period on proposed selection criteria.

(3) 56 FR 6374, February 15, 1991: Publish selection criteria and analysis of comments.

Dated: December 11, 1992.

L.M. Bynum,

Alternate OSD Federal Register, Liaison Officer, Department of Defense.  
[FR Doc. 92-30523 Filed 12-11-92; 2:35 pm]



analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-528 or those falling below the thresholds of section 2887, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number three accordingly.

(h) One commentor recommended retaining all bases supporting operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### (3) Cost and "Payback" Comments

(a) Some commentors recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentors noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Components have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentors recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in

order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

### (4) Impacts Comments

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plans, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commentors questioned the meaning of criterion number nine, "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

#### C. Previous Federal Register References

(1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.

(2) 55 FR53538, December 31, 1990: Extend comment period on proposed selection criteria.

#### D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 11, 1991.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 91-3645 Filed 2-14-91; 8:45 am]  
BILLING CODE 5010-07-M

#### Department of the Army

##### Environmental Assessment: Exoatmospheric Discrimination Experiment (EDX) Program

AGENCY: U.S. Army Strategic Defense Command (USASDC); DOD.

COOPERATING AGENCY: Strategy Defense Initiative Organization, DOD U.S. Department of the Navy, DOD.

ACTION: Notice of Availability of finding of no significant impact.

**SUMMARY:** Pursuant to the Council on Environmental Quality regulations for implementing the procedural provisions of the National Environmental Policy Act (40 CFR parts 1500-1508), Army Regulation 200-2, Chief of Naval Operations Instruction 5090.1, and the Department of Defense (DOD) Directive 6050.1 on Environmental Effects in the United States of DOD actions, the USASDC has conducted an assessment of the potential environmental consequences of conducting EDX program activities for the Strategic Defense Initiative Organization. The Environmental Assessment considered all potential impacts of the proposed action alone and in conjunction with ongoing activities. The finding of no significant impact summarizes the results of the evaluations of EDX activities at the proposed installations. The discussion focuses on those locations where there was a potential for significant impacts and mitigation measures that would reduce the potential impact to a level of no significance. Alternatives to the EDX launch facility were examined early in the siting process but were eliminated as unreasonable. A no-action alternative was also considered. The Environmental Assessment resulted in a finding of no significant impact. Construction will proceed as scheduled, however, due to budgetary constraints, the flight program implementation has been delayed. When the flight schedule becomes firm, this document will be reviewed and revised, as necessary, in light of any changes to the program.

**DATES:** Written comments are required by March 18, 1991.

**POINT OF CONTACT:** Mr. D.R. Gallien, Address: U.S. Army Strategic Defense Command, CSSD-EN, Post Office Box 1500, Huntsville, AL 35807-3801, Fax (205) 955-3658.

**SUPPLEMENTARY INFORMATION:** The USASDC was assigned the mission of acquiring critical mid-course data on ballistic missile re-entry vehicles and decoys; EDX would accomplish this mission. The EDX program would use

the ARIES booster to launch a suborbital sensor into space to observe a target ballistic missile re-entry complex during the mid-course phase of its flight. The proposed EDX program would involve nine flights over three years from two different launch sites after October 1993: The target complex would be released from a MINUTEMAN I missile launched from Vandenberg Air Force Base, California and the EDX booster and sensor payload vehicle would be launched from the Kauai Test Facility (KTF), located on the Pacific Missile Range Facility (PMRF), Kauai, Hawaii. Current launch activities would continue, however, public access through these areas would be limited for a total of less than 1 day over a three year period.

The EDX program would include a number of activities to be conducted at seven different sites. These activities are categorized as design, fabrication/assembly/testing, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, data analysis, and site maintenance/disposition. The locations and types of EDX activities are Vandenberg Air Force Base, California/Western Test Range, flight preparation, launch/flight/data collection; Pacific Missile Range Facility, Kauai, Hawaii, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, site maintenance/disposition; Sandia National Laboratories, New Mexico, design, fabrication/assembly/testing; U.S. Army Kwajalein Atoll, Republic of the Marshall Islands, flight preparation, launch/flight/data collection; Hill Air Force Base, Utah, fabrication/assembly/testing; Space Dynamics Laboratory, Utah State University, Logan, Utah, design, fabrication/assembly/testing, data analysis; and Boeing Aerospace and Electronics, Kent Space Center, Kent, Washington, design, fabrication/assembly/testing, sensor payload vehicle refurbishment, data analysis.

