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Tori and Craig
cro/s
3/652-2969

# SCHEDULE FOR THE BRAC COMMISSION

Monday, May 2, 2005

5:00

~~6:00~~ PM Meeting of Commissioners-designate. Remarks by Chairman Principi and review of the schedule for the week.
2521 South Clark St, Arlington, VA (Crystal City), 703-699-2952 or 703-932-1203 (c) (Across from Hilton)

7:00 PM Working dinner at Ruth's Chris Steak House, 2231 Crystal Drive, 11th Floor, Arlington, VA 22202, 703-979-7275

Remain Over Night (RON): Hilton Crystal City, 2399 South Clark St, Arlington, VA 22202, 703-418-6800

Tuesday, May 3, 2005

8:30 AM Commissioners assemble in hotel lobby for transport to Cannon Building

9:30 AM Hearing at US House of Representatives (House Cannon 334)
Swearing-in of Commissioners
Presentation on BRAC Schedule, Base Closure and Realignment Act of 1990 (as amended thru FY 05 Authorization Act, Review of BRAC criteria, lessons learned and previous BRAC results.
Witnesses: Congressional Research Service and
Government Accountability Office

12:30 PM Lunch as arranged

1:30 PM Hearing at US House of Representatives (House Cannon 334)

Current and Long Term Threat Confronting US National Security
Witness: Director of National Intelligence or his representatives

4:30 PM (abt) Commissioners transported back to hotel. Evening free.

RON: Hilton Crystal City

Wednesday, May 4, 2005

8:30 AM Commissioners assemble in hotel lobby for transport to Cannon Building

9:30 AM Hearing at US House of Representatives, House Cannon 334)

Force Structure Plan, Global Posture Review and SecDef Guidance on the Quadrennial Review
Witnesses: Secretary of Defense or his representatives
Chairman, JCS or his representatives
The plan is to move this hearing into a closed session for the classified portion.

12:30 PM Commissioners transported back to hotel.

**Monday, May 16, 2005 (NLT)** **SECDEF BRAC Recommendations Received**

Monday, May 16, 2005

1:30 PM Hearing at US Senate (Room TBD)
Presentation of Department of Defense BRAC Recommendations and Methodology
Witnesses: Panel One: Secretary of Defense
Chairman, Joint Chiefs of Staff
Panel Two: DoD Officials on Methodology

RON: Hyatt Regency Washington, 400 New Jersey Ave NW, Washington, D.C., 202-737-1234

Tuesday, May 17, 2005

9:30 AM Hearing at the US Senate
Presentation of Recommendations and Methodology – Air Force
Witnesses: Secretary of the Air Force
Chief of Staff
Designated Dept of the Air Force Officials

1:30 PM Hearing at the US Senate
Presentation of Recommendations and Methodology – Navy
Witnesses: Secretary of the Navy
Chief of Naval Operations
Commandant, Marine Corps
Designated Dept of the Navy and Marine Corps Officials

RON: Hyatt Regency Washington, 400 New Jersey Ave NW, Washington, D.C., 202-737-1234

Wednesday, May 18, 2005

9:30 AM Hearing at the US Senate
Presentation of Recommendations and Methodology – Army
Witnesses: Secretary of the Army
Chief of Staff
Designated Dept of the Army Officials

1:30 PM Hearing at the US Senate
Presentation of Recommendations and

Methodology – DoD's Joint Cross
Service Groups
Witnesses: Designated Dept of Defense Officials
RON: Hyatt Regency Washington, 400 New Jersey Ave NW, Washington, D.C., 202-737-1234

Thursday, May 19, 2005

9:30 AM Hearing at the US Senate
Presentation of Recommendations and
Methodology – DoD's Joint Cross
Service Groups
Witnesses: Designated Dept of Defense Officials

# DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990

**(As amended through FY 05 Authorization Act)**

## SEC. 2901. SHORT TITLE AND PURPOSE

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

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

## SEC. 2902. THE COMMISSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) approve or disapprove such a report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) The Secretaries of the military departments.

(ii) The heads of the Defense Agencies.

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

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

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

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

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

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

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

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

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

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

(iv) conducts public hearings on the proposed change.

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

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

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

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

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

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

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

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

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

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

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

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

such approval.

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

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

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

## SEC. 2904. CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS

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

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

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

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

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

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

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

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

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

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

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

**SEC. 2905. IMPLEMENTATION**

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

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

(B) provide--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(II) firefighting or security-guard functions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) the Secretary of Health and Human Services—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

discrimination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SEC. 2906. DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 1990**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) any amount remaining in the Account.

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

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

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

(A) commissary stores; and

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

(4) As used in this subsection:

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

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

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

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

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

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

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

(2) There shall be deposited into the Account—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) any amount remaining in the Account.

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

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

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

(A) commissary stores; and

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

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

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

**SEC. 2907. REPORTS**

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

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

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

**SEC. 2908. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT**

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

(1) which does not have a preamble;

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

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

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

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

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

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

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

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

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

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

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

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

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

been received from the other House; but

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

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

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

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

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

**SEC. 2909. RESTRICTION ON OTHER BASE CLOSURE AUTHORITY**

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

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

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

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

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

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

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

## SEC. 2910. DEFINITIONS

As used in this part:

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

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

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

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

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

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

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

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

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

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

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

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

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

## SEC. 2911. CLARIFYING AMENDMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) COMPTROLLER GENERAL EVALUATION.—

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

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

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

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

(d) AUTHORIZATION OF ADDITIONAL ROUND; COMMISSION.—

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

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

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

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

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

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

**SEC. 2913. SELECTION CRITERIA FOR 2005 ROUND.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) PREPARATION OF RECOMMENDATIONS.—

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

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

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

recommendations.

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

(d) COMMISSION REVIEW AND RECOMMENDATIONS.—

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

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

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

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

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

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

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

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

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

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

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

(e) REVIEW BY THE PRESIDENT.—

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

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

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

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

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# CRS Report for Congress

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# Military Base Closures: The 2005 BRAC Commission

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## Summary

The President and Congress have completed the selection of nine members to the 2005 Base Realignment and Closure Commission. On or about May 16, 2005, the Department of Defense (DOD) is to send the Commission its recommended list of installations to be closed or realigned. The Commission, in turn, is to spend several months reviewing DOD's list, and then forward its findings and recommendations to the President no later than September 8, 2005.

This report focuses exclusively on developments relating to the Base Realignment and Closure (BRAC) Commission. It examines relevant factors of interest, not only in regard to the current BRAC round, but also to the past four rounds. It should be noted that the 2005 Commission is likely to follow procedures that are, in large part, similar to those of the past three BRAC rounds. The Commission's role will expire no later than April 15, 2006. This report is to be updated.

## Introduction

This report examines the role and current status of the independent 2005 Base Realignment and Closure (BRAC) Commission. It follows an earlier CRS report that provided important details about the Department of Defense's internal base closure/ realignment selection process.[1]

At this point, the 2005 BRAC schedule is well along — with Congress having already approved DOD's final selection criteria (February 2004) and its force structure plan, base inventory, and BRAC requirement certification (March 2004). The next important step in the BRAC schedule has been the President's appointment of nine members to the new independent Commission. Congressional leaders have selected six

[1] See CRS Report RS21822, *Military Base Closures: DOD's Internal Selection Process*, by Daniel H. Else and David E. Lockwood. In addition, see CRS Report RL32216, *Military Base Closures: Implementing the 2005 Round*, by David E. Lockwood.

individuals to be nominated, with the President choosing the remaining three. The completed list of nominees has been forwarded to the Senate Armed Services Committee, as of March 15, 2005. After considering the nominees' credentials, the committee will then make its recommendations to the full Senate chamber, where the final decision will be agreed to or not.[2]

It is important, at this juncture, to emphasize the extent to which the current 2005 BRAC Commission is likely to follow procedures similar to those used by past commissions in 1991, 1993, and 1995.[3] The reason for this degree of replication can be attributed to the widely held view that the 1990 BRAC statute (P.L. 101-510, as amended) provides the most successful solution to an otherwise impossible dilemma — namely, how to avoid eternal wrangling over which bases should be closed or realigned.

## Appointment of BRAC Commissioners

Although the President was entitled to appoint nine members to the new BRAC Commission, he also had the authority to ignore the directive — in which case the 2005 BRAC round would have been cancelled.[4] The President will also have a second opportunity to terminate the process later, when he forwards the list of BRAC actions to Congress by November 7, 2005. In other words, the President exercises almost complete authority throughout the process, with one possible exception; after receiving the presidentially approved list of actions, Congress can pass a joint resolution of disapproval.

In appointing members to the Commission, the BRAC law states that the President *should* first consult with top congressional leaders on six of the nine candidates. The selection and allocation of the six candidates are outlined below:

| House of Representatives | Senate |
|---|---|
| Speaker of the House — 2 | Majority Leader of the Senate — 2 |
| Minority Leader — 1 | Minority Leader — 1 |

The President is under no obligation to consult with the Congress on the three remaining appointments.

In the past four BRAC rounds, members of the BRAC Commission have included:

- Former Members of Congress
- Retired military leaders

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[2] The 1995 BRAC Commission consisted of eight members. The 2005 statute revised the number to avoid a tie vote.

[3] The 1988 and 1991 statutes (P.L. 100-526 and P.L. 101-510) differed to a considerable degree. See CRS Report 97-305 F, *Military Base Closures: A Historical Review from 1988 to 1995*, by David E. Lockwood and George Siehl.

[4] U.S. Congress, House, *National Defense Authorization Act for Fiscal Year 2002*, P.L. 107-107, December 12, 2001.

- Former U.S. ambassadors
- Business leaders — industry, banking, etc.
- Former House and Senate staff members
- Former White House staff members

On February 16, 2005, Congress completed its recommendations for six of the nine commissioners for the 2005 base closure and realignment round.

Speaker of the House J. Dennis Hastert recommended former *Representative James V. Hansen* and *Samuel K. Skinner*. Mr. Skinner served at various times as Secretary of Transportation and chief of staff to President George H. W. Bush.

House Minority Leader Nancy Pelosi recommended *Philip E. Coyle III*, a former Assistant Secretary of Defense and Director of Operational Test and Evaluation.

Senate Majority Leader William H. Frist recommended retired *General John G. Coburn* and retired *Admiral Harold W. Gehman, Jr.*

Senate Minority Leader Harry Reid recommended former *Representative James Bilbray*.[5]

On March 15, 2005, the President recommended *Anthony A. Principi* as the seventh member and chairman of the 2005 BRAC Commission. Mr. Principi most recently served as vice-president of the Phizer Corporation. He is a decorated Vietnam war veteran, who later served as the Secretary of Veterans Affairs. He also has been chief counsel of the Senate Armed Services Committee and a top official with defense contractor Lockheed Martin.

The two remaining commissioners recommended by the President were *Brigadier General Sue Ellen Turner* and *General James T. Hill.*

## 1995 BRAC Commission Operation

The experience of the 1995 BRAC Commission may serve to establish a context for anticipating the operation of the 2005 Commission.

**Commission Staff.** Fifteen permanent employees formed the core of staff support for the 1995 BRAC Commission. This cadre had maintained continuity throughout the various BRAC rounds, providing legacy knowledge and experience to the augmentees brought in temporarily to perform the analysis required during BRAC. They also maintained the BRAC Library, which consisted of the research and reference materials and analytical tools used during previous rounds.

Within three weeks of the appointment of the BRAC Commission chairman, the staff was increased by a factor of five, to 75, by these temporary appointments. The augmentees were drawn primarily from the military services and the Defense Logistics

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[5] John M. Donnelly, "Hill Leaders Submit Nominees for Base Closure Commission," *CQ.com*, January 13, 2005.

Agency, but other relevant agencies were represented, including the Government Accountability Office (GAO). Augmentee selection was based on individual expertise required by the Commission and knowledge of their parent organizations. Office space, computer support, communication support, etc., were provided by the Department of Defense. The staff occupied an entire floor of the building immediately above the Rosslyn Metro station in Rosslyn, Virginia.

**Staff Organization.** The staff was organized into four sections: Analysis, Administration, Press Relations, and Congressional Liaison.

***Analysis.*** Analysis constituted the largest section. Analysts accepted DOD-generated data and information from other sources, digested it, and presented it to the Commissioners, who were responsible for deliberating upon it and accepting, rejecting, or amending the DOD recommendations.

***Administration.*** Administration was small but critical to the Commission's success — arranging travel, reimbursement, payroll, etc. — relieving the Commissioners and the rest of the staff of these responsibilities and allowing them to concentrate on their own duties.

Embedded within the Administration section was the *Executive Secretary*. The Executive Secretary controlled public access to the BRAC Library. The Library housed within a single large office all DOD and other documentation accepted by the Commission in paper and electronic form. The Library was equipped with computers available to the public for review of BRAC documentation from the current and previous rounds. This information was used by many communities and other outside organizations to gain an understanding of the process by which the Department of Defense had created its list of recommended actions and as a means of comparing the information compiled on various military installations.

***Press Relations.*** This small section handled press inquiries.

***Congressional Liaison.*** Congressional interest in the BRAC Commission's activities was intense throughout the period of active analysis and deliberation. This section was responsible for fielding all congressional inquiries.

**Hearings.** The 1995 Commission conducted hearings in Washington, D.C., geared to the recommendations made by the Department of Defense. Invited witnesses were primarily representatives of the military services, defense agencies, and the Office of the Secretary of Defense. The Commission also conducted a series of field hearings, grouped geographically by region. Witnesses who appeared at the field hearings usually represented communities affected by the DOD list of recommendations and installations later added by the BRAC Commission.

**Base Visits.** Commissioners were required to visit every installation added to the DOD List of Recommended Actions. In fact, the commissioners visited every installation on the BRAC list.[6]

**Representations from Outside Groups.** Many communities submitted impact studies of various kinds to the Commission. In addition, the Commission received many visits by interested individuals and organizations who met with the staff and made use of the BRAC Library.

**Commission Deliberations.** In a broad sense, the Commission's deliberations continued throughout its existence. Data regarding installations and communities was updated and analyzed as it was received. The Commission's list of recommendations was drawn up over a two-day public markup at which each recommendation was read aloud by the staff and deliberated by the commissioners before making a final determination. A majority vote was required to add an installation to the List of Recommended Actions.[7]

**Submission to the President.** Commission and White House staffs engaged in an extensive and continuing exchange of information throughout the process. The Commission submitted its list of recommendations to the White House. After due consideration, the President forwarded the list to Congress.

**Congressional Action.** In 1995, Congress did not pass a joint resolution of disapproval, thereby allowing the BRAC list to go into effect. Nevertheless, joint resolutions of disapproval were introduced during each of the previous rounds, though all failed passage, as shown below.[8]

| Round | Resolution | Vote (Yea-Nay) |
|---|---|---|
| 1995 | H.J.Res. 102 | House vote: 75-343 |
| 1993 | S.J.Res. 114 | Senate vote: 12-83 |
| 1991 | H.J.Res. 308 | House vote: 60-364 |

**Standing Down.** Commission staff began to disperse as soon as the analytical process was completed. Augmentees were released as soon as their services were no longer required. The core cadre disbanded at the end of December 1995.

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[6] The 2005 statute requires that at least two commissioners must *visit* any installation the Commission contemplates *adding* to DOD's list.

[7] The 2005 statute requires at least seven of the nine commissioners to agree in order to add an installation not on DOD's list.

[8] A joint resolution of disapproval is treated as if it is a bill and is subject to veto. Once vetoed, a two-thirds majority in each chamber is required to override.

## Table 1. 2005 BRAC Timetable

| | |
|---|---|
| 1. Sec/Def sends initial selection criteria to defense committees[a] | December 31, 2003 |
| 2. Sec/Def sends *final* selection criteria to defense committees[b] | February 16, 2004 |
| 3. President forms new BRAC Commission; sends nominees to Senate[c] | March 15, 2005 |
| 4. Sec/Def sends closure/realignment list to Commission/defense committees | May 16, 2005 |
| 5. GAO reviews DOD's list; reports findings to President/defense committees | July 1, 2005 |
| 6. Commission sends its findings and recommendations to President | September 8, 2005 |
| 7. President reviews Sec/Def's and Commission's list of recommendations[d] | September 23, 2005 |
| 8. Commission may submit *revised* list in response to President's review | October 20, 2005 |
| 9. President certifies closure/realignment list and transmits approval to Congress (or process is terminated)[e] | November 7, 2005 |
| 10. Work of the closure/realignment Commission must be completed | April 15, 2006 |

**Source:** U.S. Congress, House of Representatives, *National Defense Authorization Act for Fiscal Year 2002*, Conference Report, December 12, 2001.

a. Also, Secretary of Defense publishes criteria in *Federal Register*.
b. Criteria are final, unless disapproved by an act of Congress by March 15, 2004.
c. If President does not send nominations by the required date, the process is terminated.
d. President prepares report containing approval or disapproval.
e. Congress has 45 days to pass joint resolution of disapproval, or the Commission's list becomes law.

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# Military Base Closures: DOD's 2005 Internal Selection Process

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## Summary

The Department of Defense (DOD) is going through a process which will result in recommended actions for base realignment and closure (BRAC) in the United States. DOD is now preparing a list of BRAC actions designed to change the uses of its installations to conform to the current and future needs of its military forces. This list, after approval by the President, must be presented to Congress no later than November 2005. Congress can halt the execution of these actions by then enacting a joint resolution of disapproval within 45 days or before the adjournment sine die of the session, whichever occurs first. This report outlines how DOD has organized to gather and analyze BRAC-related data and document the process. It also describes DOD's selection criteria process, and the Secretary of Defense's requirement to certify the need for a BRAC round. The report then explains how the list of recommended BRAC actions will be drawn together for submission by the Secretary of Defense to the President. This report will be updated as necessary.

## Introduction

Through the BRAC process, DOD is responding to statutory requirements while attempting to transform the U.S. military services. The Defense Base Closure and Realignment Act of 1990 (as amended) provides the exclusive statutory authority and outlines the process for the 2005 round of base realignment and closure (BRAC 2005) in the United States. This authority expires on April 15, 2006. In addition to reducing excess capacity of its bases, the Department of Defense, through BRAC 2005, intends to transform its installation infrastructure to coincide with its other transformation initiatives — changing an organization created to fight the Cold War to one that will provide a military security to the United States for the foreseeable future.

The Department of Defense has already taken significant steps in the process to implement BRAC 2005 by preparing three major analytical documents: a list of BRAC selection criteria; a Force Structure Plan; and a Comprehensive Base Inventory. The **Selection Criteria** provide the general guidance from which detailed measures for

creating BRAC actions will be drawn. The **Force Structure Plan (FSP)** assesses the long-term security threats to the United States, and the projects the means necessary to counter them. The **Comprehensive Base Inventory** describes the "baseline footprint" of installations that will be affected by BRAC 2005.[1]

In assessing the need for a new round of base closures and realignments, DOD projected the force structure that will exist in 2009 and compared it to the much larger force that existed in 1988, the year just prior to the commencement of the first round of base closures. The Department then compared the base inventory existing then with the current inventory. The Secretary then concluded that the base infrastructure that exists now exceeds the requirements of the force that will exist in 2009, justifying BRAC 2005.

On March 25, 2004, the General Accounting Office (GAO) testified before Congress on the new BRAC round. It reported that the 2005 selection criteria follow a framework that is similar to that employed in prior BRAC rounds, with "more specificity" in selected areas — especially in those regarding military value.[2] It also said that, while the criteria were sound, DOD needed to consider total costs to DOD and other federal agencies, as well as environmental costs, in its analyses.

## Organization of BRAC within the Office of the Secretary of Defense

The Secretary of Defense has delegated broad BRAC policy and decision making responsibilities to the Deputy Secretary of Defense, who chairs an **Infrastructure Executive Council (IEC)**. The council consists of 10 members, including the secretaries of the military departments, the chiefs of staff of the military services, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense for Acquisition, Technology, and Logistics. The council creates the BRAC selection criteria, makes policy decisions regarding the BRAC process, coordinates the efforts of the analytical organizations, and recommends the resulting list of actions to the Secretary of Defense.

Each military department (Army, Navy, and Air Force) is responsible for BRAC data analysis relevant to *military operations*, and each has formed appropriate analyst teams.