To determine the potential for significant environmental impacts as a result of the EDX program, the magnitude and frequency of the tests that would be conducted at the proposed locations were compared to the current activities and existing conditions at those locations. To assess possible impacts, each activity was evaluated in the context of the following environmental components: Air quality, biological resources, cultural resources, hazardous materials/waste, infrastructure, land use, noise, public

Federal Government under 41 U.S.C. 48-  
49c and 41 CFR 51-2.6.

I certify that the following actions will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

- The action will not result in any additional reporting, recordkeeping or other compliance requirements.
- The action will not have a serious economic impact on any contractors for the service listed.
- The action will result in authorizing small entities to provide the service procured by the Government.

Accordingly, the following service is hereby added to the Procurement List: Commissary Shelf Stocking & Custodial, Fitzsimmons Army Medical Center, Denver, Colorado.

This action does not affect contracts awarded prior to the effective date of this addition or options exercised under those contracts.

E.R. Alley, Jr.,  
Deputy Executive Director.

[FR Doc. 91-3704 Filed 2-14-91; 8:45 am]  
BILLING CODE 6350-33-M

#### Procurement List Proposed Additions

**AGENCY:** Committee for Purchase from the Blind and Other Severely Handicapped.

**ACTION:** Proposed additions to procurement list.

**SUMMARY:** The Committee has received proposals to add to the Procurement List commodities to be produced and services to be provided by workshops for the blind or other severely handicapped.

**COMMENTS MUST BE RECEIVED ON OR BEFORE:** March 18, 1991.

**ADDRESSES:** Committee for Purchase from the Blind and Other Severely Handicapped, Crystal Square 5, suite 1107, 1755 Jefferson Davis Highway, Arlington, Virginia 22202-3509.

**FOR FURTHER INFORMATION CONTACT:** Beverly Millman, (703) 557-1145.

**SUPPLEMENTARY INFORMATION:** This notice is published pursuant to 41 U.S.C. 47(a)(2) and 41 CFR 51-2.6. Its purpose is to provide interested persons an opportunity to submit comments on the possible impact of the proposed actions.

If the Committee approves the proposed additions, all entities of the Federal Government will be required to procure the commodities and services listed below from workshops for the blind or other severely handicapped. It is proposed to add the following

commodities and services to the Procurement List:

#### Commodities

*Case Ear Plug*  
6345-01-212-9452  
(Remaining 20 percent of Government's Requirement)

*Wash Kit, Personal*  
7360-00-139-1063

#### Bag Parts

8105-LL-800-0208  
8105-LL-800-0209  
8105-LL-800-0210  
8105-LL-800-0274  
8106-LL-800-0676  
(Requirements of Mare Island Naval Shipyard, CA)

#### Services

Janitorial/Custodial, Department of the Army, Coralville Reservoir, Coralville Lake, Iowa.

Janitorial/Custodial, Internal Revenue Service Center, 3651 South Interregional Highway 35, Austin, Texas  
Sanding and Ciling Picnic Tables, Deschutes National Forest, Bend Ranger District, Bend, Oregon.

E.R. Alley, Jr.,  
Deputy Executive Director.

[FR/Doc. 91-3705 Filed 2-14-91; 8:45 am]  
BILLING CODE 6350-33-M

## DEPARTMENT OF DEFENSE

### Office of the Secretary

**Department of Defense Selection Criteria for Closing and Realigning Military Installations Inside the United States**

**AGENCY:** Department of Defense (DoD).  
**ACTION:** Final selection criteria.

**SUMMARY:** The Secretary of Defense, in accordance with section 2903(b), title XXX, part A of the FY 1991 National Defense Authorization Act, is required to publish the proposed selection criteria to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States.  
**EFFECTIVE DATE:** February 18, 1991.

**FOR FURTHER INFORMATION CONTACT:** Mr. Jim Whittaker or Ms. Patricia Walker, Base Closure and Utilization, OASD(P&L), (703) 614-5356.