An **Infrastructure Steering Group (ISG)**, created within the Office of the Secretary of Defense, is responsible for BRAC analysis relevant to *defense functions*. This ISG is chaired by the Under Secretary of Defense for Acquisition, Technology, and Logistics. The Vice Chairman of the Joint Chiefs of Staff, the military department assistant secretaries for installations, the military service vice chiefs of staff, and the Deputy Under Secretary of Defense for Installations and Environment are also members.

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[1] U.S. Department of Defense. "Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for FY2003," March 2004, p. 2.

[2] U.S. General Accounting Office. "Military Base Closures: Observations on Preparations for the Upcoming Base Realignment and Closure Round," (GAO-04-558T), March 25, 2004, p. 3.

Seven functional analysis teams subordinate to the Infrastructure Steering Group will perform the actual analysis. They include (1) education and training; (2) industry; (3) supply and storage; (4) headquarters and support; (5) medicine; (6) technology; and (7) intelligence. Three of these seven Joint Cross-Service Groups are headed by uniformed officers, while the other four are chaired by civilians.

A Base Realignment and Closure Office exists within the Office of the Principal Assistant Deputy Under Secretary of Defense for Installations and Environment. Its director is responsible for providing support to the seven analysis teams. The Inspector General of the Department of Defense is available to the defense agencies, military departments, and the Joint Cross-Service Groups, to provide advice and review the accuracy of BRAC data as well as the certification process (as explained below).

## Selection Criteria, Force Structure Plan, and Certification

The Secretary of Defense has published a list of eight discrete "selection criteria" created by the Infrastructure Steering Group.[3] These will guide the collection of defense installation data and analysis by the military services and the Joint Cross-Service Groups within the Office of the Secretary of Defense. This will lead to the creation of the list of recommended BRAC actions to be released in May 2005. These criteria form the basis for the measures and factors used by the military departments and Joint Cross-Service Groups in their analyses.

As required by the legislation creating BRAC 2005, the Secretary has submitted a 20-year Force Structure Plan to Congress. The Chairman of the Joint Chiefs of Staff was responsible for the writing of this classified document. It broadly outlines the defense organization that the future base infrastructure will support. A revised Force Structure Plan, if needed, is to be submitted with the Department of Defense budget for FY2006. All BRAC 2005 recommendations are to be based on the final Force Structure Plan.

The BRAC enabling legislation requires the Secretary of Defense to certify that the 2005 BRAC round is necessary. The Secretary issued that certification on March 23, 2004, stating:

> I hereby certify that the need exists for the closure or realignment of additional military installations, and that the additional round of closures and realignments that was authorized by Public Law 101-510, as amended, would result in annual net savings for each of the military departments beginning not later than fiscal year 2011.

To make this determination, the Department established a baseline force and major installation inventory as of 1988 (reflecting the Department as it existed before the first BRAC round). It then calculated the likely size of the force in 2009 and used that to estimate the infrastructure then needed. This notional future infrastructure was found to be smaller than the current inventory of installations, thereby justifying the Secretary's certification to Congress.

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[3] The list of selection criteria can be found on line at the DOD BRAC website: [http://www.dod.mil/brac/].

# Creating the Recommended BRAC Action List

DOD has created an internal BRAC process that includes extensive documentation and analysis of defense functions (supply, training, etc.) and military operations. The Infrastructure Executive Council will combine these analyses with additional considerations in creating the recommended BRAC action list.

## Documentation

**Records.** Each of the defense organizations and the Joint Cross-Service Groups are required to develop and keep:

- Descriptions of how BRAC policies, analyses, and recommendations are being made, including minutes of all deliberative meetings;
- All policy, data, information, and analyses considered in making BRAC recommendations;
- Descriptions of how recommendations meet BRAC selection criteria and follow the Force Structure Plan and current base infrastructure inventory; and
- Documentation for each BRAC recommendation.

These records will be released to the BRAC Commission along with the Secretary's list of BRAC recommendations.

**Additional Deliberative Considerations**

The military departments and Joint Cross-Service Groups are considering consolidating or relocating active and reserve component (federal or National Guard) activities onto any retained base where it make operational and economic sense. Before recommending changes to **reserve component** activities, the analyzing organization must complete a demographic study to ensure that a new location will satisfy the recruiting requirements of the reserve component unit.

The data and analyses used in creating BRAC recommendations **will not be released** until the Secretary has forwarded his list to the 2005 BRAC Commission. The Department of Defense includes the factors and measures used to generate data calls in its definition of "data and analyses."

The statute establishing the 2005 BRAC requires the Secretary of Defense to consider any **notice received from a local government** in the vicinity of a military installation that the government would approve of the closure or realignment of the installation. Recommendations not supporting such community requests must be explained in the documentation provided to the Commission and congressional defense committees.

**Internal Control Plan.** Each element involved in the process is required to develop a written plan, the Internal Control Plan, that lays out the process by which the accuracy of all data collection and analysis is to be carried out. The intent of this requirement is to create a "chain of custody" for the information used in BRAC analysis and to establish uniform guidance for defining each data element and the sources from

which it is derived, the methods for verifying the accuracy of data, the procedures for checking its accuracy, and the protection of data from premature release. The military departments, defense agencies, and the Office of the Secretary of Defense are required to incorporate comprehensive auditor participation to ensure a thorough assessment of the data and the process. Also, audits will assess the specific applications of data calls and the accuracy of the data collection process.

## Collection of Data

All data used by the Department of Defense in generating BRAC recommendations must be "certifiable." This means that they must be generated by, and traceable to, officials within the military departments (installation managers) who are specifically appointed to the tasks of data collection and certification. This data must be submitted in response to electronic or hard copy requests ("data calls") issued by the Joint Cross-Service Groups to the military departments. Once created, this data must be certified as true and accurate by the designated official before it is forwarded to the analytical organizations.

The initial call for data was issued during January 2004. Additional calls are anticipated as new factors and measures are adopted throughout the analytical stage of the process.

## Analysis of Data

Three principal analytical tools are used during the BRAC process, an Optimization Methodology, an Installation Visualization Tool, and the updated COBRA.

**Installation Visualization Tool.** The Air Force has been given responsibility to develop computer programs combining satellite and other imagery, graphics and analytical tools to enable the user to visualize and analyze current and future uses of each installation's resources. This will be of use principally during the base reuse and realignment portion of the BRAC process and is not described further here.

**Optimization Methodology.** The Navy is responsible for creating the linear programming tools that will be used by the Joint Cross-Service Groups in analyzing military value. The service has subcontracted this task to the Center for Naval Analyses, a federally funded research and development center. These computer models will be customized for the requirements of each Joint Cross-Service Group (medical, technology, education and training, etc.) and will be run repeatedly to assess alternative distributions of functions across various basing configurations in order to determine the optimal distribution of functional capability. This will be the principal analytical tool guiding the creation of recommended BRAC actions.

**COBRA.** An updated version of the Cost of Base Realignment Actions, or COBRA, will be used by the Joint Cross-Service Groups and Department of Defense agencies to calculate the costs, savings, and return on investment of each proposed realignment and closure action.

Each analysis team or group will use the same pool of certified data in its deliberations, subjecting it to analysis by its own customized version of the Optimization Methodology and the COBRA.

## Merging Operations and Functions into a List of BRAC Actions

The Infrastructure Executive Council, chaired by the Deputy Secretary of Defense, will be responsible for using the analyses generated by the Joint Cross-Service Groups and the military departments to create a list of recommended BRAC actions for the Secretary of Defense. The Secretary will, in turn, forward his approved list of recommendations, along with the supporting documentation described above, to the BRAC Commission.

For additional information on BRAC, see CRS Report RL30051, *Military Base Closures: Agreement on a 2005 Round*, and CRS Report RL32216, *Military Base Closures: Implementing the 2005 Round*, both by David Lockwood, and the CRS web page, *Defense: Base Closure/Defense Conversion*, maintained by Linwood Carter, at [http://www.crs.gov/reference/topics/defense/closure.shtml].

| Steps in the BRAC Process | |
|---|---|
| Dec. 03 | Initial base selection criteria |
| Feb. 04 | Final base selection criteria |
| Mar. 04 | Force Structure Plan, Base Inventory, and BRAC requirement certification submission * |
| May 04 | GAO certification evaluation |
| Mar. 05 | Commission nominations sent to Senate * |
| May 05 | DOD-recommended actions list due to Commission |
| July 05 | GAO report on DOD list |
| Sept. 05 | Commission actions list to President |
| Sept. 05 | Presidential review complete |
| Oct. 05 | Revised Commission actions list to President (if needed) |
| Nov. 05 | Presidential actions list to Congress, potential for joint resolution of disapproval * |
| Apr. 06 | Commission terminates |
| 2005-2011 | BRAC actions carried out |

* Failure terminates BRAC process.

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# Military Base Closures: Agreement on a 2005 Round

Updated January 22, 2003

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# Military Base Closures: Agreement on a 2005 Round


## Summary

Ninety-seven major military bases were recommended for closure and realignment by the 1988, 1991, 1993, and 1995 base realignment and closure (BRAC) commissions. Action on all 451 installations (major and minor) from the first four rounds was completed by the end of FY2001, as scheduled. The U.S. General Accounting Office has estimated that these closures and realignments produced net savings of about $16.7 billion as of the end of FY2001 and will continue to produce an estimated annual recurring savings thereafter of about $6.6 billion.

In mid-1997, Secretary of Defense William Cohen called for two new rounds of base closures and realignments. He explained that, while four previous rounds had achieved significant savings, it was important to continue the process of closing underutilized facilities. Despite DOD pressure, most Members of Congress were reluctant to support authorization of new base closure legislation, at least for the foreseeable future. The reasons given included, among others, grass-roots opposition from communities likely to be affected and President Clinton's "intervention" in the 1995 base closure commission's recommendations regarding McClellan and Kelly air force bases. Of the two chambers, the House of Representatives expressed the stronger and more united opposition. In the Senate, proponents of new base closure rounds have attempted to attach amendments to each year's defense authorization bill since 1997, achieving success only toward the end of 2001.

The principal advocates in Congress for new base closures have been Senator John McCain and Senator Carl Levin. On February 27, 2001, they introduced legislation (S. 397) to authorize two new closure rounds in 2003 and 2005. On August 3, 2001, the Secretary of Defense submitted his own proposal to Congress, calling for one additional round in 2003. On September 6, 2001, the Senate's defense panel incorporated elements of both proposals and passed the measure by a vote of 17 to 8. Later, in Senate floor debate (September 24, 2001), the Levin/McCain initiative passed by a margin of 53 to 47.

However, many Members of the House were reluctant to support S. 397, thus creating an impasse in the conference phase that delayed final passage of the FY 2002 defense legislation. Finally, on December 12, 2001, the conferees reached a compromise. They agreed to authorize *one* new round of base closures in 2005. They also added language that revised various aspects of previous base closure law – the most notable of which, perhaps, will be the enhanced role and influence of the Secretary of Defense in the base closure selection process. President Bush signed the defense authorization bill into law (P.L. 107-107) on December 28, 2001.

This report will be updated as warranted.

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# Military Base Closures: Agreement on a 2005 Round

## Introduction[1]

This report discusses key base closure developments, beginning with the 105th Congress and continuing into the 107th Congress. The most recent notable development has been the December 28, 2001 signing into law (P.L. 107-107) of legislation, initially sponsored by Senator Carl Levin and Senator John McCain, to conduct one new base closure round in 2005. The legislation extends and amends the 1990 base closure and realignment Act (P.L. 101-510) that expired after the 1995 round.

All action on the 451 installations scheduled to be closed and realigned by the 1988, 1991, 1993, and 1995 BRAC commissions was completed by the end of FY2001, as scheduled.[2] Ninety-seven installations were major military bases. According to the most recent estimates, these BRAC closures and realignments have produced net savings of about $16.7 billion, and annual recurring savings thereafter of about $6.6 billion.[3]

It was widely acknowledged, at the time of the 1995 round, that additional base closures would be necessary, given the continuing downward trend in defense spending and force structure (units and personnel). Two years later, the Department of Defense began to press its case in earnest. On May 19, 1997, Secretary of Defense William Cohen released a long awaited report, the *Quadrennial Defense Review* (QDR). In the report, a major review of military strategy and capabilities, he called for two more rounds of closures, one in 1999 and the second in 2001. He explained that, despite four previous rounds, the downsizing of DOD's base structure had fallen behind the downsizing of its force structure. He pointed out that:

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[1] For context and background, see CRS Report 97-305, *Military Base Closures: A Brief Historical Review since 1988*, by George Siehl, 16 p.

[2] "Realignment" is an action distinct from "closure." It involves transferring units and functions, in and/or out of an installation, whereby the result is a net reduction of DOD civilian personnel. "Closure" involves shutting down or relocating most, if not all, of an installation's mission. Small portions of the base may be retained for use by reserve components.

[3] U.S. General Accounting Office. *Military Base Closures: Progress in Completing Actions from Prior Realignments and Closures*, April 2002, p. 8-11.

> Since the first base closure round, force structure has come down by 33% and will have declined by a total of 36% when we finish the reductions under the QDR. During the same period, we will have reduced domestic infrastructure by 21%.... We must shed more weight.[4]

He further explained that closing more bases was dictated not only by the need to achieve a proper balance between infrastructure and force structure, but also by the need to secure significant savings that would allow DOD to fund adequately future readiness and weapons acquisition programs. He stated that without the savings from new rounds of closing, DOD would be hard-pressed to fulfill its missions and responsibilities in the future.

## Closures and the 105th Congress

Secretary of Defense Cohen's plan to begin new rounds of closures within the next five years was met with a decided lack of enthusiasm on Capitol Hill. Many Members expressed deep concern over the likely economic and political fallout in their districts from any such new rounds. Both defense committees of the House and Senate, during their mark-ups of the FY1998 DOD authorization bills, declined to support new base closure legislation. On June 12, 1997, the Senate Armed Services Committee narrowly failed, on a 9-9 vote, to approve a proposal to authorize two more rounds of base closing in 1999 and 2001. The next day, Senator Carl Levin, the committee's ranking Democrat, along with Senator John McCain, Senator Dan Coats, and Senator Charles Robb, pledged to push for more base closings when the DOD authorization bill went to the floor. Senator Levin said that, if Congress was serious about having funds for new weapons, it was necessary to reduce excess infrastructure.

On July 9, the full Senate voted 66-33 against the McCain-Levin initiative and in support of a substitute amendment that delayed any new base closings until DOD developed "accounting techniques" to accurately measure the costs and savings from previous and future rounds. Under the substitute amendment, sponsored by Senator Byron Dorgan, Senator Trent Lott, and Senator Tom Daschle, DOD was required to prepare and submit its cost/savings report to Congress "in a timely manner." Although no specific date was set, the provision stipulated that the report must be completed with adequate time for Congress to authorize another round of base closings in 2001.

In the House National Security Committee, opposition to a new round of closures was considerably stronger. Representative Joel Hefley, chairman of the subcommittee on military installations, indicated that there should be no new base closure rounds for at least five years. He, as well as others, questioned DOD's estimate of actual savings, especially in the short- and medium-term, given the substantial up-front costs of shutting down bases. Although DOD officials have claimed net savings, beginning in FY1996 and increasing into the future, the

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[4] U.S. Department of Defense. *Report of the Quadrennial Defense Review*, May 1997, pp. viii-ix.

Congressional Budget Office, in a December 1996 report, stated that it was unable to confirm or assess those estimates.[5]

Congressional opponents, further, objected to rushing into new rounds of closures without a complete and thorough understanding of the military implications of previous rounds. In this regard, they also questioned the validity of DOD's major premise that there should be a one-to-one correlation between the percentage of reduction in end-strength and in base closings.

Despite the lack of broad support on Capitol Hill, senior DOD officials, as well as the President, continued to press for new rounds of base closures in the near future. Both Secretary of Defense Cohen and the retiring Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili, issued statements in September 1997 calling for more base closures as a way of making funds available for top priority weapons programs.[6] On November 10, the Secretary of Defense and other senior Pentagon officials announced a series of reforms, titled "Defense Reform Initiative" (DRI), that included two additional rounds of base closures in 2001 and 2005. These rounds, it was asserted, would eventually result in annual savings of about $1.4 billion each, or a total of $2.8 billion.[7] This figure represented about half of the overall $6 billion annual savings anticipated from DRI actions that include, in addition to base closings, increased outsourcing to private industry, shifting to paperless contracting, administration, and publishing, and reducing the number of personnel employed by the Office of the Secretary of Defense and other agencies, departments, and activities.

Further support for two, or more, new rounds of base closures came from the December 1997 report entitled *Transforming Defense: National Security in the 21st Century*.[8] Members of the DOD-sponsored National Defense Panel that prepared the report strongly urged Congress and the Defense Department to "move quickly to restore the base realignment and closure process." They called for closures to begin "earlier than the current 2001-2005 department proposal." In his endorsement of the panel's findings, Secretary of Defense Cohen emphasized, as he had in the past, the importance of two additional BRAC rounds as a means of financing and accelerating the transformation of U.S. military capabilities.[9]

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[5] U.S. Congressional Budget Office. *Closing Military Bases: An Interim Assessment*, December 1996, 74 p.

[6] Jeff Erlich, *"Cohen: Procurement Spending Is at Risk,"* Defense News, September 15, 1997, p.1.; "More Base Closings May Be Fiscal Answer for Pentagon," Los Angeles Times, September 3, 1997, p. 10.

[7] U.S. Department of Defense. *Defense Reform Initiative Report,"* November 1997, p. 37-40.

[8] U.S. Department of Defense. *Report of the National Defense Panel. Transforming Defense: National Security in the 21st Century*, December 1997, 94 p.

[9] U.S. Department of Defense. *"Defense Secretary Cohen Endorses Panel's Key Conclusion that Fundamental Infrastructure Reform is Essential to Transformation of U.S. Military,"* December 1, 1997, 2 p.

## Dispute over Depot Privatization

A highly contentious aspect of the base closure debate involved President Clinton's actions concerning the last of the four rounds. The 1995 base closure commission had recommended the closing of two of the Air Force's five major maintenance depots: at McClellan Air Force Base (CA) and Kelly Air Force Base (TX). The recommendation had been justified on the grounds that all five depots were operating at under 50% capacity, and that significant savings could be achieved by transferring McClellan's and Kelly's workloads to the three remaining depots in Utah, Oklahoma, and Georgia.[10]

President Clinton vigorously opposed closing McClellan and Kelly depots, arguing that California and Texas had already suffered disproportionately from effects of the three previous closure rounds.[11] He moved to prevent further loss of jobs in California and Texas by directing that private firms be allowed to assume the work on site -- otherwise known as "privatization-in-place." Opponents of the President, however, were quick to charge him with unprecedented political meddling in the base closing process. They accused him of trying to curry favor with the people of vote-rich California and Texas, vital in his bid for reelection.[12]

Legislators from Oklahoma, Georgia, and Utah opposed the privatization plan, believing that it deprived their local populations of jobs that would have been otherwise created under the initial recommendation of the 1995 base closure commission. Also, they knew that the existing privatization plan, if permitted to proceed, left their depots highly vulnerable to closure whenever the next round of base reductions occurred.[13]

Resentment among some Members over President Clinton's 1995 intervention persisted until the end of his second term. His action was repeatedly cited by congressional opponents as reason for their opposition to any new base closure rounds.[14] Some Members sought to block DOD from proceeding with plans to privatize depot maintenance work at McClellan and Kelly air force bases. On June 5, 1997, the House military readiness subcommittee approved an amendment to the FY1998 defense authorization bill prohibiting privatization at the two depots unless the Secretary of Defense certified that the three remaining depots were operating at an efficient 80% capacity. These other depots, as mentioned above, were operating at approximately 50% capacity. The full House National Security Committee approved the measure on June 16. Similar depot language was approved by the full Senate Armed Services Committee on June 17. However, in the face of a threatened filibuster by the four Senators representing California and Texas, the depot-related

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[10] U.S. Defense Base Closure and Realignment Commission. *Report to the President*, July 1, 1995, p. 108-109.

[11] "Base Closures Enter Final Phase," *CQ Almanac* 1995, p. 9-19 to 9-22.

[12] James Kitfield, "Off Base." *Government Executive*, June 1998, p. 1-11.

[13] Ibid.

[14] "Congress Resists Pentagon Plans to Shutter Bases," *USA Today*, July 30, 2001, p. 13.

provisions were removed from the DOD authorization bill prior to floor consideration.[15]

In floor debate, on June 23, 1997, Representative Terry Everett led an effort to delete the depot-related restrictions in the House FY1998 defense authorization bill. His amendment was defeated by a vote of 145 to 278. In the other chamber, Senator Inhofe spearheaded an effort to restore depot-restrictions to the Senate bill. He and his co-sponsors, however, withdrew their amendment on July 11, just before its floor consideration.

In conference committee, the depot-related language in the House bill became a major bone of contention and obstacle to reaching final agreement on the FY1998 defense authorization bill. As of early October, it was reportedly the only remaining issue to be resolved. Neither of the opposing camps seemed willing to yield -- with one side threatening filibuster and/or veto if public-private depot competition at McClellan and Kelly air force bases were not allowed to go forward, and the other side insisting that without language prohibiting depot competition, there would be no bill. A resolution was achieved by the Senate and House conferees and reported on October 23 (H.Rept. 105-340). Under the compromise agreement, the limit on depot work that could be done by private contractors was increased from 40% to 50%. On the other hand, a broadened definition of the "core work" that must be done by government depots served to offset the benefits to private contractors of their percentage increase.

On October 28, the House passed the conference report by a vote of 286 to 123. On the following day, the Senate debated the conference report's provisions regarding depot maintenance operations at length, but did not move to a final vote. A bid by Senator Kay Bailey Hutchison to postpone a final vote on the FY1998 defense authorization until January 18, 1998 was denied. On November 6, the Senate reached final agreement, passing the conference report by a vote of 90 to 10. President Clinton signed the bill into law on November 18 (P.L. 105-85).

## DOD Report on Costs and Savings

In the FY1998 defense authorization act cited above, Congress included language (Section 2824) that prohibited DOD from taking any concrete steps towards planning and implementing new base closures until it had submitted a report on "costs and savings attributable to the first four rounds of closure and realignment; and on the need, if any, for additional rounds." The detailed requirements set forth in the Dorgan Amendment included ten "Elements" and eight "Methods of Presenting Information." The deadline for delivery of the report was set for "no later than the President's submission to Congress of the budget for FY2000" (January-February 1999).

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[15] "Hill Impedes New Round of Base Closings," *Washington Post*, June 23, 1997, p 1.

On April 2, 1998, far in advance of the deadline, the Department of Defense submitted its report to Congress.[16] Secretary of Defense Cohen, in his introductory statements, stressed several key points in calling for new base closure and realignment legislation in the current year. He stated that the base structure was, currently, 23% in excess of what was needed, and that savings from two new rounds of closings would provide vital funding for modernization of weapons systems and improved readiness. He reminded Congress that while the defense budget was down 40% and force structure 36%, base structure had declined only 21%. He cited several other examples of the significant imbalance between force and base structures. The number of Navy ships was scheduled to drop by 46% between 1989 and 2003; while berthing space would decline by only 18%. The number of Army soldiers was slated to fall 43% in the same period, compared with only a 7% planned reduction in classroom space.

The base closure report, in providing information requested by Congress in Section 2824, claimed that the closure costs of the 1988 and 1993 rounds were less than the Pentagon's original estimate. It asserted that the costs of the 1991 and 1995 rounds, when completed, would be roughly equal to the estimates. The report claimed that the resulting savings from the shutdown of bases and facilities during BRAC's 1988-1995 rounds would exceed initial estimates. More specifically, DOD expected net total savings of about $14 billion through 2001. Annual savings, thereafter, were estimated at $5.6 billion. These figures were later revised upward by the Department of Defense and General Accounting Office.[17]

The two new rounds of closures in 2001 and 2005 sought by the Pentagon were expected to produce, after implementation, additional savings of about $3 billion a year. As required by Congress in Section 2824, both CBO and GAO were to review and comment on the accuracy and reliability of the report's findings. Other significant features of the base closure report included: (1) a recommendation by DOD to apply the model of previous independent base closure commissions for the two rounds proposed for 2001 and 2005; and (2) a statement touting the successful economic recovery from base closures of many impacted communities.

A subsequent Air Force memo (April 26) added fuel to the controversy over base closures. The memo reportedly cited John D. Podesta, the White House deputy chief of staff, as having tried through a DOD official, to encourage Lockheed Martin Corporation to go after some of the depot maintenance work at McClellan Air Force Base and keep the work in Sacramento.[18] Members adamantly opposed to keeping depot maintenance work at both McClellan AFB and Kelly AFB accused the Administration of continuing to meddle in the base closure process. The level of suspicion increased, as did the level of rhetoric, with Members issuing forceful

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[16] U.S. Department of Defense. *The Report of the Department of Defense on Base Realignment and Closure*, April 1998, 144 p.

[17] U.S. General Accounting Office. *Military Base Closures: Progress in Completing Actions from Prior Realignments and Closures*, April 2002, p. 8-11.

[18] "USAF Officials Backtrack on Depot Comments," *Defense News*, June 8-14, 1998, p. 8.

statements in opposition to new base closures, such as "dead on arrival,""smoking gun," and "over my dead body."[19]

Reaction on Capitol Hill to the April 2, 1998 report's call for two new base closure rounds was similar to that of the previous year -- strong and widespread resistance. The House National Security Committee remained broadly opposed to any closings in the near future. This degree of opposition was mirrored also in the House as a whole. The Senate Armed Services Committee was more evenly divided on the issue than the House committee. In its mark-up session, the Senate committee defeated by a 10-8 margin a proposed new round of base closures in 2001 (press release dated May 8, 1998). Senator John McCain and Senator Carl Levin, principal co-sponsors of new BRAC legislation the previous year (as well as in 1997), indicated that they were prepared, however, to seek support for passage of a floor amendment during Senate consideration of the FY1999 defense authorization bill (S. 2057/S. 2060). In the end, with sentiment of the majority clearly running against them, the Senators abandoned their initiative.[20]

In floor action (June 25), the Senate voted 48-45 in support of an amendment to the FY1999 defense authorization bill that would have made it more difficult for the Pentagon to move ahead with base closings. Amendment No. 2981, sponsored by Senator James Inhofe, would have restricted the Administration from closing bases with 225 or more civilian personnel (a reduction from the current threshold of 300 set in law). It would also have restricted the Pentagon from realigning bases with 750 civilian personnel, or more than "40% of the total number of civilian personnel authorized to be employed at such military installation." Further, the amendment would have prevented the Pentagon from closing a base within four years after completing a realignment of such base. The intent of this provision was to delay, if not block, the Department of Defense from quickly moving to close a particular base by reducing the number of civilian employees to less than 225. In addition, the Inhofe amendment expressed congressional opposition to any new rounds of closures and realignments until all actions from previous rounds had been completed.

The Inhofe amendment was dropped from the FY1999 defense authorization bill during conference.

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[19] Bradley Graham, "Air Force Memo Inflames Debate over Politics in Base Closings," *Washington Post*, May 3, 1998, p. A9; also, George C. Wilson, "Cohen Finding It Difficult to Take the Hill for Clinton," *Legi-slate News Service*, May 15, 1998.

[20] Steven Lee Myers, "Senate Panel Votes No on Military Base Closings," *New York Times*, May 8, 1998.

## CBO and GAO Assessments

The Congressional Budget Office submitted its review of DOD's base realignment and closure report on July 1, 1998.[21] It stated that the report provided most, but not all, of the information that the Congress had requested. It found DOD's estimates of savings from *previous* closure rounds, as fully implemented, consistent with its own estimates: $5.6 billion as compared to $5 billion. However, CBO explained that the firm measures of BRAC savings requested by the Congress "do not -- and cannot exist." It elaborated, as follows:

> BRAC savings are really avoided costs -- costs that DOD would have incurred if BRAC actions had not taken place. Because those avoided costs are not actual expenditures, DOD cannot observe them and record them in its financial records. As a result, DOD can only estimate savings rather than actually measure them.

In its review, CBO observed that DOD's report had provided a clear and coherent summary of why *future* base closure rounds would produce significant savings. It noted, however, that DOD provided "little analysis of those data or insight into the number and types of installations that might be closed in the event of future BRAC rounds." Other significant CBO findings included:

> An analysis of the likely impact of future base closures on local communities cannot be attempted until the specific communities are identified; even then, it would be very difficult to do.
>
> DOD was unable to locate some of the requested data, including the original cost and savings estimates that it gave to the BRAC commissions.
>
> Estimates of BRAC costs and savings would be more accurate if they included [DOD's] environmental and caretaker costs for some bases after the six-year implementation period is over.

The General Accounting Office submitted its review of DOD's report on November 13, 1998.[22] It was longer and provided more supporting detail than the CBO review. GAO gave DOD generally good grades. It said that, overall, DOD had provided most of the information required by Section 2824. GAO affirmed that the four previous BRAC closure rounds would result in substantial net savings. It noted, however, that "DOD's report should be viewed as providing a rough approximation of costs and savings rather than precise accounting." It pointed out that "DOD's data systems do not capture all savings associated with BRAC actions, nor has DOD established a separate system to track BRAC savings." Other significant GAO findings included:

> DOD's analysis of operational and readiness indicators has shown no long-term problems affecting military capabilities that can be related to BRAC actions. This general conclusion is also consistent with our prior work.

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[21] U.S. Congressional Budget Office. *Review of the "Report of the Department of Defense on Base Realignment and Closure,"* July 1998, 7 p.

[22] U.S. General Accounting Office. *Military Bases: Review of DOD's 1998 Report on Base Realignment and Closure*, November 1998, 54 p.

> DOD's report emphasizes that communities affected by prior BRAC actions appear to be rebounding economically. We also have found this to be the case, although our work also shows that some communities are faring better than others.
>
> DOD's report suggests that proposed BRAC rounds in 2001 and 2005 would be conducted like prior rounds. DOD's legislative proposal requesting authority to conduct two additional BRAC rounds provides a good starting point for considering future legislation, should the Congress decide to authorize additional rounds.

## Closures and the 106th Congress

A "front-burner" issue for Congress at the outset of the 106th Congress was whether to authorize a new round of base closings. At a November 1998 American Bar Association symposium on national security, the general counsel of the Senate Armed Services Committee predicted that: "There will be a significant attempt to put BRAC in the FY2000 authorization bill, which may well succeed."[23] On January 20, 1999, Senator John McCain, along with Senator Carl Levin, sponsored a bill (S. 258) calling for two new rounds in 2001 and 2003. In support of the bill, Senator McCain pointed to the 23% excess capacity in infrastructure claimed by DOD, and said that it was "unconscionable" for anyone to avoid looking at the billions of dollars to be saved by closing and realigning more bases.[24] In an effort to win support, he and his cosponsors offered two significant changes in the law. First, the whole BRAC selection process would begin and finish two months later in calendar year 2001 than in previous rounds. It would give a new President the opportunity to nominate members of a base closure commission. Second, privatization-in-place would not be permitted in closing installations unless the new base closure commission explicitly recommended it.

Secretary of Defense William Cohen stressed, at almost every opportunity during the early part of the year, the importance of further base closures. In speaking to the Illinois legislature on January 28, 1999, he stated that the most politically challenging aspect of his effort to improve DOD efficiency and save money was base closures. He said:

> I know that BRAC is now seen as a four-letter word, but I must tell you that the vast sums of money we waste on unneeded facilities is robbing our men and women in uniform of needed training, modern weapons, and a better quality of life. .... The two additional rounds we will fight for this year will ultimately save $20 billion [during implementation] and generate $3 billion annually [thereafter].

Despite such appeals, many Members of Congress remained opposed to new rounds, at least for the time-being, because of widespread fear among constituents over such closings. This was underscored in hearings on February 2 before the

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[23] *Inside the Pentagon*. "Armed Services Committee to Tackle Readiness, BRAC in Next Congress," November 19, 1998, p. 15.

[24] U.S. Government Printing Office. *Congressional Record*, May 25, 1999, p. S5940-S5973.

House Armed Services Committee (formerly, House National Security Committee), when Secretary of Defense Cohen's call for two more closure rounds reportedly received a cool response. More ominously, from the Pentagon's perspective, the Senate Armed Services Committee voted on May 12 and 13 against authorizing any new rounds of closings during its mark-up of the FY2000 defense authorization bill (S. 1059). On May 26, the full Senate rejected a last-ditch effort by Senator John McCain and Senator Carl Levin to revive their base closure initiative during floor debate and passage of the defense bill. The 60 to 40 vote marked the third year in a row that DOD's attempt to win support in the Senate to shut down more bases had been blocked. With opposition to base closures even stronger in the House, most observers believed that DOD's high priority initiative had been effectively quashed for the remainder of the year -- if not longer.

In the second session of the 106th Congress, the Administration's FY2000 DOD budget proposal sought authority to close more military bases in the years 2003 and 2005. Deputy Defense Secretary John Hamre emphasized that it was a particularly opportune time for Congress to take the initiative since the national economy was so strong.[25] In an effort to win the support of Congress, Secretary of Defense Cohen said that the base closing process needed to be improved -- that there were too many bureaucratic obstacles in the transition to private use of a closed base. Also, he contended that the failure to close more bases would cost the Pentagon as much as $20 billion that could be better spent on upgrading and building new weapon systems, as well as increasing the performance levels of U.S. fighting forces. He also pledged that politics would not be permitted to intrude in any future base closure rounds.[26]

Congress, however, chose not to authorize any new rounds of closures in the year 2000. In floor debate, on June 7, 2000, the Senate defeated an amendment to the FY2001 defense authorization bill, once again sponsored by Senator McCain and Senator Levin. The amendment, which would have authorized two new rounds in 2003 and 2005, was rejected by a vote of 63 to 35. The positions of the opposing sides in the debate reflected the same concerns expressed in previous years.

## Closures and the 107th Congress

In the early stages of the 107th Congress, one of DOD's top agenda items was securing authority for additional military base closures and realignments. On February 27, 2001, Senator Carl Levin and Senator John McCain introduced a bill (S. 397) to authorize two new rounds of base closures in 2003 and 2005. The Taxpayers for Common Sense (TCS), a national budget watchdog organization, immediately applauded the initiative and said in a February 27 press release that the initiative "would save billions for other important defense priorities." It estimated the cost of maintaining excess military bases at about $3.6 billion each year and said

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[25] Robert Burns, "Clinton to Seek More Base Closings," *Associated Press*, January 18, 2000.

[26] Larry Favinger, "Clinton Seeks Base Closings," *Portsmouth Herald*, January 19, 2000.

that projected Pentagon savings could amount to as much as $21 billion through 2015 if the military were allowed to close bases in 2003 and 2005.[27]

Senator Kay Bailey Hutchison, however, expressed a different point of view in an Austin TX editorial article.[28] She noted a trend toward increasing restrictions on U.S. military training in locations abroad, such as Germany, Okinawa, Korea, and Puerto Rico, and she suggested that it "cast into doubt the wisdom of prematurely closing more domestic military bases." She also drew attention to the fact that some BRAC decisions, such as at Reese Air Force Base, TX, and Fort Hood, TX, are now regarded as having been mistakes. In the case of the latter installation, the BRAC decision has been essentially reversed.

On June 27, 2001, the Department of Defense urged Congress to approve another round of base closures and realignments. It noted that the DOD's military infrastructure had an excess capacity of approximately 25%.[29] Later, on August 2, 2001, the Pentagon outlined its proposal in greater detail. It called for a single, new round of base closings and consolidations, beginning in 2003. The term "BRAC" was dropped and replaced by a new title called the "Efficient Facilities Initiative of 2001 (EFI)."[30]

It also introduced a new approach for reducing excess infrastructure, based on the experience of Brooks Air Force Base, San Antonio, TX. As a demonstration project, approved by Congress, Brooks AFB was permitted to transfer its property to the local community. In turn, the city leased back to the base commander property that the service needed to continue its mission. Other details of DOD's base closure and realignment proposal conformed, in most respects, to the base-closure laws of past years.

In the Senate Armed Services Committee, Members grappled with the two base closure proposals -- S. 397 and the Administration's plan. They ultimately agreed upon, and recommended, a series of provisions incorporating elements of both. Meeting in closed session on September 6, 2001, the committee voted 17 to 8 for a new round.

On September 25, 2001, the full Senate approved a new round of base closures and realignments in 2003 by a margin of 53 to 47 – after an effort by Senator Jim Bunning to shelve the proposal failed. It was, for the Senate proponents of base closure, their first success in 5 years of effort. Immediately prior to the vote, General Henry H. Shelton had sent a letter to Senator John Warner, ranking Republican on the Armed Services Committee, stating that the country "cannot afford the costs

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[27] *New Base Closure Bill Could Save Taxpayers over $20 Billion,* Taxpayers for Common Sense, February 27, 2001.

[28] Senator Kay Bailey Hutchison, "Asking the Right Questions on Military Readiness," *Austin-American Statesman*, March 29, 2001.

[29] Katherine McIntyre Peters, "Administration Seeks Base Closings, Budget Boost," *Government Executive*, June 28, 2001.

[30] U.S. Department of Defense, *Special Briefing on Proposed Legislation for an Additional Round of Base Closures,* August 2, 2001.

associated with carrying this excess infrastructure."[31] In a separate letter, Secretary of Defense Rumsfeld stressed that the current struggle with terrorist groups made it all the more "imperative to convert excess capacity into war-fighting ability."[32]

Opponents of the proposal, however, argued that the current war on terrorism, coupled with an uncertain economy, made it the worst time to start closing bases. Minority Leader Trent Lott said: "At a time our reserves are being called up to support our military ... we're going to say, 'Oh, by the way, we're going to look at closing your base. I think the timing is not good.'"[33]

Supporters of the initiative, on the other hand, emphasized the importance of putting aside home-state interest in favor of making certain the military enjoyed the full range of resources needed to combat terrorism. Senator John McCain asserted: "This is the time we should place our trust in the Commander-in-Chief and the Secretary of Defense and the Chairman of the Joint Chiefs of Staff."[34]

No base-closing language was included in the House of Representatives FY2002 defense authorization bill. Indeed, shortly following passage of the Senate bill, Representative James Hansen reportedly stated that the House would oppose the Senate's provision: "We're going to hang tough."[35]

In conference, the House and Senate leaders stood by their respective positions, while resolving most of the other issues on their agenda. The stalemate over base closures lasted for several weeks, holding up passage of S. 1438. In the absence of a compromise, Senator John McCain reportedly warned that the President might veto the defense bill.[36] Senior negotiators finally agreed to a compromise on December 10, and unveiled it to the public on December 12, 2001. The President signed the defense authorization bill (P.L. 107-107) on December 28, 2001.

The conference report retains most of the former 1990 BRAC Act language, but makes some important changes and modifications that are set forth below.[37]

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[31] U.S. Government Printing Office. Congressional Record, September 25, 2001, p. S9764.

[32] Ibid., p. S9766

[33] Ibid., p. S9767.

[34] Ibid., p. S9765.

[35] Pat Towell, "Defense Conferees Face Sharp Division over Base Closings," *CQ Weekly*, October 6, 2001, p. 2349.

[36] Helen Dewar, *Base-Closing Issue Delays Defense Bill,* Washington Post, December 1, 2001, p. 5.

[37] See, also *Table 1: 2005 BRAC Timeline*, below.

**Congress** (Sec. 3001)

(1) Extend the authority of the 1990 base closure and realignment act to authorize one new round in 2005

**Secretary of Defense** (Sec. 3002)

(1) Submit a force structure plan to include detailed information on end strength and force levels, etc.

(2) Submit (at Sec/Def's discretion) revised force structure plan with FY2006 budget.

(3) Review all types of installation and take into account anticipated need for, and availability of, overseas bases in future.

Include:

(a) inventory of military installations
(b) description of categories of excess infrastructure
(c) economic analysis of options for eliminating or reducing excess infrastructure, including efficiencies from joint use

(4) Certify (after submitting force structure plan and infrastructure inventory) whether need exists for closure and realignment. If so, certify that it would provide annual net savings within 6 years. If Sec/Def fails to provide certification, the process is terminated.

(5) Ensure that military value is the primary consideration in the making of recommendations for closing or realigning military installations.

**Commission** (Sec. 3003-3004)

(1) Increase number of members from 8 to 9.

(2) Permit Sec/Def to testify before commission on any commission-proposed addition of a base. Decision to add a base must be supported by at least 7 commissioners. Also, Sec/Def must also be given opportunity to testify on other changes proposed by commission.

(3) Prohibit privatization-in-place of closed or realigned bases prohibited, unless specifically recommended by commission and determined to be the most cost-effective option.