#### SUPPLEMENTARY INFORMATION:

##### A. Final Selection Criteria

The final criteria to be used by the Department of Defense to make recommendations for the closure or realignment of military installations inside the United States under title

XXIX, part A of the National Defense Authorization Act for Fiscal Year 1991 as follows:

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

#### Military Value

- The current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.
- The availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.
- The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
- The cost and manpower implications.

#### Return on Investment

- 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.

#### Impacts

- The economic impact on communities.
- The ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.
- The environmental impact.

#### B. Analysis of Public Comments

The Department of Defense (DoD) received 169 public comments in response to the proposed DoD selection criteria for closing and realigning military installations inside the United States. The public's comments can be grouped into four topics: General, military value, costs and "payback", and impacts. The following is an analysis of these comments.

##### (1) General Comments

(a) A substantial number of commenters expressed concern over the proposed criteria's broad nature and similarity to the 1988 Defense Secretary's Base Realignment and Closure Commission criteria. Many of the comments noted a need for objective measures or factors for the criteria. Some commenters also suggested various standard measures or factors for

the criteria. The inherent mission diversity of the Military Departments and Defense Agencies (DoD Components) makes it impossible for DoD to specify detailed criteria, or objective measures or factors that could be applied to all bases within a Military Department or Defense Agency. We have provided the commentators' letters to each Military Department for their consideration. The similarity to the 1988 Base Closure Commission criteria is acknowledged. After reviewing the public comments we concluded that using similar criteria is appropriate.

(b) Many commentators noted that a correlation between force structure and the criteria was not present. The base closure and realignment procedures mandated by title XXIX, part A, of the National Defense Authorization Act for Fiscal Year 1991 (the Act) require that the Secretary of Defense's recommendations for closure and realignment be founded on the force structure plan and the final criteria required by the Act. DoD's analytical and decision processes for applying the final criteria will be based on the force structure plan. The military value criteria provide the connection to the force structure plan.

(c) Many commentators noted the need for more detailed information on how DoD would implement the base closure procedures required by the Act. A recurrent suggestion was to group like bases into categories for analysis. In response to this comment and suggestion, and to respond to the general comments (a) and (b) above, we have issued policy guidance to the Military Departments and Defense Agencies on the base closure process. This guidance requires them to:

- Treat all bases equally: They must consider all bases equally in selecting bases for closure or realignment under the Act, without regard to whether the installation has been previously considered or proposed for closure or realignment by the Department. This policy does not apply to closures or realignments that fall below the thresholds established by the Act or to the 86 bases closed under Public Law 100-526;

- Categorize bases: They must categorize bases with like missions, capabilities and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other; and

- Perform a capacity analysis: They must link force structure changes described in the force structure plan with the existing force and bases structure, to determine if a potential for closure or realignment exists. In the

event a determination is made that no excess capacity exists in a category, then there will be no need to continue the analysis of that category, unless there is a military value or other reason to continue the analysis;

- Develop and Use Objective Measures/Factors: They must develop and use objective measures or factors within categories for each criterion, whenever feasible. We recognize that it will not always be possible to develop appropriate objective measures or factors, and that measures/factors (whether they be objective or subjective) may vary for different categories of bases.

(d) A number of commentators recommended assigning specific weights to individual criteria. It would be impossible for DoD to specify weights for each criterion that could be applied across the board to all bases, again due to the mission diversity of the Military Departments and Defense Agencies. It appears from the comments that numbering the criteria may have been mistaken as an order of precedence associated with individual criteria. We do not intend to assign an order of precedence to an individual criterion, other than to give priority to the first four.

(e) Several commentators gave various reasons why a particular installation should be eliminated from any closure or realignment evaluation. Public Law 101-510 directs DoD to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the threshold of section 2887, title 10, U.S. Code. Public Law 100-526 implemented the recommendations of the 1988 Defense Secretary's Commission on Base Realignment and Closure. We have issued guidance to the DoD Components instructing them to consider all bases equally; this includes those previously nominated for study in the Defense Secretary's January 29, 1990, base realignment and closure announcement that are above the thresholds established in the Act. Conversely, we did not receive any requests that a particular installation be closed or realigned pursuant to section 2924 of Public Law 101-510.