## Conclusion

In May 1997, two years after the 1995 base closure commission completed its task, the Department of Defense announced that two further closure rounds were needed in 1999 and 2001 in order to reduce its excess infrastructure. The proposal met with little enthusiasm on the part of most Members of Congress. Subsequent appeals by Secretary of Defense Cohen in 1998, 1999, and 2000 fared no better. In 2001, however, Secretary of Defense Rumsfeld succeeded in winning approval from Congress for a new round. He had to settle, however, for a round in 2005, rather than his preferred date of 2003.

As a result of the new BRAC, many communities next to military bases are worried about the survival of their installations. Various strategies have been developed, both defensive and offensive. First, and foremost, community leaders are working diligently to keep their military units/functions at home. On the other hand, they are not averse to acquiring units/functions from other parts of the country. In the latter case, success would almost certainly ensure a base's survival in the next round.

A serious concern of many communities near military bases is the growing impact of "range encroachment" – the process whereby bases are progressively hemmed in by urban growth, competition for air space, protection of endangered species, and other factors that may detract from a base's desirability to the Department of Defense or the BRAC commission. If allowed to continue unabated, such encroachment can have the effect of de-valuing installations to the point that they may become prime candidates for closure in 2005.

## Table 1. 2005 BRAC Timeline

| | |
|---|---|
| Sec/Def sends initial selection criteria to defense committees[a] | December 31, 2003 |
| Sec/Def sends *final* selection criteria to defense committees; publishes criteria in *Federal Register* | February 16, 2004 |
| Criteria final, unless disapproved by Act of Congress | March 15, 2004 |
| President forms new BRAC Commission; sends nominees to Senate[b] | March 15, 2005 |
| Sec/Def sends closure/realignment list to Commission/defense committees | May 16, 2005 |
| GAO reviews DOD's list; reports findings to President/defense committees | July 1, 2005 |
| Commission sends its findings and recommendations to President | September 8, 2005 |
| President reviews Sec/Def's and Commission's list of recommendations[c] | September 23, 2005 |
| Commission may submit *revised* list in response to President's review | October 20, 2005 |
| President certifies closure/realignment list (or process is terminated)[d] | November 7, 2005 |
| Work of the closure/realignment Commission must be terminated. | April 15, 2006 |

**Source:** U.S. Congress. House of Representatives, *National Defense Authorization Act for Fiscal Year 2002,* Conference Report (H.Rept. 107-333), December 12, 2001, p. 331-341 and 792-795.

[a] Also, Sec/Def publishes criteria in *Federal Register.*
[b] If President does not send nominations by required date, process is terminated.
[c] President prepares report containing approval or disapproval.
[d] Congress has 45 days to pass motion of disapproval, or Commission's list becomes law.

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# Military Base Closures: Implementing the 2005 Round

**Updated April 7, 2005**

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be brought into compliance with local, state, and federal standards. Finally, the report indicated that of the property remaining in federal ownership, 50% would go to the Fish and Wildlife Service, 22% to the Bureau of Land Management, and 24% would remain with the Department of Defense. Smaller acreages would go to the Bureau of Prisons, NASA, and the National Park Service.

## 1994 Elections and the 104th Congress

While the basic statutory scheme for determining which installations were to be closed was generally the same as it was in 1990, the 104th Congress came under Republican control. Several issues associated with base closure, including costs and savings, were included on the oversight plan filed by the House National Security Committee at the start of the new Congress, holding out the possibility of changes. An important development took place on January 26, 1995, when Secretary of Defense William J. Perry, addressing the nation's mayors, stated that the final round of closings "will not be as large as the last one." He also commented, in connection with the base closure program, that "we have closed all of the bases that were relatively easy to close," but that DOD still "need(s) to close more bases from the point of view of saving infrastructure..."

## Creation of 1995 Base Closure Commission

Former Senator Alan Dixon of Illinois was nominated and confirmed as chairman of the 1995 commission in October 1994, before the 103rd Congress adjourned.

On February 7, 1995, President Clinton announced the following appointments to the final Base Realignment and Closure Commission authorized by P.L. 101-510:

Al Cornella, a Vietnam veteran who runs a refrigeration business in Rapid City, SD;

Rebecca G. Cox, a vice-president of Continental Airlines who, during the Reagan Administration was director of the White House Office of Public Liaison and Deputy Assistant Secretary of Transportation for Public Affairs;

Retired Air Force Gen. J.B. Davis, a former combat fighter pilot who became Chief of Staff at Supreme Headquarters, Allied Powers, Europe;

S. Lee Kling, a former finance chairman of the Democratic National Committee who is chairman of the board of Kling Rechter & Co., a merchant banking company in Missouri;

Retired Rear Admiral Benjamin F. Montoya. president of Public Service Co. of New Mexico;

Wendi L. Steele, who served in 1991 as Senate liaison to the Commission;

Michael P. W. Stone, former Secretary of the Army, who is a director of BEI Electronics in San Francisco. *This nomination was subsequently withdrawn.*

Retired Army Major General Josue Robles, Jr., was later nominated to replace Stone.

These nominees were confirmed by the Senate on March 2, 1995. Earlier, on December 1, 1994, President Clinton submitted a "dummy" list of commissioners, including Deputy Defense Secretary John Deutch. This met the requirement for submission of a list of candidates prior to the January 3 deadline set by law, and allowed the White House and new Republican majority in Congress to consider other names, later.

## Actions in 1995

The Department of Defense on February 28, 1995 released the *Base Closure and Realignment Report* setting out proposed actions affecting 146 military installations for the consideration of the BRAC Commission. Thirty-three major bases were listed for closure, and 34,200 civilian jobs would be lost under the recommendations. Although former Secretary of Defense Les Aspin had suggested that the 1995 BRAC round would be "the mother of all base closure rounds," the actual recommendations touched fewer bases than did the 1993 round. Secretary Perry stated in his press conference of February 28 that reduction of infrastructure significantly lagged personnel reduction, 21% versus 33% through the first three closure rounds. DOD estimated aggregated savings of about $57 billion over 20 years, from this and the previous three rounds.

On May 10, the commission added 31 installations to the list of bases to be considered for possible closure or realignment. The chairman emphasized that inclusion of a base on the list did not mean the base would close or be realigned, but would allow a fairer assessment of closure candidates. Indeed, in 1993, the commission added 70 bases for further consideration, but, in the end, made few final recommendations that differed from the DOD list. Nevertheless, the commission's views seemed somewhat different from DOD's. For example, the DOD list included only one major shipyard (Long Beach, California) for closure, but the commission added Portsmouth shipyard in Kittery, Maine for consideration. The commission also added Air Force depots at McClellan AFB, California and Kelly AFB, Texas. The latter additions would prove to be more momentous.

During May and June — and prior to its final vote on June 22 — the commission held numerous regional hearings. One of the commissioners stated that between 70 and 80 installations had been visited. In one major difference, although the Air Force had recommended retaining all five maintenance depots, with a reduced workload, the commission put all the depots on a list to be considered for possible closure or realignment.

On June 22, the commission began its final vote, and announced its first set of recommendations on closures and realignments, after reviewing 40% of the recommendations submitted by DOD. It made substantial changes in several of the Air Force recommendations: the Air Force had wanted to close Rome Laboratory, NY, but the commission voted to keep it open. The Air Force also wished to retain all five of its maintenance depots while reducing their workloads, but under the commission's plan, both Kelly AFB, TX, and McClellan AFB, CA, would be virtually closed. Kelly itself would remain open, although the depot would close; McClellan would close entirely. A number of Navy laboratories were also scheduled to be closed.

On June 30, the Defense Base Closure and Realignment Commission sent its *1995 Report to the President* to President Clinton. The report recommended the closure of 79 bases (including 28 major ones), the realignment of 26 bases (including 21 major ones), and a number of disestablishments or relocations. Chairman Dixon stated that implementing these actions would save $19.3 billion over 20 years, but would cost an estimated 94 thousand jobs. The biggest closures would be McClellan AFB, CA, Long Beach Naval Shipyard, CA, and Fort McClellan, AL. The two California senators urged President Clinton to reject the commission's recommendations. On the other hand, several Republican congressmen stated that rejection of the report would impair the integrity of the base closure process (see, for example, *CQ*, July 1, 1995, pp. 1939-1941); no report had been rejected since the base closure program was initiated in 1988. The 1995 report, however, was the first in which the commission had recommended more savings than those proposed by the Administration.

On July 13, President Clinton approved the commission's report, as submitted. In his transmittal message to Congress, he expressed serious reservations because of the severe economic impact that would be suffered by California and Texas. He stated that California had already suffered disproportionately by bearing about half the defense job losses in the three previous rounds, and the latest recommendations would also result in California losing about half the jobs, although it was responsible for only about 15% of the military work force. In its initial report to the commission, the Defense Department had strongly opposed the closing of McClellan Air Force Base, Sacramento, Ca., and Kelly Air Force Base, San Antonio, Tx., for the reason that closure would disrupt Air Force operations and undermine the Air Force's ability to carry out some of its modernization programs.

In his July 13, 1995 transmittal message Clinton defended privatization. He said he would view as a violation of the base closure law any effort by Congress to restrict privatization after approving the base closure package. Representative James V. Hansen stated a contrary view in remarks contained in H.Rept. 104-220, which accompanied the resolution of disapproval, H.J.Res. 102. He said, in part, "the President's direction to 'privatize-in-place,' and the Pentagon's plan for implementation, appear to be in violation of several sections of current law."

On July 26, the House National Security Committee rejected, by a vote of 43-10, a resolution introduced by Representative Frank Tejeda (D., Tx.) that would have overturned the commission's base closure and realignment recommendations. On September 8, the House rejected the resolution of disapproval by a vote of 345-75.

The administration plan for privatizing some of the operations at Kelly AFB, Texas, and McClellan AFB, California was a point of controversy.

President Clinton told Kelly AFB workers in an October 17, 1996 speech that, "for five more years, Kelly will keep the jobs that would be here if closure had not been recommended, and even eight years from now, more than two-thirds of Kelly's jobs will still be here." Employment at Kelly when it was recommended for closure was about 16,000.

At McClellan AFB, some 8,700 of the 11,000 jobs were to be protected for the next five years, after which privatization would take place, with the expectation that as many as 4,300 jobs will shift to non-government employers, according to DOD estimates. In 1996, the Air Force identified work at the two depots to be bid competitively as part of the privatization effort.

Critics contended that the two depots were recommended for closure by the 1995 BRAC Commission because the five Air Force depots had excess capacity, and that the closures would shift work so as to more fully utilize the capacity of the remaining open depots. Continued operation with privatization, they contended, would continue the overcapacity and undercut the commission's projected savings from closure of McClellan and Kelly.

## Subsequent Closure Activity

In conformance with the authorizing statute, by December 31, 1995, the commission completed its mission and went out of existence. Creation of a new BRAC commission would require new authorizing legislation by Congress.

The process of closing previously selected military bases continued. Congress amended the base closing statute a number of times in order to help local communities shift quickly to new economic uses of the land and resources left behind. The National Defense Authorization Act for FY1996 (P.L. 104-106), for instance, added several base closure provisions which addressed such subjects as environmental remediation, the lease back of property to the federal government, and the performance of police and similar services at closed installations. Additional changes were contained in the FY1997 National Defense Authorization Act (P.L. 104-201): principally, bases from the 1988 closure round were made eligible for several provisions available for bases closed under later rounds. More detail on the closure process and Congress's continued role in facilitating that process is contained in CRS Report 96-562 F, *Military Base Closures Since 1988: Status and Employment Changes at the Community and State Level*, by George H. Siehl and Edward Knight.

The RAND National Defense Research Institute has also studied the impact of base closures, concentrating on several non-metropolitan communities in California. Their 1996 report, *The Effects of Military Base Closures on Local Communities: A Short-Term Perspective*, concluded that "While some of the communities did indeed suffer, the effects were not catastrophic (and) not nearly as severe as forecasted," and,

"the burden of defense cuts falls on the individual worker or firm rather than the community." (p.xii)

There is a wide variety among military bases, ranging from those with a training mission and a high percentage of military personnel to support facilities such as shipyards and depots staffed primarily with civilians. There are great differences in the settings in which military installations are found, from lightly populated rural areas to robust, economically diversified metropolitan centers. Base closure impacts clearly differ with individual circumstances. Thus, RAND noted, "(C)losures of major facilities such as Mare Island or Long Beach may have serious effects on the displaced workers, but the effects on the local community are muted by the fact that the community is embedded in a much larger economy..." (p.12)

It was clear to many observers that individual workers and firms would be adversely affected as the base closures and realignments laid out by the four commissions were completed. Their communities, possibly suffering at least initial disruption, however, might gain in the long run. Emerging experience indicated that more jobs, not less, followed many, but not all, closures.

# Base

# Realignment and Closure

# 2005

# Revised

# Force Structure Plan

## 2 March 2005

UNCLASSIFIED
Version

# INTRODUCTION

The Chairman of the Joint Chiefs of Staff provided a long-term force structure plan for the Defense Department based on its analysis of current and future threats, challenges, and opportunities and on the President's national strategy to meet such circumstances. In accordance with Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, the force structure plan for Base Realignment and Closure (BRAC) 2005 is based on the probable threats to national security for a 20-year period, from 2005 to 2024. In previous BRAC rounds, this projection ran only 6 years into the future. It is important to note that this report focuses on a snapshot of force structure through Fiscal Years 2011 due to security classifications. However, this snapshot is a realistic representation of future force structure.

An unclassified portion of the force structure plan is included in this report. The entire plan is classified and available through restricted distribution. The force structure plan does not reflect temporary adjustments to the force structure of one or another military service that the Secretary of Defense may make from time to time in response to unique but transient conditions. The Secretary of Defense submitted the force structure plan to Congress in March 2004 per Public Law 101-510. This submission is a revision to that plan.

## Strategy and Force Development

The President's National Security Strategy and the Secretary of Defense's Strategy provide a new focus for US military forces. These strategies require that US forces, by their presence and activities, assure friends and allies of the United States resolve and ability to fulfill commitments. Military forces must dissuade adversaries from developing dangerous capabilities. In addition, forces must provide the President with a wide range of options to deter aggression and coercion, and if deterrence fails, forces must have the ability to defeat any adversary at the time, place, and in the manner of US choosing.

Based on detailed analysis since the Secretary's 2001 Quadrennial Defense Review, the Department of Defense has updated its strategic thinking, incorporating lessons learned from recent military operations.

The Department's planning has informed decisions to date on the force's overall mix of capabilities, size, posture, patterns of activity, readiness, and capacity to surge globally. Just as strategy is constantly updated to incorporate and account for a changing global security environment, force planning standards also are adaptive and dynamic over time.

The Department's force planning framework does not focus on specific conflicts. It helps determine capabilities required for a range of scenarios. The Department analyzes the force requirements for the most likely, the most

dangerous, and the most demanding circumstances. Assessments of US capabilities will examine the breadth and depth of this construct, not seek to optimize in a single area. Doing so allows decision makers to identify areas where prudent risk could be accepted and areas where risk should be reduced or mitigated.

The defense strategy requires the creation of new forms of security cooperation to support US efforts to swiftly defeat an adversary with modest reinforcement. Specifically, security cooperation will underpin diversified, operational basing access and training opportunities for forward stationed forces, and strengthen US influence with potential partners that could provide coalition capabilities for future contingencies. Security cooperation efforts will focus on activities to build defense relationships that promote US and allied security interests, develop allied and friendly military capabilities for self-defense and coalition operations, and provide US forces with peacetime and contingency access and en route infrastructure.

**Transformation To A Capabilities-Based Approach**

Continuous defense transformation is part of a wider governmental effort to transform America's national security institutions to meet 21st-century challenges and opportunities. Just as our challenges change continuously, so too must our military capabilities.

The purpose of transformation is to extend key advantages and reduce vulnerabilities. We are now in a long-term struggle against persistent, adaptive adversaries, and must transform to prevail.

Transformation is not only about technology. It is also about:

- Changing the way we think about challenges and opportunities;
- Adapting the defense establishment to that new perspective; and,
- Refocusing capabilities to meet future challenges, not those we are already most prepared to meet.

Transformation requires difficult programmatic and organizational choices. We will need to divest in some areas and invest in others.

Transformational change is not limited to operational forces. We also want to change long-standing business processes within the Department to take advantage of information technology. We also are working to transform our international partnerships, including the capabilities that our partners and we can use collectively.

Derivative of a transformational mindset is adoption of a capabilities-based planning methodology. Capabilities-based planning focuses more on how adversaries may challenge us than on whom those adversaries might be or where we might face them. It focuses the Department on the growing range of

capabilities and methods we must possess to contend with an uncertain future. It recognizes the limits of intelligence and the impossibility of predicting complex events with precision. Our planning aims to link capabilities to joint operating concepts across a broad range of scenarios.

The Department is adopting a new approach for planning to implement our strategy. The defense strategy will drive this top-down, competitive process. Operating within fiscal constraints, our new approach enables the Secretary of Defense and Joint Force Commanders to balance risk across a range of areas.

We seek to foster a culture of innovation. The War on Terrorism imparts an urgency to defense transformation; we must transform to win the war.

**Addressing Capabilities Through Force Transformation**

The Department's transformation strategy will balance near-term operational risk with future risk in investment decisions. It will invest now in specific technologies and concepts that are transformational, while remaining open to other paths towards transformation. Capabilities will be developed, supported by force transformation, which will allow us to meet the defense strategy while remaining open to explore new and essential capabilities. This force transformation will allow us to create a new/future force structure, which will move from its current platform-centric condition to a more capabilities-based and network-centric philosophy that addresses the full spectrum of conflict. It will allow the US military to create conditions for increased speed of command and opportunities for coordination across the battlespace.

## PROBABLE THREATS TO NATIONAL SECURITY

**Range of Challenges**. Uncertainty is the defining characteristic of today's strategic environment. We can identify trends but cannot predict specific events with precision. While we work to avoid being surprised, we must posture ourselves to handle unanticipated problems – we must plan with surprise in mind.

We contend with uncertainty by adapting to circumstances and influencing events. It is not enough to react to change. We must safeguard US freedoms and interests while working actively to forestall the emergence of new challenges.

The US military predominates in the world in traditional forms of warfare. Potential adversaries accordingly shift away from challenging the United States through traditional military action and adopt asymmetric capabilities and methods. An array of traditional, irregular, catastrophic, and disruptive capabilities and methods threaten US interests.

These categories overlap. Actors proficient in one can be expected to try to reinforce their position with methods and capabilities drawn from others.

Indeed, recent experience indicates that the most dangerous circumstances arise when we face a complex of such challenges. For example, our adversaries in Iraq and Afghanistan presented both traditional and irregular challenges. Terrorist groups like al Qaida pose irregular threats but also actively seek catastrophic capabilities. The government of North Korea at once poses traditional, irregular, and catastrophic challenges. In the future, the most capable opponents may seek to combine truly disruptive capacity with traditional, irregular, and catastrophic forms of warfare.

**Traditional challenges** come largely from states employing recognized military capabilities and forces in well-known forms of military competition and conflict. While traditional forms of military competition remain important, trends suggest that these challenges will receive lesser priority in the planning of adversaries vis-à-vis the United States. This can be attributed, in part, to US and allied superiority in traditional forms of warfare and the enormous cost to develop, acquire, and maintain conventional capabilities. But it is also explained by the increasing attractiveness of irregular methods, as well as the increasing availability of catastrophic capabilities. Even where adversaries possess considerable capacity in traditional domains, they often seek to reinforce their position with catastrophic, irregular, and disruptive methods and capabilities. Therefore, some strictly traditional or hybrid challenges require the active maintenance of sufficient combat overmatch in key areas of traditional military competition.

**Irregular challenges** are characterized as "unconventional" methods employed by state and non-state actors to counter the traditional advantages of stronger opponents. Irregular methods of increasing sophistication – including terrorism, insurgency, civil war, and third-party coercion – will challenge US security interests to a greater degree than they have in the past. Our adversaries are likely to exploit a host of irregular methods in an attempt to erode US influence, power, and national will over time.

Two factors in particular have intensified the rapid growth and potential danger of irregular challenges: the rise of extremist ideologies and the erosion of traditional sovereignty. Worldwide political, religious, and ethnic extremism continue to fuel deadly and destabilizing conflicts. Particularly threatening are those extremist ideologies that sanction horrific violence targeted at civilians and noncombatants. Areas in Central and South America, Africa, the Middle Ease, and South, Central, and Southeast Asia have provided havens for terrorists, criminals, insurgents, and other groups that threaten global security. Many governments in these areas are unable or unwilling to extend effective control over their territory, thus increasing the area available to hostile exploitation. Irregular challenges in and from these areas will grow more

intense over time and are likely to challenge the security of the United States and its partners for the indefinite future.

Our ongoing War on Terrorism and our resulting operational experience call for a reorientation of our military capabilities to contend with these challenges more effectively.

**Catastrophic challenges** involve the acquisition, possession, and use of weapons of mass destruction (WMD) or methods producing WMD-like effects. A number of state and non-state actors are vigorously seeking to acquire dangerous and destabilizing catastrophic capabilities. States seek these capabilities to offset perceived regional imbalances or to hedge against US military superiority. Terrorists seek them because of the potential they hold for greater physical and psychological impact on targeted audiences.

Porous international borders, weak controls over weapons-related materials and expertise, and ongoing revolutions in information technology are increasingly enabling this trend. Particularly troublesome is the nexus of transnational terrorists, WMD proliferation, and rogue states. Unchecked, this confluence raises the prospect of direct WMD employment against the United States or our allies and partners. Indeed, many would-be adversaries likely believe the best war to check American reach and influence is to develop the capability to threaten the US homeland directly. Catastrophic attacks could arrive via a number of delivery means ranging from rogue use of WMD-armed ballistic missiles to surreptitious delivery through routine commercial channels to innovative attacks like those undertaken on 9/11.

Elements of the US national infrastructure are vulnerable to catastrophic attack. The interdependent nature of the infrastructure crests more vulnerability because attacks against one sector – the electric power grid for instance – would impact other sectors as well. Parts of the defense-related critical infrastructure are vulnerable to a wide range of attacks, especially those that rely on commercial sector elements with multiple single points of failure.

The continuing illicit proliferation of WMD technology and expertise makes contending with catastrophic challenges an enduring necessity. A single catastrophic attack against the United States is an unacceptable prospect. The strategic effect of such an attack transcends the mere economic and social costs. It represents a more fundamental, existential threat to our nation, our institutions, and our free society. Thus, new emphasis must be applied to capabilities that enable us to dissuade acquisition of catastrophic capabilities, deter their use, and finally, when necessary, defeat them prior to their posing direct threats to us and our partners.

**Disruptive challenges** are those posed by competitors employing breakthrough technology that might counter or negate our current advantages

in key operational domains. In doing so, competitors seek to provide new military options that offset our advantages in niche areas and threaten our ability to operate from the strategic commons – space, international waters and airspace, and cyberspace. Such developments will afford opponents only temporary advantage. In a few instances, however, the United States could confront technological breakthroughs that would fundamentally alter our approach to security. These might include, but are not limited to, breakthroughs in biotechnology, cyber-operations, space, directed-energy, and other emerging fields. Although such developments are unpredictable, we must be attentive to the consequences that such possibilities hold, and plan and invest accordingly.

The goal of our transformation is to contend effectively with these challenges and channel future security competition in ways favorable to the United States and its international partners. We accomplish this by assuring our allies and friends – demonstrating our resolve to fulfill defense commitments and protect common interests; dissuading potential adversaries from adopting threatening capabilities and ambitions; deterring aggression and coercion by maintaining capable and rapidly deployable military forces. Finally, at the direction of the President, we will defeat adversaries at the time, place, and in the manner of our choosing – setting the conditions for future security.

**The Unclassified Force Structure Plan**

The following table shows the programmed force structure, manning, and funding for the Army, Navy, Marine Corps, and Air Force for Fiscal Years 2005, 2007, 2009, and 2011. When reviewing this plan, it should be noted that it depicts only Service force units; that is, not all of the force structure is identified. For example, the unclassified version does not account for Army non-divisional units including its associated assets like aviation and special operations; Navy non-carrier-based aircraft and construction battalions; and Air Force airlift, special operation, tankers, and missiles.

# Service Force Units

| | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|
| **Army UEx** | | | | |
| Active | 6 | 11 | 13 | 13 |
| Reserve | 1 | 5 | 8 | 8 |
| **Army Divisions** | | | | |
| Active | 5 | | | |
| Reserve | 7 | 3 | | |
| **Aircraft Carriers** | 12 | 11 | 11 | 11 |
| **Carrier Air Wings** | | | | |
| Active | 10 | 10 | 10 | 10 |
| Reserve | 1 | 1 | 1 | 1 |
| **Battle Force Ships** | 324 | 325 | 337 | 342 |
| **Air Force AEFs** | 10 | 10 | 10 | 10 |
| **USMC Divisions** | | | | |
| Active | 3 | 3 | 3 | 3 |
| Reserve | 1 | 1 | 1 | 1 |

**End-strength (k)**

| | | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|---|
| **USA*** | AC | 482 | 482 | 482 | 482 |
| | RC | 555 | 555 | 555 | 555 |
| **USN** | AC | 366 | 345 | 345 | 345 |
| | RC | 83 | 71 | 70 | 70 |
| **USMC*** | AC | 175 | 175 | 175 | 175 |
| | RC | 40 | 40 | 40 | 40 |
| **USAF** | AC | 360 | 356 | 350 | 350 |
| | RC | 183 | 182 | 182 | 183 |

* The Army projects it will end FY05 with end strength of 511,800 or 29,400 above the baseline of 482,400. The Marine Corps projects it will end FY05 with end strength of 177,675 or 2,675 above the baseline of 175,000. The FY05 Supplemental request includes $1.7 billion to support these overstrengths. In FY06, the Army and Marine Corps plan to exceed the funded end strength levels by at least 30,000 and 3,000 end strength, respectively. Both Services plan to seek Supplemental funding for any additional end strength above the baseline in support of the War on Terrorism.

**Anticipated Level of Funding ($B)**

| | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|
| **USA** | 115 | 110.1 | 120.3 | 125.6 |
| **USN** | 103.7 | 110.5 | 122.7 | 131.5 |
| **USMC** | 18.9 | 18.5 | 20.6 | 21.9 |
| **USAF** | 119.6 | 133.3 | 138.7 | 146.8 |

# Defense Transformation: Background and Oversight Issues for Congress

(Summary extracted from CRS Report to Congress; April 4, 2005; Code RL32238*)

## Summary

The Bush Administration identified transformation as a major goal for the Department of Defense (DOD) soon after taking office and has since worked to refine and implement its plans for defense transformation. Defense transformation can be defined as large-scale, discontinuous, and possibly disruptive changes in military weapons, concepts of operations (i.e., approaches to warfighting) and organization. The issue for the 109th Congress is how to take the concept of defense transformation into account in assessing and acting on Administration proposals for DOD.

The Administration argues that new technologies make defense transformation possible and that new threats to U.S. security make defense transformation necessary. The Administration's vision for defense transformation calls for placing increased emphasis in U.S. defense planning on irregular warfare including terrorism, insurgencies, and civil war; potential catastrophic security threats, such as the possession and possible use of weapons of mass destruction by terrorists and rogue states; and potential disruptive events, such as the emergence of new technologies that could undermine current U.S. military advantages. The Administration's vision for defense transformation calls for shifting U.S. military forces toward a greater reliance on joint operations, network-centric warfare, effects-based operations, speed and agility, and precision application of firepower. Transformation could affect the defense industrial base by transferring funding from "legacy" systems to transformational systems, and from traditional DOD contractors to firms that previously have not done much defense work.

Debate has arisen over several elements of the Administration's transformation plan, including its emphasis on network-centric warfare; the planned total size of the military; the balance between air and ground forces; the restructuring of the Army; the balance of tactical aircraft relative to unmanned air vehicles and bombers; its emphases on missile defense and special operations forces; and its plans regarding reserve forces and forces for stability operations. Potential areas of debate regarding the Administration's strategy for implementing transformation include overall leadership and management; the balance of funding for transformation vs. near-term priorities; the roles of DOD offices responsible for transformation; tests, exercises, and metrics for transformation; independent analysis of the Administration's plans; and actions for creating a culture of innovation.

Some observers are concerned that the Administration's regular (some might even say habitual) use of the term transformation in discussing its proposals for DOD has turned the concept of transformation into an empty slogan or buzz-phrase. Other observers are concerned that the Administration is invoking the term transformation as an all-purpose rhetorical tool for justifying its various proposals for DOD, whether they relate to transformation or not, and for encouraging minimal debate on those proposals by tying the concept of transformation to the urgent need to fight the war on terrorism. This report will be updated as events warrant.

* Full CRS Report available on request

**PREPARED TESTIMONY OF U.S. SECRETARY OF DEFENSE**
**DONALD H. RUMSFELD**
**BEFORE THE SENATE ARMED SERVICES COMMITTEE**
**GLOBAL POSTURE**
**SEPTEMBER 23, 2004**

Mr. Chairman, members of the Committee:

We thank you for the opportunity to discuss our work of some 3½ years to transform the Department of Defense.

History is traced by major events. It is important to learn from them. As we look back now on the wars of the last few centuries, we see the key moments, the turning points, and the statesmen and legislative leaders who played critical roles in helping to make our world more secure and allowing freedom to spread.

I am not certain that our work, together with this Committee and the Congress, in carrying out the President's vision for transforming of our military is one of those milestones.

But it could prove to be so.

I hope it is. Indeed, it is important that that be the case.

Today I will mention some of the elements of reform – even revolution – that fit under the somewhat pedestrian term of "transformation" or "transforming." We all can look back with some satisfaction on how much has been achieved, and look forward with encouragement, as we seek to do still more.

We meet as the brave men and women in uniform are defending the American people against those who seek to terrorize and intimidate civilized societies and to attack our freedoms. The folks in uniform represent the best our country has to offer. They have not wavered in meeting the tough challenges we face.

While I know the Committee agrees that our responsibility is to ensure that they have the tools they need to fight this war, and a military structure that helps them win it, we need to do still more.

Rearranging our global posture, the subject of today's hearing, is essential to our success. General Jim Jones, Admiral Thomas Fargo, and General Leon LaPorte are here today with Chairman of the Joint Chiefs of Staff, General Dick Myers, to discuss these important proposals.

It is important to note that rearranging our global posture is only part of our considerably broader set of undertakings. What we are doing is changing mindsets and perspectives.

Essential to this is transforming our military into a more agile, more efficient force that is ready and able to combat the asymmetric challenges of this new and uncertain time.

This is a sizable undertaking. It is said that Abraham Lincoln once equated reorganizing the Army with "bailing out the Potomac River with a teaspoon." He was expressing the truth that change is not easy.

But history has long warned great nations of the perils of seeking to defend themselves by using the successful tactics and strategies of the last war. The French experienced this with the Maginot Line.

Throughout our history, Americans have shown a talent for innovation and invention, and the providence of finding the right leaders for the times. General Ulysses S. Grant made skillful use of the rifle, the telegraph, and railroads to win the Civil War. At the turn of the 20th Century, President Theodore Roosevelt recognized the potency of deterrence and used naval power to project American strength.

After World War I, visionaries like Billy Mitchell predicted the rise of air power as critical to future battles. And Patton and Eisenhower's awareness of the importance of the tank and armored warfare helped to prepare for World War II.

In Afghanistan, our forces utilized a creative combination of cutting edge satellite technology and old-time cavalry charges to liberate that country with a minimal loss of life.

America today remains the world's preeminent military power because our leaders have properly challenged assumptions and the status quo, invested in and made use of new technologies, and abandoned old certainties and strategies when freedom's defense required it. Ours are the military forces that have been on the cutting edge of new ideas. And so we must be today.

Members of the Committee, we do not propose changes to our defense strategies lightly or precipitously. They are part of a broad strategy that, as this Committee knows, has been years in the making. These proposals will take place over the next six to eight years. There will be no grand announcement. This administration has consulted extensively with our allies – new and old – on a multitude of levels, every step of the way. We have sought the advice of the Congress. We recognize that no one has a monopoly on wisdom.

The course we have charted is not novel or sudden. Key points were designated by the President, before he was even elected.

In a 1999 speech at the Citadel, then-Governor Bush warned of the rise of terrorism, the spread of missile technology, and the proliferation of weapons of mass destruction – a "world of terror and missiles and madmen."

Calling for a "new spirit of innovation," he outlined ambitious goals: "to move beyond marginal improvements – to replace existing programs with new technologies and strategies. Our forces in the next century must be agile, lethal, readily deployable, and require a minimum of logistical support. We must be able to project our power over long distances, in days or weeks, rather than months."

Mr. Chairman, I realize these goals are not new to you or to this Committee. We have been working on these changes together for a number of years.

But let me set out where we are at this point of our journey:

- We have increased the size of the U.S. Army and are re-organizing it into more agile, lethal and deployable brigades – light enough to move quickly on short notice, but also with enough protection, firepower and logistics assets to sustain themselves;

- We are retraining and restructuring the Active and Reserve components to achieve a more appropriate distribution of skill sets, to improve the total force's responsiveness to crises, and so that individual reservists and guardsmen will mobilize less often, for shorter periods of time, and with somewhat more predictability. Already the services have rebalanced some 10,000 military spaces both within and between the Active and Reserve components in 2003, and are projected to rebalance 20,000 more during 2004.

- We are increasing the jointness between the services. Instead of simply de-conflicting the armed services and members of the intelligence community we are integrating them to interact as seamlessly as possible.

- We are improving communications and intelligence activities. This includes, for example, the development of Space Based Radar (SBR) to monitor both fixed and mobile targets deep behind enemy lines and over denied areas, in any kind of weather. We also are at work on the Transformational Communications Satellite (TSAT) to provide our joint warfighter with unprecedented communication capability. To give you an idea of the speed and situational awareness the TSAT will provide, consider this: transmitting a Global Hawk image over a current Milstar II, as we do today, takes over 12 minutes. With TSAT it will take <u>less than a second</u>.

- The Department is constructing three new state-of-the-art guided missile destroyers to patrol the seas; 42 new F/A-18 fighter aircraft to guard the skies; and new C-17 strategic air lifters, which will improve our ability to move forces quickly over long distances.

- We have significantly expanded the capabilities and missions of Special Operations. SOCOM has moved from exclusively a "supporting" command to both a "supporting" and a "supported" command, with the authority to plan and execute missions in the global war on terror.

- We have established new commands and restructured old ones:

    - the Northern Command, dedicated to defending the homeland;
    - the Joint Forces Command, to focus on continuing transformation; and
    - the Strategic Command, responsible for early warning of and defense against missile attack, and the conduct of long-range attacks.

- We are working with NATO in an effort to make the Alliance more relevant and credible in this post-Cold War era, shedding redundant headquarters and creating a new rapid response force.

- It used to be that operational and contingency plans were developed, then placed on the shelf for years. We're working to maintain a regular review of plans, challenging our own assumptions and keeping the plans fresh and relevant.

- The Department is changing its approach to infrastructure and installations. When the Administration arrived, facilities were funded at a rate and level that reflected an expectation that they would be replaced only every 175 to 200 years. Our goal was and remains to cut it down to a more realistic recapitalization rate closer to 70 years.

- We are making progress in changing the culture in the Department and the military from one of "risk avoidance" to one that rewards achievement and innovation.

Let me mention another example of an activity underway that on its own may seem minor, but is crucial to the process of transforming.

Today we have tens of thousands of uniformed people doing what are essentially non-military jobs. And yet we are calling up Reserves to help deal with the global war on terror. The same benefit as we achieve with an increase in military personnel is already coming from converting some of these jobs filled by uniformed personnel to positions supported by DoD civilians or contractors. The Department has identified over 50,000 positions to begin such conversion and plans to carry out this conversion at a rate of about 10,000 positions per year. We are also continuing to review thousands of other positions for possible conversion.

To support this, we are working with the Congress and the unions to improve our civilian personnel systems so we can fill these converted positions expeditiously. This is an enormously complicated matter and there is a great deal more work to be done. But when fully implemented, the National Security Personnel System, should:

- Expedite the hiring process for civilian employees;
- Recognize and reward outstanding civilian individuals;
- Make it easier to provide merit-based promotions and reassignments; and
- Streamline the complex webs of rules and regulations that currently frustrate efficient management of the Department.

When we talk about changes to our country's global posture, it is important to look at those changes – as part of the broader transforming of our way of doing things. One cannot succeed without the other.

If our goal is to arrange the Department and our forces so we are prepared for the challenges of this new century – the newer enemies and the more lethal weapons – it is clear that our existing arrangements are seriously obsolete.

We have entered an era where enemies are in small cells scattered across the globe. Yet America's forces continue to be arranged essentially to fight large armies, navies, and air forces, and in support of an approach – static deterrence – that does not apply to enemies who have no territories to defend and no treaties to honor.

We are still situated in a large part as if little has changed for the last fifty years – as if, for example, Germany is still bracing for a Soviet tank invasion across its northern plain. In South Korea, our troops were virtually frozen in place from where they were when the Korean War ended in 1953.

So we have developed a set of new concepts to govern the way we will align ourselves in the coming years and decades. Though this should not be news to many on the Committee since we have offered extensive briefings to Members and staffs, let me reiterate some of the concepts.

A first notion is that our troops should be located in places where they are wanted, welcomed, and needed. And, in some cases, the presence and activities of our forces grate on local populations and have become an irritant for host governments. The best example is our massive headquarters in some of the most valuable downtown real estate in Seoul – Korea's capital city – long a sore point for many South Koreans. Under our proposed changes, that headquarters will be moved to a location well south of the capital.

In the last few years, we have built new relationships with countries that are central to the fight against extremists – in places such as Afghanistan, Pakistan, and Uzbekistan, to offer a few examples. We also have strong partnerships with the newly-liberated nations of Eastern Europe. We believe it makes sense to try to work out arrangements with countries that are interested in the presence of the U.S. and which are in closer proximity to the regions of the world where our troops are more likely to be needed in the future.

A second governing concept is that American troops should be located in environments that are hospitable to their movements. Because U.S. soldiers may be called to a variety of locations to engage extremists at short notice, we need to be able to deploy them to trouble spots quickly. Yet over time, some host countries and or their neighbors have imposed restrictions on the movement and use of our forces. So it makes sense to place a premium on developing more flexible legal and support arrangements with our allies and partners where we might choose to locate, deploy or exercise our troops.

Many of our current legal arrangements date back a half a century or more. We need our international arrangements to be up-to-date – to reflect the new realities and to permit operational flexibility. They have to help, not hinder, the rapid deployment and employment of U.S. and coalition forces worldwide in a crisis. These legal arrangements should encourage responsibility and burden-sharing among our partners and ourselves, and be certain to provide the necessary legal protections for U.S. personnel.

Third, we need to be in places that allow our troops to be usable and flexible. As the President has noted, the 1991 Gulf War was a stunning victory. But it took six months of planning and transport to summon our fleets and divisions and position them for battle. In the future, we cannot expect to have that kind of time.

Finally, we believe we should take advantage of advanced capabilities that allow us to do more with less. The old reliance on presence and mass reflects the last century's industrial-age thinking.

In this century, we are shifting away from the tendency to equate sheer numbers of things – tanks, troops, bombs, etc. – with capability. If a commander has a smart bomb that is so precise that it can do the work of eight dumb bombs, for example, the fact that his inventory is reduced from ten dumb bombs to five smart bombs does not mean his capability has been reduced – indeed his capability has been significantly increased.

The "old think" approach needs to be modernized. In terms of lethality, precision weapons have greatly expanded our capability, while significantly reducing the number of weapons needed.

We can, for example, attack multiple targets in one sortie, rather than requiring multiple sorties to attack one target. The Navy's response time for surging combat ships has been shortened to the point that we will likely not need a full-time carrier strike group presence in every critical region.

As a result of these new ways of thinking, we have developed plans for a more flexible and effective force posture for the 21st century. For example, main operating bases in places like Germany, Italy, the U.K., Japan, and Korea, will be consolidated, but retained. We hope to rely on forward operating sites and locations, with rotational presence

and pre-positioned equipment, and to gain access to a broader range of facilities with little or no permanent U.S. presence, but with periodic service or contractor support.

In Asia, our ideas build upon our current ground, air, and naval access to overcome vast distances, while bringing additional naval and air capabilities forward into the region. We envision consolidating facilities and headquarters in Japan and Korea, establishing nodes for special operations forces, and creating multiple access avenues for contingency operations.

In Europe, we seek lighter and more deployable ground capabilities and strengthened special operations forces – both positioned to deploy more rapidly to other regions as necessary – and advanced training facilities.

In the broader Middle East, we propose to maintain what we call "warm" facilities for rotational forces and contingency purposes, building on cooperation and access provided by host nations during Operations Enduring Freedom and Iraqi Freedom.