(f) A number of commentators noted a need for more management controls over data collection to ensure accuracy of data. We agree with this recommendation and have issued guidance that requires the DoD Components to develop and implement internal controls, consistent with their organizational and program structure, to ensure the accuracy of data collection and analyses being performed. This

guidance incorporates the lessons learned from the General Accounting Office's review of the 1988 Base Closure Commission's work.

(g) After detailed consideration of all comments, we have determined that some of the criteria may have been unclear. We have revised the criteria for additional clarity.

(h) Some of the early comments we received recommended extending the original December 31, 1990, public comment deadline. We agreed and extended the public comment period to January 24, 1991. In addition, we accepted for consideration 19 public comments received after the January 24, 1991, deadline.

#### (2) Military Value Comments

(a) A majority of comments received supported DoD's decision to give priority consideration to the military value criteria. In the aggregate, military value refers to the collection of attributes that describe how well a base supports its assigned force structure and missions.

(b) Several commentators recommended that National Guard and Reserve Component forces be included as part of DoD's base closure analysis. The Department's total force concept includes National Guard and Reserve Component forces, and these forces will be reflected in the force structure plan required by the Act for this base closure process. To clarify that point, criteria number one and three were amended.

(c) Some commentators recommended DoD apply the military value criteria without regard to the DoD component currently operating or receiving the services of the base. The commentators noted that this would maximize utilization of Defense assets and therefore improve the national security. We agree with this comment. DoD must retain its best bases and where there is a potential to consolidate, share or exchange assets, that potential will be pursued. We also recognize that this potential does not exist among all categories of bases and that the initial determination of the military value of bases must be made by the DoD Component currently operating the base. Consequently, we have left the military value criteria general in nature and therefore applicable DoD-wide, where appropriate. We have also issued guidance to the DoD Components that encourages inter-service and multi-service asset sharing and exchange. Finally, we will institute procedures to ensure each DoD Component has the opportunity to improve the military value of its base structure through

analysis of potential exchanges of bases with other DoD Components.

(d) Some commentors recommended we include the availability of airspace in our considerations of military value. We agree and have revised criterion number two accordingly.

(e) Several commentors requested a geographic balance be maintained when considering installations for realignment or closure. DoD is required by Public Law 101-510 to evaluate all installations equally, exclusive of those covered under Public Law 100-526 or those falling below the thresholds of section 2887, title 10, U.S. Code. However, some measures of military value do have a geographic component and therefore military mission requirements can drive geographic location considerations.

(f) Some commentors recommended that the availability of trained civil service employees be considered as well as the capacity of the private sector to support or perform military missions. DoD's civil service employees are an integral part of successful accomplishment of defense missions, as are defense contractors whether they be nationally or locally based. To the extent that the availability of trained civilian or contractor work forces influences our ability to accomplish the mission, it is already included in criteria number one and four.

(g) Several commentors recommended that mobilization potential of bases be considered and that those bases required for mobilization be retained. Contingency and mobilization requirements are an important military value consideration and were already included in criterion number three. The potential to accommodate contingency and mobilization requirements is a factor at both existing and potential receiving locations, and we have amended criterion number three accordingly.

(h) One commentor recommended retaining all bases supporting operation Desert Shield/Storm and another recommended including overseas bases. DoD must balance its future base structure with the forces described in the force structure plan, and not on the current basing situation. Some forces currently supporting Operation Desert Storm are scheduled for drawdown between 1991 and 1997. DoD must adjust its base structure accordingly. Overseas bases will also be closed in the future as we drawdown DoD's overseas forces. However, Congress specifically left overseas base closures out of the base closure procedures established by the Act.

### (3) Cost and "Payback" Comments

(a) Some commentors recommended calculating total federal government costs in DoD's cost and "payback" calculations. A number of such comments gave as examples of federal government costs, health care and unemployment costs. The DoD Components annually budget for health care and unemployment costs. We have instructed the DoD Components to include DoD costs for health care and unemployment, associated with closures or realignments, in the cost calculations.