In Africa and the Western Hemisphere, we envision a diverse array of smaller cooperative security locations for contingency access.

And, of course, we welcome comments and suggestions as negotiations with potential host countries proceed.

One additional benefit to our proposed new arrangements is that they will significantly improve the lives of U.S. military families. This is important. Over the coming period of years, we plan to transfer home, to American soil, up to 70,000 troops and some 100,000 family members and civilian employees. In addition, deployments of the future should be somewhat shorter, families should experience somewhat fewer permanent changes of station, and thus less disruption in their lives.

Base Realignment and Closure (BRAC)

The global posture decision process and Base Realignment and Closure (BRAC) are tightly linked, indeed they depend on each other. They are both key components of the President's transformation agenda, and they both will be critical instruments for stability in the lives of service members and their families. Together, they will help to provide more predictability in assignments and rotations.

The progress made to date on global posture enables DoD to provide specific input on overseas changes for BRAC 2005. That input will allow domestic implications of the global posture review – with forces and personnel either returning to or moving forward from U.S. territory – to be accounted for as effectively as possible within the BRAC decision-making process.

Finally, as was the case with previous BRAC rounds, the U.S. will retain enough domestic infrastructure to provide for difficult-to-reconstitute assets to respond to surge needs, and to accommodate significant force reconstitution as necessary, including all forces based within or outside the United States.

Any initiative as complex as the proposed global posture realignment will stimulate questions – especially in an election year.

I appreciate this opportunity to address a few of the myths and misconceptions that seem to be lingering out there about what is contemplated.

***For example, will reducing overall force levels in Korea reduce our ability to come to its defense?***

In fact, our partnership with the Republic of Korea is a good example of what we hope to accomplish. The Defense Department has been investing in and making arrangements for improved capabilities – such as long range precision weaponry – to be available on the Korean peninsula. As a result, as we are increasingly able to transfer responsibility to Korean forces, we will be able to reduce U.S. troop levels. The combined capabilities of the U.S. and the Republic of Korea will make our defense of Korea stronger than before.

As in Western Europe, the situation in Korea is different from what it was 50 years ago, back when South Korea was impoverished and virtually destroyed. Today South Korea is an economic powerhouse, with a modern military force of some 600,000, and a GDP per capita of 18 times that of North Korea. Our proposed global force posture initiatives make it clear that the U.S. and the Republic of Korea are working together as partners, each bringing important capabilities to our shared challenges.

***Has the Administration prepared the public – and informed Congress – about these changes?***

As I mentioned, these concepts were outlined years ago – first in a 1999 speech before President Bush took office and then a number of times since.

The global posture review had its origins in the 2001 Report of the statutory Quadrennial Defense Review. On November 25, 2003, President Bush announced that the U.S. would intensify consultations with friends, allies, and partners overseas.

We have made significant progress during 2003-2004, and these proposals have been shared frequently with the Congressional leadership, committee leadership and members, and with committee staffs.

I'm told that in the past two years the Department of State and this Department have provided at least:

- Four briefings to House committee staffs and one each to members of the House Armed Services Committee and House Appropriations Committee – Defense Subcommittee;
- Four briefings to individual Senators;
- Nine briefings to Senate committee staffs or members' personal staffs; and
- This year alone, I took part in five breakfast meetings on the subject with Congressmen and Senators, including one on April 29, 2004 with Chairman Warner and Senator Levin.

***Should we have given earlier warning to our allies?***

In fact, we have met with officials in foreign governments on a variety of levels on these concepts. Secretary Powell and I have spoken many times with our counterparts abroad, as have our staffs.

The results of multiple consultations by Under Secretary of Defense Feith, his State Department colleague Marc Grossman, and others at NATO and in key European, Asian and other capitals helped to create understanding and cooperation regarding our posture realignment.

Our foreign counterparts have appreciated that their input was sought before key decisions were made and they understood our global, long-term view and the strategic rationale for conducting the review at this time.

***Does realigning our posture send a dangerous message to North Korea about our commitment to the South?***

The answer is an emphatic "no." We know that sheer numbers of people are no longer appropriate measures of commitment or capabilities. As I have noted earlier, our capabilities in defending the Republic of Korea are increasing, not decreasing.

Senator Joe Lieberman said it well in an interview a few weeks ago. He noted that: "Kim Jong Il ... is not under any misconceptions. We have enormous power at sea, in the air, on the ground, in the Asian Pacific region and on the Korean peninsula. And if he tries to take aggressive action against the South Koreans, he will pay a very, very heavy price." The Senator is correct.

***Will sending more troops home from theaters in Europe weaken our ability to surge quickly to trouble spots?***

Actually, the opposite is closer to the truth. Presence is important, but forward stationing does not mean optimal stationing. Forces in Europe, for example, are only closer to the Middle East if they can deploy rapidly to the south. If those same forces have to deploy to the north, through the Baltic and North Seas, then to the Atlantic and Mediterranean, then we can move roughly as fast from the United States. We do not expect our forces to fight where

they are stationed. We know that our forces will need to move to the fight, wherever it is. That means that command structures and capabilities must be expeditionary. We need well-developed transportation networks. And we need materiel and supplies along transportation routes.

So, if there are legal or political restrictions on the movement of our troops where they are stationed, the difficulties in using them quickly multiply.

Additionally, the more flexible arrangements we are seeking with our allies will allow us to make changes as changes are needed. Area commanders don't own forces. Our country does. We have no hesitation in moving forces from one region to another as circumstances change and require – and we do frequently.

Critics of these proposed moves seem trapped in the thinking of the last century. In some ways, that is understandable. It is difficult to part with thoughts that one has harbored for decades. But the world changes and updated thinking is needed.
We owe an up-to-date defense posture to our troops in the field and the generations that may be called to battle in the future.

This week, I had the privilege of participating in one of our regular meetings in Washington with the combatant commanders, some of whom are here today. They are impressive. They follow in the footsteps of the visionary military leaders of the past. And this plan was undertaken with the benefit of their military advice.

One day future generations will look back at them with gratitude for what they have accomplished in the last few years in the struggle against global extremists.

And our task is to see that one day historians and generations will look back at what is being done today, at what is being accomplished, and say that our actions also helped to make the world more peaceful, our military more formidable, and our freedom more secure.

Thank you, Mr. Chairman.

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# SPEECHES AND TESTIMONY

## Global Intelligence Challenges 2005: Meeting Long-Term Challenges with a Long-Term Strategy

**Testimony of Director of Central Intelligence**
**Porter J. Goss**
**Before the Senate Select Committee on Intelligence**

**16 February 2005**
**(as prepared for delivery)**

Good morning, Mr. Chairman, Mr. Vice Chairman, Members of the Committee.

It is my honor to meet with you today to discuss the challenges I see facing America and its interests in the months ahead. These challenges literally span the globe. My intention is to tell you what I believe are the greatest challenges we face today and those where our service as intelligence professionals is needed most on behalf of the US taxpayer.

We need to make tough decisions about which haystacks deserve to be scrutinized for the needles that can hurt us most. And we know in this information age that there are endless haystacks everywhere. I do want to make several things clear:

- Our officers are taking risks, and I will be asking them to take more risks--justifiable risks--because I would much rather explain why we did something than why we did nothing,
- I am asking for more competitive analysis, more collocation of analysts and collectors, and deeper collaboration with agencies throughout the Intelligence Community. Above all, our analysis must be objective. Our credibility rests there.
- We do not make policy. We do not wage war. I am emphatic about that and always have been. We do collect and analyze information.

With respect to the CIA, I want to tell you that my first few months as Director have served only to confirm what I and Members of Congress have known about CIA for years. It is a special place--an organization of dedicated, patriotic people. In addition to taking a thorough, hard look at our own capabilities, we are working to define CIA's place in the restructured Intelligence Community--a community that will be led by a new Director of National Intelligence--to make the maximum possible contribution to American security at home and abroad. The CIA is and will remain the flagship agency, in my view. And each of the other 14 elements in the community will continue to make their unique contributions as well.

Now, I turn to threats. I will not attempt to cover everything that could go wrong in the year ahead. We must, and do, concentrate our efforts, experience and expertise on the challenges that are most pressing: defeating terrorism; protecting the homeland; stopping proliferation of weapons of mass destruction and drugs; and fostering stability, freedom and peace in the most troubled regions of the world. Accordingly, my comments today will focus on these duties. I know well from my 30 years in public service that you and your colleagues have an important responsibility with these open sessions to get information to the American people. But I also know all too well that as we are broadcasting to America, enemies are also tuning in. In open session I feel I must be very prudent in my remarks as DCI.

**TERRORISM**

Mr. Chairman, defeating terrorism must remain one of our intelligence community's core objectives, as widely dispersed terrorist networks will present one of the most serious challenges to US national security interests at home and abroad in the coming year. In the past year, aggressive measures by our intelligence, law enforcement, defense and homeland security communities, along with our key international partners have dealt serious blows to al-Qa'ida and others. Despite these successes, however, the terrorist threat to the US in the Homeland and abroad endures.

- Al-Qa'ida is intent on finding ways to circumvent US security enhancements to strike Americans and the Homeland.
- It may be only a matter of time before al-Qa'ida or another group attempts to use chemical, biological, radiological, and nuclear weapons (CBRN).
- Al-Qa'ida is only one facet of the threat from a broader Sunni jihadist movement.
- The Iraq conflict, while not a cause of extremism, has become a cause for extremists.

We know from experience that al-Qa'ida is a patient, persistent, imaginative, adaptive and dangerous opponent. But it is vulnerable and we and other allies have hit it hard.

- Jihadist religious leaders preach millennial aberrational visions of a fight for Islam's survival. Sometimes they argue that the struggle justifies the indiscriminate killing of civilians, even with chemical, biological, radiological, or nuclear weapons.

Our pursuit of al-Qa'ida and its most senior leaders, including Bin Ladin and his deputy, Ayman al-Zawahiri is intense. However, their capture alone would not be enough to eliminate the terrorist threat to the US Homeland or US interests overseas. Often influenced by al-Qa'ida's ideology, members of a broader movement have an ability to plan and conduct operations. We saw this last March in the railway attacks in Madrid conducted by local Sunni extremists. Other regional groups--connected to al-Qa'ida or acting on their own--also continue to pose a significant threat.

- In Pakistan, terrorist elements remain committed to attacking US targets. In Saudi Arabia, remnants of the Saudi al-Qa'ida network continue to attack US interests in the region.
- In Central Asia, the Islamic Jihad Group (IJG), a splinter group of the Islamic Movement of Uzbekistan, has become a more virulent threat to US interests and local governments. Last spring the group used female operatives in a series of bombings in Uzbekistan.
- In Southeast Asia, the Jemaah Islamiyah (JI) continues to pose a threat to US and Western interests in Indonesia and the Philippines, where JI is colluding with the Abu Sayyaf Group and possibly the MILF.

- In Europe, Islamic extremists continue to plan and cause attacks against US and local interests, some that may cause significant casualties. In 2004 British authorities dismantled an al-Qa'ida cell and an extremist brutally killed a prominent Dutch citizen in the Netherlands.

Islamic extremists are exploiting the Iraqi conflict to recruit new anti-US jihadists.

- These jihadists who survive will leave Iraq experienced in and focused on acts of urban terrorism. They represent a potential pool of contacts to build transnational terrorist cells, groups, and networks in Saudi Arabia, Jordan and other countries.

- Zarqawi has sought to bring about the final victory of Islam over the West, and he hopes to establish a safe haven in Iraq from which his group could operate against "infidel" Western nations and "apostate" Muslim governments.

Other terrorist groups spanning the globe also pose persistent and serious threats to US and Western interests.

- Hizballah's main focus remains Israel, but it could conduct lethal attacks against US interests quickly upon a decision to do so.

- Palestinian terrorist organizations have apparently refrained from directly targeting US or Western interests in their opposition to Middle East peace initiatives, but pose an ongoing risk to US citizens who could be killed or wounded in attacks intended to strike Israeli interests.

- Extremist groups in Latin America are still a concern, with the FARC--the Revolutionary Armed Forces of Colombia--possessing the greatest capability and the clearest intent to threaten US interests in the region.

- Horn of Africa, the Sahel, the Mahgreb, the Levant, and the Gulf States are all areas where "pop up" terrorist activity can be expected.

**AFGHANISTAN**

Mr. Chairman, Afghanistan, once the safe haven for Usama bin Ladin, has started on the road to recovery after decades of instability and civil war. Hamid Karzai's election to the presidency was a major milestone. Elections for a new National Assembly and local district councils--tentatively scheduled for this spring--will complete the process of electing representatives.

President Karzai still faces a low-level insurgency aimed at destabilizing the country, raising the cost of reconstruction and ultimately forcing Coalition forces to leave.

- The development of the Afghan National Army and a national police force is going well, although neither can yet stand on its own.

**IRAQ**

Low voter turnout in some Sunni areas and the post-election resumption of insurgent attacks--most against Iraqi civilian and security forces--indicate that the insurgency achieved at least some of its election-day goals and remains a serious threat to creating a stable representative government in Iraq.

Self-determination for the Iraqi people will largely depend on the ability of Iraqi forces to provide security. Iraq's most capable security units have become more effective in recent months, contributing to several major operations and helping to put an Iraqi face on security operations. Insurgents are determined to discourage new recruits and undermine the effectiveness of existing Iraqi security forces.

- The lack of security is hurting Iraq's reconstruction efforts and economic development, causing overall economic growth to proceed at a much slower pace than many analysts expected a year ago.

- Alternatively, the larger uncommitted moderate Sunni population and the Sunni political elite may seize the post electoral moment to take part in creating Iraq's new political institutions if victorious Shia and Kurdish parties include Sunnis in the new government and the drafting of the constitution.

**PROLIFERATION**

Mr. Chairman, I will now turn to the worldwide challenge of proliferation. Last year started with promise as Libya had just renounced its WMD programs, North Korea was engaged in negotiations with regional states on its nuclear weapons program, and Iran was showing greater signs of openness regarding its nuclear program after concealing activity for nearly a decade. Let me start with Libya, a good news story, and one that reflects the patient perseverance with which the Intelligence Community can tackle a tough intelligence problem.

**LIBYA**

In 2004 Tripoli followed through with a range of steps to disarm itself of WMD and ballistic missiles.

- Libya gave up key elements of its nuclear weapons program and opened itself to the IAEA.

- Libya gave up some key CW assets and opened its former CW program to international scrutiny.

- After disclosing its Scud stockpile and extensive ballistic and cruise missile R&D efforts in 2003, Libya took important steps to abide by its commitment to limit its missiles to the 300-km range threshold of the Missile Technology Control Regime (MTCR).

The US continues to work with Libya to clarify some discrepancies in the declaration.

**NORTH KOREA**

On 10 February 2005, Pyongyang announced it was suspending participation in the six-party talks underway since 2003, declared it had nuclear weapons, and affirmed it would seek to increase its nuclear arsenal. The North had been pushing for a freeze on its plutonium program in exchange for significant benefits, rather than committing to the full dismantlement that we and are our partners sought.

- In 2003, the North claimed it had reprocessed the 8,000 fuel rods from the Yongbyong reactor, originally stored under the Agreed Framework, with IAEA monitoring in 1994. The North claims to have made new weapons from its reprocessing effort.

- We believe North Korea continues to pursue a uranium enrichment capability drawing on

the assistance it received from A.Q. Khan before his network was shutdown.

North Korea continues to develop, produce, deploy, and sell ballistic missiles of increasing range and sophistication, augmenting Pyongyang's large operational force of Scud and No Dong class missiles. North Korea could resume flight-testing at any time, including of longer-range missiles, such as the Taepo Dong-2 system. We assess the TD-2 is capable of reaching the United States with a nuclear-weapon-sized payload.

- North Korea continues to market its ballistic missile technology, trying to find new clients now that some traditional customers, such as Libya, have halted such trade.

We believe North Korea has active CW and BW programs and probably has chemical and possibly biological weapons ready for use.

**IRAN**

In early February, the spokesman of Iran's Supreme Council for National Security publicly announced that Iran would never scrap its nuclear program. This came in the midst of negotiations with EU-3 members (Britain, Germany and France) seeking objective guarantees from Tehran that it will not use nuclear technology for nuclear weapons.

- Previous comments by Iranian officials, including Iran's Supreme Leader and its Foreign Minister, indicated that Iran would not give up its ability to enrich uranium. Certainly they can use it to produce fuel for power reactors. We are more concerned about the dual-use nature of the technology that could also be used to achieve a nuclear weapon.

In parallel, Iran continues its pursuit of long-range ballistic missiles, such as an improved version of its 1,300 km range Shahab-3 MRBM, to add to the hundreds of short-range SCUD missiles it already has.

Even since 9/11, Tehran continues to support terrorist groups in the region, such as Hizballah, and could encourage increased attacks in Israel and the Palestinian Territories to derail progress toward peace.

- Iran reportedly is supporting some anti-Coalition activities in Iraq and seeking to influence the future character of the Iraqi state.

- Conservatives are likely to consolidate their power in Iran's June 2005 presidential elections, further marginalizing the reform movement last year.

- Iran continues to retain in secret important members of Al-Qai'ida-the Management Council--causing further uncertainty about Iran's commitment to bring them to justice.

**CHINA**

Beijing's military modernization and military buildup is tilting the balance of power in the Taiwan Strait. Improved Chinese capabilities threaten US forces in the region.

- In 2004, China increased its ballistic missile forces deployed across from Taiwan and rolled out several new submarines.

- China continues to develop more robust, survivable nuclear-armed missiles as well as conventional capabilities for use in a regional conflict.

Taiwan continues to promote constitutional reform and other attempts to strengthen local identity. Beijing judges these moves to be a "timeline for independence". If Beijing decides that Taiwan is taking steps toward permanent separation that exceed Beijing's tolerance, we believe China is prepared to respond with various levels of force.

China is increasingly confident and active on the international stage, trying to ensure it has a voice on major international issues, secure access to natural resources, and counter what it sees as US efforts to contain or encircle China.

New leadership under President Hu Jintao is facing an array of domestic challenges in 2005, such as the potential for a resurgence in inflation, increased dependence on exports, growing economic inequalities, increased awareness of individual rights, and popular expectations for the new leadership.

**RUSSIA**

The attitudes and actions of the so-called "siloviki"--the ex-KGB men that Putin has placed in positions of authority throughout the Russian government--may be critical determinants of the course Putin will pursue in the year ahead.

- Perceived setbacks in Ukraine are likely to lead Putin to redouble his efforts to defend Russian interests abroad while balancing cooperation with the West. Russia's most immediate security threat is terrorism, and counterterrorism cooperation undoubtedly will continue.

- Putin publicly acknowledges a role for outside powers to play in the CIS, for example, but we believe he is nevertheless concerned about further encroachment by the US and NATO into the region.

- Moscow worries that separatism inside Russia and radical Islamic movements beyond their borders might threaten stability in Southern Russia. Chechen extremists have increasingly turned to terrorist operations in response to Moscow's successes in Chechnya, and it is reasonable to predict that they will carry out attacks against civilian or military targets elsewhere in Russia in 2005.

Budget increases will help Russia create a professional military by replacing conscripts with volunteer servicemen and focus on maintaining, modernizing and extending the operational life of its strategic weapons systems, including its nuclear missile force.

- Russia remains an important source of weapons technology, materials and components for other nations. The vulnerability of Russian WMD materials and technology to theft or diversion is a continuing concern.

**POTENTIAL AREAS FOR INSTABILITY**

Mr. Chairman, in the MIDDLE EAST, the election of Palestinian President Mahmud Abbas, nevertheless, marks an important step and Abbas has made it clear that negotiating a peace deal with Israel is a high priority. There nevertheless are hurdles ahead.

- Redlines must be resolved while Palestinian leaders try to rebuild damaged PA infrastructure and governing institutions, especially the security forces, the legislature, and the judiciary.

- Terrorist groups, some of who benefit from funding from outside sources, could step up

attacks to derail peace and progress.

In AFRICA, chronic instability will continue to hamper counterterrorism efforts and pose heavy humanitarian and peacekeeping burdens.

- In Nigeria, the military is struggling to contain militia groups in the oil-producing south and ethnic violence that frequently erupts throughout the country. Extremist groups are emerging from the country's Muslim population of about 65 million.

- In Sudan, the peace deal signed in January will result in de facto southern autonomy and may inspire rebels in provinces such as Darfur to press harder for a greater share of resources and power. Opportunities exist for Islamic extremists to reassert themselves in the North unless the central government stays unified.