(b) Several commentors noted the absence of a "payback" period and some felt that perhaps eight or ten years should be specified. We decided not to do this; we did not want to rule out making changes that were beneficial to the national security that would have longer returns on investment. The 1988 Base Closure Commission felt that a six-year "payback" unnecessarily constrained their choices. The DoD Componentes have been directed to calculate return on investment for each closure or realignment recommendation, to consider it in their deliberations, and to report it in their justifications. Criterion number five has been amended accordingly.

(c) Some commentors recommended including environmental clean-up costs in base closure cost and payback calculations. Some also noted that the cost of environmental clean-up at a particular base could be so great that the Department should remove the base from further closure consideration.

The DoD is required by law to address two distinctly different types of environmental costs.

The first cost involves the clean-up and disposal of environmental hazards in order to correct past practices and return the site to a safe condition. This is commonly referred to as environmental restoration. DoD has a legal obligation under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act for environmental restoration at sites, regardless of a decision to close a base. Therefore, these costs will not be considered in DoD's cost calculations. Where installations have unique contamination problems requiring environmental restoration, these will be identified as a potential limitation on near-term community reuse of the installation.

The second cost involves ensuring existing practices are in compliance with the Clean Air, Clean Water, Resource Conservation and Recovery Act, and other environmental acts, in

order to control current and future pollution. This is commonly referred to as environmental compliance. Environmental compliance costs can potentially be avoided by ceasing the existing practice through the closure or realignment of a base. On the other hand, environmental compliance costs may be a factor in determining appropriate closure, realignment, or receiving location options. In either case, the environmental compliance costs or cost avoidances may be a factor considered in the cost and return on investment calculations. The Department has issued guidance to the DoD Components on this issue.

(d) Some commentors recommended DoD change the cost and "payback" criteria to include uniform guidelines for calculating costs and savings. We agree that costs and savings must be calculated uniformly. We have improved the Cost of Base Realignment Actions (COBRA) model used by the 1988 Base Closure Commission and have provided it to the DoD Components for calculations of costs, savings, and return on investment.

### (4) Impacts Comments

(a) Many commentors were concerned about social and economic impacts on communities and how they would be factored into the decision process. We have issued instructions to the DoD Components to calculate economic impact by measuring the effects on direct and indirect employment for each recommended closure or realignment. These effects will be determined by using statistical information obtained from the Departments of Labor and Commerce. This is consistent with the methodology used by the 1988 Base Closure Commission to measure economic impact. We incorporated the General Accounting Office's suggested improvements for calculation of economic impact. DoD will also determine the direct and indirect employment impacts on receiving bases. We have amended criterion number six to reflect this decision.

(b) The meaning of criterion number seven, "the community support at the receiving locations" was not clear to several commentors. Some wondered if that meant popular support. Others recognized that this criterion referred to a community's infrastructure such as roads, water and sewer treatment plants, schools and the like. To clarify this criterion, we have completely re-written it, while also recognizing that a comparison must be made for both the existing and potential receiving communities.

(c) Many commentors asked how environmental impacts would be considered. As we stated in topic 3(c), DoD will consider certain environmental costs. In addition, we have instructed the DoD Components to consider, at a minimum, the following elements when analyzing environmental consequences of a closure or realignment action:

- Threatened and endangered species
- Wetlands
- Historic and Archeological sites
- Pollution Control
- Hazardous Materials/Wastes
- Land and Air uses
- Programmed environmental costs/cost avoidances

(d) A number of commentors questioned the meaning of criterion number nine, "The implementation process involved". The intent of this criterion was to describe the implementation plan, its milestones, and the DoD military and civilian employee adjustments (increases and decreases) at each base, that would result through implementation of the closure or realignment. After further consideration, we have determined that developing the implementation plan is a necessary requirement and conclusion of applying the other eight criteria. A description of the implementation plan, while important to the understanding the recommended closure or realignment, is not in itself a specific criterion for decisionmaking. Consequently, we have deleted criterion number nine. We have instructed the Military Departments and Defense Agencies to include a description of their implementation plans for each recommended closure or realignment, as part of the justification to be submitted to the Commission.

#### C. Previous Federal Register References

- (1) 55 FR49679, November 30, 1990: Proposed selection criteria and request for comments.
- (2) 55 FR53536, December 31, 1990: Extend comment period on proposed selection criteria.