- Unresolved disputes in the Horn of Africa--Africa's gateway to the Middle East--create vulnerability to foreign terrorist and extremist groups. Ethiopia and Eritrea still have a contested border, and armed factions in Somalia indicate they will fight the authority of a new transitional government.

In LATIN AMERICA, the region is entering a major electoral cycle in 2006, when Brazil, Colombia, Costa Rica, Ecuador, Mexico, Nicaragua, Peru, and Venezuela hold presidential elections. Several key countries in the hemisphere are potential flashpoints in 2005.

- In Venezuela, Chavez is consolidating his power by using technically legal tactics to target his opponents and meddling in the region, supported by Castro.

- In Colombia, progress against counternarcotics and terrorism under President Uribe's successful leadership, may be affected by the election.

- The outlook is very cloudy for legitimate, timely elections in November 2005 in Haiti--even with substantial international support.

- Campaigning for the 2006 presidential election in Mexico is likely to stall progress on fiscal, labor, and energy reforms.

- In Cuba, Castro's hold on power remains firm, but a bad fall last October has rekindled speculation about his declining health and succession scenarios.

In SOUTHEAST ASIA, three countries bear close watching.

- In Indonesia, President Yudhoyono has moved swiftly to crackdown on corruption. Reinvigorating the economy, burdened by the costs of recovery in tsunami-damaged areas, will likely be affected by continuing deep-seated ethnic and political turmoil exploitable by terrorists.
- In the Philippines, Manila is struggling with prolonged Islamic and Communist rebellions. The presence of Jemaah Islamiyah (JI) terrorists seeking safe haven and training bases adds volatility and capability to terrorist groups already in place.
- Thailand is plagued with an increasingly volatile Muslim separatist threat in its southeastern provinces, and the risk of escalation remains high.

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restrictions. A vote by a simple majority of commissioners was sufficient to justify adding a base to DOD's list.

## DOD Lowers Estimate of Excess Capacity

On March 29, 2005, Secretary of Defense Donald Rumsfeld acknowledged that the 2005 base closure and realignment round might be less extensive than initially expected. At a news conference, he explained that DOD's previous estimate of excess capacity had been 20 to 25 percent, but that "it looks now like the actual number will be less than the lower figure of that range." He said the change was due to the ongoing effort by DOD to close military facilities overseas, which in turn necessitates moving tens of thousands of troops back to U.S. bases — perhaps, as many as 70,000. Even so, Secretary Rumsfeld expects that the 2005 round of closures and realignments will affect more installations than all of the four previous rounds.[53]

## Effort Made to Block Nominations

On March 31, 2005, Senator Trent Lott placed a hold on the President's nomination of former Secretary of Veterans Affairs, Anthony Principi, as head of the 2005 base closure Commission. It was also reported in the press that Senator Lott intended to place holds on each of the remaining BRAC Commission nominees who have yet to appear before the Armed Services Committee for their confirmation hearings.[54] A staunch opponent of BRAC, Senator Lott joined other lawmakers last year in a bid to delay the 2005 round by two years. His amendment to the Senate's FY2005 defense authorization bill was narrowly defeated by a vote of 49 to 47.[55]

On April 1, 2005, President Bush took the unusual step of announcing the recess appointment of all nine BRAC Commission members, thereby eliminating the requirement for Senate confirmation.[56] Senator John Warner, who heads the Armed Services Committee supported the White House decision, saying that such delays might otherwise complicate completion of the 2005 BRAC round.

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[52] (...continued)
Lists," (P.L.101-510, as amended).

[53] Tom Shoop, "Pentagon Lowers Estimate of Excess Base Capacity," *Government Executive*, March 29, 2005.

[54] Amy Klamper, "Sources Say Lott Is Blocking Base Closure Nominations," *National Journal CongressDailyPM*, March 31, 2005.

[55] See p. 9.

[56] Eric Schmitt, "Bush Sidesteps Lott's Effort to Delay Base Closings," *New York Times*, April 2, 2005.

# The 2005 BRAC Timeline

The timeline below identifies the key actions involving the 2005 base closure and realignment round. The most important decisions are those of the President and Congress, which have the opportunity, in each of two cases, to completely shut down the overall BRAC process (see bold text).

## Table 1. The 2005 BRAC Timeline

| Key Actions | Date |
|---|---|
| Sec/Def must publish initial selection criteria in the *Federal Register* by: | 12/31/03 |
| — GAO must complete review of Sec/Def criteria by: | 1/28/03 |
| Sec/Def must publish final selection criteria in the *Federal Register* by: | 2/16/04 |
| Sec/Def final criteria becomes effective (unless disapproved by Act of Congress) | 3/15/04 |
| President must nominate Commission members by: (or BRAC process is terminated) | 3/15/05 |
| Sec/Def must send closure list to Commission, as well as to defense committees by: | 5/16/05 |
| — GAO must complete review of Sec/Def list by: | 7/1/05 |
| Commission must send closure list to President by: | 9/8/05 |
| — President must approve/disapprove by: | 9/23/05 |
| — Commission may revise list, but no later than: | 10/20/05 |
| President must certify Commission list by: (or BRAC process is terminated) | 11/7/05 |
| Congress has 45 days to pass motion of disapproval (or Commission's list becomes law) | |
| Termination of base closure Commission authority | 4/15/06 |

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# Military Base Closures: A Historical Review from 1988 to 1995

**Updated October 18, 2004**

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# Military Base Closures: A Historical Review from 1988 to 1995

## Summary

The United States has experienced difficulty in closing military bases to match the requirements of downsized forces with changed composition. During the decade of the 1980s, major military base closures were seriously hampered by procedural requirements established by Congress, to the point that none occurred. The mismatch between real estate assets and defense requirements grew with the military downsizing that began late in the Reagan Administration and continued under Presidents George H. W. Bush and Clinton.

After several legislative efforts to break the deadlock had failed, Congress established a new base closure procedure in P.L. 100-526, enacted October 24, 1988. The statute provided for a bipartisan commission, appointed by the Secretary of Defense, to make recommendations to Congress on closures and realignments to be voted down or accepted as a whole. The process was successfully implemented, but produced complaints of partisanship in selecting bases for closure. P.L. 101-510, enacted November 5, 1990, provided new authority for additional base closure recommendations by a series of presidentially appointed commissions (with the advice and consent of the Senate), commonly called Base Realignment and Closure (BRAC) commissions. These commissions were to operate in 1991, 1993, and 1995, after which the authority of the final base closure commission would end.

The four commissions recommended closure of 98 major bases and hundreds of smaller installations, and the realignment of many other bases and facilities. These recommendations were estimated to be implemented and completed by the year 2001. The Department of Defense at one time estimated savings of about $57 billion over 20 years.

At the community level, in turn, implementation of the base closure process commenced. Congress has amended the base closure legislation several times to protect and assist communities as they adjust to the social and economic stress caused by the loss of military installations. Many, but by no means all, communities appeared to be succeeding in local efforts to replace defense jobs and find new uses for former military lands and buildings.

After expiration of the authorizing legislation, a number of influential leaders recommended establishment of a new commission and the closure of additional bases and facilities. These advocates included the chairman of the 1995 commission, Alan Dixon, former Defense Secretary William Perry, and Joint Chiefs of Staff Chairman John Shalikashvili. In Congress, many felt that infrastructure costs diverted money from modernization and sapped the readiness of America's armed forces. Against these pressures to cut military real estate further was caution concerning further military cuts, as well as the traditional reluctance of Senators and Representatives to lose federal jobs and disrupt communities in their state or district.

Subsequently, new authorizing legislation by the Congress was required to reconstitute base closure and realignment through the commission approach.

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# Military Base Closures: A Historical Review from 1988 to 1995

## Introduction

This report[1] discusses a concerted effort to close unneeded military bases as part of wide-ranging efforts during the 1980s and 1990s to balance the budget. This effort had been supported by a broad consensus that, among the approximately 3,800 military bases (1990 est.) in the United States, many could be closed without significant detrimental effect to national security. This view became more pronounced in the wake of the Soviet Union's breakup and collapse of the Warsaw Pact military threat. While most analysts agreed that the Department of Defense's (DOD's) base structure was larger than necessary to meet the department's needs, there were differences concerning which, if any, additional bases should be closed, at what speed, and what criteria should be used for making those decisions.

Significantly, the impact of a specific base closing would be keenly felt in one Member's state or district, but benefits in terms of savings could be spread widely among all citizens and taxpayers. In combination, these two factors — (1) the narrowly felt pain from an individual base closing and (2) the widely diffused benefits from closing many bases to save taxpayer funds — produced strong incentives for coalitions of Members of Congress to bargain in the legislative process to protect many bases from closure.[2]

A statutory provision enacted by Congress in 1977 (10 U.S.C. § 2687), required procedures which made closing a base very difficult, and no major bases were closed between 1977 and 1991. During the late 1980s, several bills were introduced in Congress to relax the statutory restrictions. The first proposal that actually broke the deadlock was the elaborate scheme prescribed by the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (P.L. 100-526; 102 Stat. 2623, at 2627). The procedure established under that statute — its principal

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[1] This report was written by George Siehl, formerly a Specialist in Natural Resources Policy at CRS. Mr. Siehl has since retired, but the other listed author updated the report and is available to answer questions concerning its contents. Clinton T. Brass, Analyst in American National Government at CRS, contributed to the updated report.

[2] For example, one scholar expressed his view that

> ... in 1997, the Secretary of Defense and every member of the Joint Chiefs of Staff proposed shutting down a number of obsolete military bases. They were opposed by a congressional coalition of legislators whose districts included the various bases. The members of this coalition acted to retain each other's military installations, at the expense of taxpayers in districts who would not benefit.

See Harvey S. Rosen, *Public Finance*, 5th ed. (Boston: Irwin/McGraw Hill, 1999), p. 121.

innovations were to rely on the services of an independent commission and a fast track, no-amendment vote — proved so successful that a later statute, the Defense Base Closure and Realignment Act of 1990 (Title XXIX of P.L. 101-510; 104 Stat. 1485, at 1808), created three subsequent commissions. This occurred notwithstanding the arguments of some Members against the legislation on grounds that base closings were, in fact, occurring without the legislation, and that the legislation was an abdication of congressional responsibilities, under the Constitution, to the executive branch.[3]

A major reason for the complex procedures in the 1988 and 1990 statutes was the congressional concern that DOD might close, or not close, bases for political reasons. In the past, high-level representatives of the Defense Department, in soliciting congressional support for favored programs, reportedly might imply that if a Member of Congress voted against the program, a base might be closed in the Member's district. For example, Representative Richard K. Armey stated:

> The fact is, unfortunate as it is, that historically base closings have been used as a point of leverage by administrations, Republican and Democratic administrations, as political leverage over and above Members of Congress to encourage them to vote in a manner that the administration would like.[4]

The 1977 measure, P.L. 95-92, provided a safeguard against arbitrary closure; it required the Secretary of Defense to submit a request for closure or realignment as part of the annual appropriations request; the request was to be accompanied by evaluations of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of closure or realignment. To whatever extent concerns about politically biased closures were well-founded, it was clear that a workable legislative remedy must be insulated from political considerations. Thus, the 1988 and 1990 statutes provided for the creation of bipartisan commissions and set forth complicated procedures to insulate realignment and closure recommendations from politics (including recommendations based on specified criteria, with adequate justification), avoid potential vote-trading that could undermine chances for change, and also accomplish the legislation's substantive goal of saving funds.

Among other things, the 1990 version of the law provided for three successive, eight-member commissions that would operate in 1991, 1993, and 1995, with all eight members of each commission appointed by the President, by and with the advice and consent of the Senate.[5] The President was also given authority to

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[3] See Rep. Gillespie V. (Sonny) Montgomery, remarks in the House, *Congressional Record*, vol. 134, Jul. 7, 1988, p. 17060, and Rep. Jack B. Brooks, remarks in the House, *Congressional Record*, p. 17063.

[4] Rep. Richard K. Armey, remarks in the House, *Congressional Record*, vol. 134, July 7, 1988, p. 17072.

[5] An amended version of the BRAC statute (P.L. 107-107; 115 Stat. 1342) is being used to govern the "2005 round." For more information on changes to the statute (e.g., retaining the Senate confirmation requirement for the President's appointees and increasing the commission's size from eight to nine members) and current developments, see CRS Report

(continued...)

designate each commission's chairman. When selecting the commission members, the statute stated that the President "should consult" with the Speaker of the House of Representatives concerning the appointment of two members, the majority leader of the Senate concerning the appointment of two members, and each of the minority leaders of the House of Representatives and the Senate, respectively, concerning the appointment of one member (for a total of six consultations). This framework did not explicitly require that the commission be composed of equal numbers of Democrats and Republicans.

The statutes and the Base Closure and Realignment (BRAC)[6] commissions succeeded in effecting the selective closure of many military bases and the reduction of military infrastructure. The "process" was instrumental in forcing this outcome, since, once set in motion, closure recommendations were very difficult to stop. This impetus resulted from the fact that overall dollar savings from the package outweighed the "pain" associated with an individual installation closure or downsizing.

Specifically, under the 1990 BRAC legislation, congressional review and action took place after an extended and multi-tiered review and recommendation process. DOD was required to submit its recommendations to the commission, which in turn was required to submit its own report and recommendations, which could differ from DOD's recommendations, to the President. After the commission received DOD's recommendations, the General Accounting Office (GAO; now the Government Accountability Office) was required to transmit a report to Congress and to the commission analyzing DOD's recommendations and selection process. The President could elect to either transmit the commission's recommendations to Congress, with no opportunities for changing them, or disapprove the commission's recommendations and not submit them to Congress. If the commission's recommendations were disapproved by the President, the commission would be required to revise its recommendations and resubmit them to the President. If the President disapproved the commission's revised recommendations, that year's round of the BRAC process would cease. Furthermore, the BRAC statute provided for expedited congressional procedures to disapprove commission recommendations regarding base realignments and closures, with a straight up or down vote and no possibility for amending the list. Upon receiving the commission's recommendations from the President, Congress would need to pass a joint resolution of disapproval of the recommendations within 45 days, or else the commission's recommendations would go into effect. In sum, the key elements of this process were:

- *The DOD proposes, the commission disposes.* The Secretary of Defense made the initial recommendations for closure or

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[5] (...continued)
RL30051, *Military Base Closures: Agreement on a 2005 Round*, by David E. Lockwood; CRS Report RS21822, *Military Base Closures: DOD's 2005 Internal Selection Process*, by Daniel Else and David Lockwood; and CRS Report RL32216, *Military Base Closures: Implementing the 2005 Round*, by David E. Lockwood.

[6] The *BRAC* acronym refers equally to two different word orderings: "base closure and realignment commission" and "base realignment and closure commission."

realignment. The commission could, and did, add to and delete from these recommendations. Both DOD and commission proposals had to conform with the force structure plan developed by DOD.

- *The President can seek changes in commission recommendations.* No President ever challenged a commission over its recommendations, although the law provided this opportunity. If a deadlock had occurred over the closure list, the process would have terminated with the President's refusal to forward the list to Congress.

- *Congress must pass a joint resolution of disapproval of the recommendations list within 45 days, or the recommendations for closure and realignment go into effect.* This was the only action allowed to Congress under the base closure law: a straight up or down vote, with no changes permitted in the list of actions by the commission.

Under the BRAC law, the Secretary of Defense was obligated to implement the closure and realignment recommendations if Congress did not disapprove them. Another forcing mechanism in the law was the requirement that the selected bases close within six years from the time Congress voted upon the recommendations.

The statute further required that proceedings, information, and deliberations of the commission be open to various chairmen and minority ranking members of congressional committees or their designees, upon request.[7] Heads of federal departments and agencies were allowed to detail personnel to the commission, upon the commission director's request, and the Comptroller General was required to provide assistance to the commission (including the detailing of GAO employees) in accordance with an agreement with the commission.

Congress amended the BRAC laws over the years to lessen the economic and social disruption in base closure communities. These amendments included the transfer of personal property (such as furniture and equipment), below cost sales or transfers of real property to communities, and technical assistance in land planning and base reuse.

## Report of 1988 Base Closure Commission

On December 29, 1988, the first base closure commission (with its 12 members appointed by the Secretary of Defense Carlucci) issued its report. It recommended the closure, in part or in whole, and realignment of 145 bases. The commission projected that this would improve the effectiveness of the base structure, and would save an estimated $693.6 million a year in base operating costs. After various procedural requirements of the statute were met, culminating with Congress's tacit

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[7] In practice, the commission stated that its activities and documentation were open to the public.

approval by not adopting a joint resolution of disapproval, the Secretary of Defense was required to close or realign the listed bases by September 30, 1995. The first base — Pease Air Force Base, NH — was closed in the spring of 1991.

One commission member, former Senator Thomas Eagleton, criticized the cooperation of the services in the process, singling out the Navy for "stonewalling" and "getting away with it." In his additional views in the 1988 report, he suggested starting with the Navy in any future base closing effort.

While the commission approach taken in the 1988 statute was generally regarded by Congress as successful, DOD took the position that the closure of military bases is essentially an executive branch function. Accordingly, early in 1990, Secretary of Defense Richard Cheney issued another list of bases which Congress should consider for possible closure. Representative Les Aspin of Wisconsin, chairman of the House Armed Services Committee, rejected the list as including a disproportionate number of bases in Democratic districts, and stated that the only fair way to develop a new list of base closures was to enact legislation creating another commission. Such a commission was then created by P.L. 101-510, dated November 5, 1990. The earlier commission had been disbanded after the submission of its final report.

## Creation of 1991 Base Closure Commission

As provided for by statute, the new commission consisted of eight members appointed by the President, with the advice and consent of the Senate. In selecting individuals to be nominated for membership on the commission, the President was directed to consult with the Speaker of the House of Representatives concerning the appointment of two members; the majority leader of the Senate concerning the appointment of an additional two members; and the minority leaders of the House and Senate for one member each. As noted, the commission was to meet in 1991 and, as reconstituted, again in 1993 and 1995. Another requirement was that not more than one-third of the personnel employed by or detailed to the commission staff could be on detail from DOD.

The procedures provided by the 1990 law were substantially more complicated than those set forth by its predecessor. The major difference lay in the fact that the initial recommendations on base closures made under the new statute were to be made by the Secretary of Defense.

For example, in the 1991 round of base closure recommendations, DOD's recommendations were transmitted to the commission, where they were reviewed. The commission's own recommendations, which differed in several important respects from DOD's, were then sent to the President (July 1, 1991). After his review and approval, the President transmitted the commission's report to Congress. If he had not approved of the report, in whole or in part, the President would have been obliged to explain his reasons for disapproval to both Congress and the commission. The commission would then have transmitted to the President a revised list of recommended closures. The procedure was, in fact, somewhat more

complicated than this description — for example, the Comptroller General was directed to assist the commission — and there was considerably more detail set forth in the current statute than there was in the earlier one. However, it may be said, in general, that the changes were designed (1) to insulate the entire process even further from political considerations, as indicated by the provisions requiring that the commission meet only during the non-election years 1991, 1993, and 1995; and (2) make the process more open to the public.

P.L. 101-510 included other provisions of significance to the base closure program. For one thing, it directed the Secretary of Defense to ensure that the environmental restoration of the closed bases took place as soon as possible. Secondly, it specifically authorized the Secretary to provide "outplacement assistance" to civilian employees of the Defense Department at installations being closed.

A third important difference lay in the way overseas bases were treated. These bases were not within the commission's jurisdiction; their closure was an important issue, but, presumably, not affected by the same political considerations that would require the appointment of a bipartisan commission. The 1990 statute, nevertheless, contained a policy statement that did not appear in the previous one (P.L. 100-526). First, it was declared to be the "sense of Congress" that military operations at overseas bases be terminated at the discretion of the Secretary of Defense "at the earliest opportunity." Secondly, it was the sense of Congress that, in providing for termination, the Secretary of Defense "should take steps to ensure that the United States receives, through direct payment or otherwise, consideration equal to the fair market value of the improvements made by the United States at facilities that will be released to host countries." In practice, if the decision to close an overseas base was made, there were negotiations with the host nation weighing the U.S. costs of constructing and improving the facilities against the estimates for environmental or other remediation required at closing. These last considerations would be under the terms of the host nation agreement when the U.S. built or took over the facility.

Another feature of the statute was the establishment of a "base closure account," into which revenues generated from the sale of closing bases would be placed; the funds could then be used to pay for the expenses associated with the relocation of forces, such as new construction or rehabilitation of existing facilities at receiving bases.