#### D. Paperwork Reduction Act

The Paperwork Reduction Act (Pub. L. 96-511) does not apply.

Dated: February 12, 1991.

L.M. Bynum.

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 91-3645 Filed 2-14-91; 8:45 am]

BILLING CODE 5010-01-M

#### Department of the Army

##### Environmental Assessment: Exoatmospheric Discrimination Experiment (EDX) Program

AGENCY: U.S. Army Strategic Defense Command (USASDC); DOD.

COOPERATING AGENCY: Strategy Defense Initiative Organization, DOD U.S. Department of the Navy, DOD.

ACTION: Notice of Availability of finding of no significant impact.

**SUMMARY:** Pursuant to the Council on Environmental Quality regulations for implementing the procedural provisions of the National Environmental Policy Act (40 CFR parts 1500-1508), Army Regulation 200-2, Chief of Naval Operations Instruction 5060.1, and the Department of Defense (DOD) Directive 6050.1 on Environmental Effects in the United States of DOD actions, the USASDC has conducted an assessment of the potential environmental consequences of conducting EDX program activities at the Strategic Defense Initiative Organization. The Environmental Assessment considered all potential impacts of the proposed action alone and in conjunction with ongoing activities. The finding of no significant impact summarizes the results of the evaluations of EDX activities at the proposed installations. The discussion focuses on those locations where there was a potential for significant impacts and mitigation measures that would reduce the potential impact to a level of no significance. Alternatives to the EDX launch facility were examined early in the siting process but were eliminated as unreasonable. A no-action alternative was also considered. The Environmental Assessment resulted in a finding of no significant impact. Construction will proceed as scheduled, however, due to budgetary constraints, the flight program implementation has been delayed. When the flight schedule becomes firm, this document will be reviewed and revised, as necessary, in light of any changes to the program.

**DATES:** Written comments are required by March 18, 1991.

**POINT OF CONTACT:** Mr. D.R. Gallen, Address: U.S. Army Strategic Defense Command, CSSD-EN, Post Office Box 1500, Huntsville, AL 35807-3801, Fax (205) 855-3858.

**SUPPLEMENTARY INFORMATION:** The USASDC was assigned the mission of acquiring critical mid-course data on ballistic missile re-entry vehicles and decoys; EDX would accomplish this mission. The EDX program would use

the ARIES booster to launch a suborbital sensor into space to observe a target ballistic missile re-entry complex during the mid-course phase of its flight. The proposed EDX program would involve nine flights over three years from two different launch sites after October 1993: The target complex would be released from a MINUTEMAN I missile launched from Vandenberg Air Force Base, California and the EDX booster and sensor payload vehicle would be launched from the Kauai Test Facility (KTF), located on the Pacific Missile Range Facility (PMRF), Kauai, Hawaii. Current launch site activities would continue, however, public access through these areas would be limited for a total of less than 1 day over a three year period.

The EDX program would include a number of activities to be conducted at seven different sites. These activities are categorized as design, fabrication/assembly/testing, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, data analysis, and site maintenance/disposition. The locations and types of EDX activities are: Vandenberg Air Force Base, California/Western Test Range, flight preparation, launch/flight/data collection; Pacific Missile Range Facility, Kauai, Hawaii, construction, flight preparation, launch/flight/data collection, payload recovery, sensor payload vehicle refurbishment, site maintenance/disposition; Sandia National Laboratories, New Mexico, design, fabrication/assembly/testing; U.S. Army Kwajalein Atoll, Republic of the Marshall Islands, flight preparation, launch/flight/data collection; Hill Air Force Base, Utah, fabrication/assembly/testing; Space Dynamics Laboratory, Utah State University, Logan, Utah, design, fabrication/assembly/testing, data analysis; and Boeing Aerospace and Electronics, Kent Space Center, Kent, Washington, design, fabrication/assembly/testing, sensor payload vehicle refurbishment, data analysis.

To determine the potential for significant environmental impacts as a result of the EDX program, the magnitude and frequency of the tests that would be conducted at the proposed locations were compared to the current activities and existing conditions at those locations. To assess possible impacts, each activity was evaluated in the context of the following environmental components: Air quality, biological resources, cultural resources, hazardous materials/waste, infrastructure, land use, noise, public