There were also several provisions designed to assist DOD in carrying out Congress' base closure policy. The 1990 statute required the Defense Department to publish its proposed criteria for selecting bases to be closed. These proposed criteria were included in the *Federal Register* for November 30, 1990. There followed a period during which public comments were received, and then on February 15, 1991, the final criteria, which contained a few changes, were published. These final criteria were subject to congressional disapproval by joint resolution until March 15, 1991, but no such resolution was adopted. The language included in the Federal Register stated that, in selecting military installations for closure or realignment, DOD was to consider the following: military value, return on investment, and impact.

**Military Value**

1. Current and future mission requirements and the impact on operational readiness of the Department of Defense's total force.

2. Availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.

3. Ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.

4. Cost and manpower implications.

**Return on Investment**

5. 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 cost.

**Impact**

6. Economic impact on communities.

7. Ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel.

8. Environmental impact.

## Secretary of Defense Cheney's Proposed List

After the publication of these criteria, the Secretary of Defense, on April 12, 1991, announced a new list of proposed base closures. Analysts on the staff of the House Armed Services Committee estimated that the closings would eliminate approximately 70,000 military and civilian jobs by 1997, or 3.3% of the military's 2.1 million personnel. A number of Senators and Congressmen objected to proposed closures in their various jurisdictions, but in general Congress appeared to find the list more acceptable than the one announced by Secretary Cheney in January 1990. Representative Aspin stated that the list "at first glance appears to be fair." On the other hand, Representative Joseph Moakley of Massachusetts concluded that: "It almost looks like the Democratic strongholds have been hit the worst." Secretary Cheney, claiming that he did not know how many bases were in Democratic and how many in Republican districts, asserted that: "There is nothing to be gained by a secretary of defense trying to play base closings for some political purpose."

## 1991 Base Closure Commission's Report

The second phase in the base closure process was then initiated, with the commission holding a number of statutorily mandated public hearings in various parts of the country. Many Members of Congress, as well as other witnesses, testified regarding the process, merits, and impacts of the possible closings. Press accounts of commission hearings indicated that much of the testimony by Members of Congress objected to a specific, individual closure. The commission report noted that "Community and elected leaders were tireless advocates for their military installations." One objection was that there was too little time, and too little independent expertise in the commission, to permit a complete evaluation of DOD's recommendations. However, the commission chairman, James Courter (a former Republican representative from New Jersey), indicated that complying with the July 1 deadline was not a problem. He had also stated, on several occasions, that the commission was an independent body, and that it would not rubber-stamp DOD's recommendations.

On May 31, 1991, the commission issued a list of "preliminary candidates for base closure." Subsequently, after concluding its deliberations, the commission released its "final" list of 82 proposed closures and realignments on July 1, 1991. In its recommendations, the 1991 base commission largely accepted the list proposed by Secretary of Defense Cheney. However, it made a few significant changes — the most important involving six bases selected by DOD for closure. The commission recommended that Ft. Chaffee (AR) and Ft. Dix (NJ) be realigned, and that Fort McClellan (AL), Naval Training Center Orlando (FL), Naval Air Station Whidbey Island (WA), and Moody Air Force Base (GA), remain open.

An important aspect of the base closure statute was the mandated role for GAO. GAO issued a report, dated May 1991, containing detailed comments about the various methods used by DOD as a basis for its recommendations. The report, *Military Bases: Observations on the Analyses Supporting Proposed Closures and Realignments*, also contained important information about individual bases. The report is too lengthy to permit an adequate summary here, but it is noteworthy that (1) the Army's recommendations were found by GAO to be "well supported"; (2) in the case of the Air Force, GAO found generally that "the rationale was adequately supported by documentation"; and (3) as regards the Navy, GAO found that it used "inadequate documentation," so that "GAO was unable to independently evaluate the relative military value of the bases considered."

## Congressional Actions on 1991 Recommendations

On July 10, 1991, President George Bush approved the independent commission's recommendations for closure, in compliance with the procedures prescribed by law, and transmitted them to Congress. The closings proposed by the commission would, by its estimate, cost $4.1 billion from 1992 to 1997, but would save about $1.5 billion a year thereafter. The statute gave Congress 45 days to overturn the recommendations by joint resolution. No such action took place.

Many Members of Congress expressed concern over the impact of new closures on the lives of people in their districts and states. Concern with the possibility of widespread unemployment in certain affected communities and with the validity of military valuations of competing bases prompted calls for reversal of commission decisions in a number of specific cases. Members stated these and other arguments during House floor debate (see the *Congressional Record* of July 30, 1991). Recommendations to close the Philadelphia Naval Shipyard and Naval Station and Loring Air Force Base in Maine drew extended comment from Members. A more broadly based reaction on Capitol Hill was to seek increased funding for programs which would provide an economic "safety net" for those adversely affected by closures (see CRS Report 96-562, *Military Base Closures Since 1988: Status and Employment Changes at the Community and State Level*, by George H. Siehl and Edward Knight).

Earlier, on July 23, the House Armed Services Subcommittee on Military Installations and Facilities voted to support the recommendations of the Defense Base Closure and Realignment Commission. Before the vote, the subcommittee heard testimony from several Members of Congress in opposition to the commission's recommendations. In general, they objected to the lack of coordination between the three military departments in making their recommendations to the commission. There were also specific complaints that the closure of certain medical facilities would result in inconvenience and higher medical costs to persons currently using those facilities. Most of these concerns and examples would be raised again in floor debate the following week.

On July 24, 1991, the House Committee on Armed Services favorably adopted the report of its subcommittee, and endorsed the commission's recommendations. On July 30, by a vote of 60 to 364, the House rejected a resolution disapproving (and, thereby, tacitly approving) the recommendations of the commission. The Senate then had no need to consider their resolution of disapproval, as rejection of the commission's recommendations required both bodies to agree to override.

The Senate 1992 Defense Authorization bill, S. 1507, contained several provisions that would have facilitated transfers of real property at closing bases to local communities. These provisions were contained in the Johnston-Breaux amendment, which the Senate had adopted after its introduction on the floor. The amendment would have made two major changes in existing law: (1) it would have provided that if a community near a closed base was significantly harmed, local governments would have first priority in obtaining excess property located there, although for the past forty years other federal agencies have been given this priority by statute; (2) it would have provided that these recipients would be offered the property at no cost, although in the past such transfers have generally been made on a reimbursable basis. These provisions were deleted in conference, however. The conference report, H.Rept. 102-311, acknowledged the existing obstacles to base reuse, but found that the proposed changes raised other problems: loss of revenue from property sales, displacement of existing land allocation priorities, and conflicts with environmental laws, among others. The committees of jurisdiction had not considered the changes, the report said, but added that the House of Representatives pledged to review the matters in 1992.

The conferees clarified the congressional intent that civil works, river and harbor projects, and other activities of the U.S. Army Corps of Engineers, were to be excluded from the base closure program.

## Environmental and Other Considerations

The impending closure of substantial numbers of bases raised several difficult environmental problems. Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), also known as "Superfund," the U.S. Government could not transfer land outside federal ownership until it agreed that all remedial action necessary to protect human health and the environment had been taken. Since the communities adjoining bases programmed for closure generally wish to obtain the land quickly, while the decontamination process found necessary to restore the environment could be time-consuming, serious conflicts between the interests of economic development and the interests of environmental restoration could occur.

There have been many federal environmental statutes enacted in recent years, and there are also a number of relevant state laws. In general, Congress and the courts have made it fairly clear that federal facilities must comply with state and local environmental requirements, but until recently it was not entirely clear that state authorities could impose penalties on federal facilities that were in violation. This problem was addressed by the Federal Facilities Compliance Act, which specifically provides that states and municipalities have this authority.

As the base closure program accelerated, it became increasingly important to convert the bases to nonmilitary use as expeditiously as possible. It has been DOD policy to negotiate with a local organization, often referred to as a "reuse committee," that represents the various community interests, but at some bases the competing cities and counties have found themselves unable to cooperate even to the extent of forming such an organization. In one case, where the base was included on the 1988 list, and the closure actually took place in 1992, lawsuits among local jurisdictions delayed implementation of a reuse plan until February 1995.

## Creation of 1993 Base Closure Commission

On January 5, 1993, President Bush submitted a list of eight nominees for appointment to a newly reconstituted Base Closure and Realignment Commission. He selected James Courter, the 1991 commission chairman, to be head of the new group. These were subsequently confirmed by the Senate. The 1993 commission, after reviewing DOD's list of recommended closures (submitted on March 12, 1993) and holding extensive public hearings, recommended closing 130 bases and realigning 45 others. Congress acceded to the commission's recommendations by declining to pass a joint resolution of disapproval. These actions were expected to result in savings of approximately $4 billion between FY1994 and FY1999, after one-time closure costs of approximately $7 billion, and additional annual savings in the range of $2.3 billion thereafter.

# Other Significant Developments (1993-1994)

## Supreme Court Decision on Judicial Review

On May 23, 1994, the Supreme Court unanimously decided that decisions to close military bases were not subject to judicial review. Chief Justice Rehnquist, writing the opinion of the Court, held that although the Administrative Procedure Act provides for judicial review of a "final agency action," the President was not an agency within the meaning of that statute, and his decisions were therefore not reviewable. In the lower court decision which the Supreme Court reversed, it was suggested that the President's authority to close bases was limited to those situations where there had been "compliance with statutory procedures" by the Secretary of Defense and the base closure commission. Attorneys arguing for judicial review contended that "the commission used improper criteria, failed to place certain information in the record until after the close of public hearings, and held closed meetings with the Navy." The Supreme Court, was not, however convinced by these arguments, and held that "The President's authority to act is not contingent on the secretary's and commission's fulfillment of all the procedural requirements imposed on them by the 1990 [base closure] act."

In a concurring opinion, Justice Souter, joined by three other justices, examined the legislative history of the base closure statute and made specific reference to the fact that "Congress was intimately familiar with repeated, unsuccessful, efforts to close military bases in a rational and timely manner." Accordingly, Congress adopted the complicated procedures of the base closure act to "bind its hands from untying a package of [base closures]." Consequently, "Congress did not mean the courts to have any such power through judicial review." On June 23, 1994, Senator Arlen Specter of Pennsylvania, who had argued unsuccessfully in the Supreme Court that base closure decisions were subject to judicial review, introduced an amendment to the defense authorization act which would have provided for such review in certain cases where there was evidence of "fraudulent concealment" of information relevant to a particular decision. The amendment was rejected by a tabling motion, after debate. Opponents argued, among other things, that the amendment would open a "Pandora's box," in which virtually all aggrieved communities would initiate lawsuits.

## Changes in Statutory Law

As the process of closure and realignment took place, generally in accordance with announced schedules, several changes in statutory procedure were enacted in FY1994 and FY1995 defense authorization bills — as well as in other bills. Notable among these was the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (PL 103-421). It reduced the scope of the McKinney Homeless Assistance Act provision that gave organizations that served the homeless a priority claim to federal property that was declared surplus. Under the new law, local communities would exercise a greater degree of influence and control over disposition of surplus property through their redevelopment planning process. The process included consideration of homeless needs in the community, and that portion of the reuse plan was subject to review by the Secretary of Housing and Urban

Development. Additional details on this aspect of base reuse are found in the Department of Housing and Urban Development March 1966 publication, *Guidebook on Military Base Reuse and Homeless Assistance.*

## Reports on Base Closure Implementation

An October 1994 report, *Uncovering the Shell Game: Why Military Facilities Don't Stay Closed*, issued by Business Executives for National Security, a Washington, DC, independent study group, claimed that of the 67 major bases scheduled to be closed, 26 had reopened, or else were never closed in the first place. As a result, the report went on to state, the substantial savings originally envisaged were not achieved. DOD argued that some of the figures used in the report were wrong. For example, in the case of Carswell AFB, which the Air Force had intended to close, the BENS report stated that maintenance of the base cost an annual $197 million. On the other hand, DOD claimed that the costs were only $15 million. The BENS report, also, noted that after Carswell was closed by the Air Force, it was reopened by the Navy as the Fort Worth Naval Air Station. DOD argued that the Navy achieved savings through this action by consolidating its activities previously located at Detroit, Memphis, and Dallas, and closing those stations.

In November 1994, GAO's report *Military Bases: Reuse Plans for Selected Bases Closed in 1988 and 1991*, analyzed reuse plans of 37 major closed military bases. It pointed out that although DOD originally estimated it would realize $4.1 billion in property sales revenue from closed bases, in 1994 the estimate was reduced to $1.2 billion. The most important reason for this change, according to the report, was that:

> Consistent with federal regulations, the vast majority of the disposed property is being retained by DOD or transferred to other federal agencies and states and localities at no cost.

The GAO report noted that widespread use of no-cost transfers was greatly facilitated by the enactment of provisions in the FY1994 DOD authorization act, which authorized such transfers where the property was to be used for economic development. When the base closure program was initiated in 1988, considerable emphasis was placed on the substantial revenues to be deposited in the base closure account from the sale of surplus bases. However, this emphasis shifted to assisting the economic recovery of communities affected by a closure. This was evidenced by the provisions adopted in the FY1994 DOD authorization act (Title XXIX of PL 103-160). The major impact was probably from section 2903, which provided for a transfer of real property to a redevelopment authority "for consideration at or below the estimated fair market value," but other provisions were part of the same general scheme. Section 2904 provided for "expedited determination of transferability of excess property;" and section 2906 provided for the outleasing of property at bases to be closed, pending final disposition.

The GAO report discussed other aspects of the base closure program, such as the large amounts of military land that were severely contaminated. Apart from decontamination, other types of improvement might be found necessary: for instance, sewage and electrical systems might require upgrading and buildings might have to

# Military Base Closures: Implementing the 2005 Round

## Summary

On November 15, 2002, Secretary of Defense Donald Rumsfeld announced the first steps in implementing the new 2005 base realignment and closure (BRAC) law. These included development of a force structure plan, comprehensive inventory of military installations, and establishment of criteria for selecting bases for closure and realignment.

The Secretary of Defense submitted a report to Congress on March 23, 2004, confirming the need for a further BRAC round and certifying that an additional round of closures and realignments would result in annual net savings, over a period ending no later than FY2011.

On May 20, 2004, the House of Representatives voted 259 to 162 to delay base closings until 2007. In response to this action, the White House immediately released a statement declaring that the Secretary of Defense, and other senior advisers, would urge the President to veto any bill that "weakened, delayed, or repealed" the current base closure authority.

On October 8, 2004, Senate and the House conferees reached agreement on the National Defense Authorization Act for FY2005, which included continued support of DOD's authority to conduct a round of closures and realignments in 2005. Senator John Warner stated that it was essential to allow DOD to complete its effort to reduce the size of its infrastructure.

Most recently, the President has appointed nine members to serve on the 2005 BRAC Commission. In doing so, he has consulted with leading Members of Congress. He completed selection of the commissioners on March 15, 2005, the last day required by law. In addition, the President has chosen Anthony A. Principi to serve as the chairman of the BRAC Commission.

In order to complete the process, Senate hearings and approval are required. Once formally established, the Commission will then conduct a series of local, D.C. area hearings to collect general information on DOD's force structure needs and goals. It will also conduct regional hearings at locations throughout the country. At least one commissioner will visit each base on DOD's designated list.

This report will be updated as needed.

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# Military Base Closures: Implementing the 2005 Round

## Introduction[1]

On November 15, 2002, Secretary of Defense Donald Rumsfeld issued a memorandum to senior staff regarding the implementation of the new base realignment and closure (BRAC) round authorized by Congress in 2001.[2] He emphasized that, as part of the Department of Defense's transformation initiative, "new force structures must be accompanied by a new base structure," and added that "BRAC 2005 should be the means by which we reconfigure our current infrastructure [bases] into one in which operational capacity maximizes both war fighting capability and efficiency."[3] He, then, directed that the process begin immediately. It was, in effect, the formal launching of DOD's 2005 base closure implementation process.[4]

The Secretary of Defense also revealed in his memo a particularly important BRAC 2005 objective, namely examining and implementing opportunities for greater joint activity as a means of achieving a more efficient base structure. He explained that prior BRAC rounds had analyzed functions on a unique service-to-service approach and, therefore, did not benefit from joint examination of functions that cross services. It would appear, for example, that DOD's network of research laboratories, medical facilities, maintenance depots, and testing and evaluation facilities will become prime candidates for consolidation in the next round.

In respect to the selection process, Secretary Rumsfeld declared that DOD would not make any binding closure or realignment decisions prior to the submission of its final recommendations to the new BRAC commission in May 2005. It should be noted, however, that his statement left open the possibility (if not likelihood) of DOD conducting internal, non-binding deliberations.

To underscore the importance of the new BRAC round, Secretary Rumsfeld has created two Office of the Secretary of Defense-level groups to oversee and operate the BRAC 2005 process. First of these is the Infrastructure Executive Council (IEC), chaired by the Deputy Secretary. It serves as the policy-making and oversight body

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[1] For prior information on BRAC rounds, see CRS Report RL30051, *Military Base Closures: Agreement on a 2005 Round*, by David E. Lockwood, 15 p.

[2] U.S. Congress. "National Defense Authorization Act for Fiscal Year 2002" (P.L. 107-107), Sections 3001-3007.

[3] U.S. Department of Defense. "Transformation Through Base Realignment and Closure," November 15, 2002.

[4] Hereafter, any reference in this report to "closure" may also include "realignment."

for the entire process. The second, subordinate group is the Infrastructure Steering Group (ISG), chaired by the Under Secretary of Defense (Acquisition, Testing, and Logistics). It will be responsible for the detailed direction necessary to conduct the BRAC 2005 analyses.[5]

## Early Requirements and Developments

In implementing the 2005 round, DOD's first three requirements are (1) to develop a force structure plan, (2) to conduct a comprehensive inventory of military installations, and (3) to establish criteria for selecting bases for closure or realignment.

### Force Structure Plan

In regard to the first, the Secretary of Defense must develop a force structure plan based on an assessment of the probable threats to the national security over a 20-year period, beginning with FY2005. He is also required to estimate the end-strength levels and the major military force units needed to meet such threats. Finally, the Secretary of Defense must estimate the anticipated level of funding that will be necessary to carry out the plan.

### Comprehensive Inventory

Second, the Secretary of Defense is required to conduct a comprehensive inventory of U.S. military installations. He must, under the terms of the new BRAC law, determine the anticipated need and availability of military installations outside the United States. In addition, the Secretary of Defense must give special consideration to any efficiencies that might be gained from the use of joint tenancy by more than one branch of the Armed Forces at a military installation.

### Selection Criteria

Third, the Secretary of Defense must develop a set of criteria for selecting bases for closure and realignment. He must address a broad range of military, fiscal, and environmental considerations likely to affect closure and realignment decisions. In prior rounds, DOD assigned highest priority to four criteria related to military value. An additional four included return on investment, economic impact, community infrastructure, and environmental impact. The eight selection criteria as proposed for the 2005 round are, in almost every essential detail, the same as those adopted and implemented in the three past rounds.

The bolded sections of DOD's new draft criteria below reveal the pertinent additions, as published in the *Federal Register* on December 23, 2003 (Vol. 68, No. 246, p. 74221-2).

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[5] See CRS Report RS21822, *Military Base Closures: DOD's 2005 Internal Selection Process*, by Daniel Else and David Lockwood, April 21, 2004, 6 p.

### Military Value.

1. Current and future mission requirements and impact on operational readiness of DOD's total force, *including the impact on joint warfighting, training, and readiness.*

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

3. Ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations *to support operations and training.*

4. Cost and manpower implications.

### Other Considerations.

5. Extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.

6. Economic impact on *existing* communities *in the vicinity of military installations.*

7. Ability of both existing and potential receiving communities' infrastructure to support forces, missions, and personnel.

8. Environmental impact, *including the impact of costs related to potential environmental restorations, waste management and environmental compliance activities.*

Significant features of the new list include (1) reassertion of the overall importance of "military value," (2) increased emphasis on joint war-fighting, training, and readiness, and (3) dependence on local communities to support military missions.

## BRAC Developments: 2003

In mid-January 2003, two senior members of the House Armed Services Committee (Representative Gene Taylor and Representative Joel Hefley) expressed the desire to either change or repeal the new base closure law (P.L. 107-107).[6] Several months later, on May 6, Representative Hefley, chairman of the House

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[6] Richard H.P. Sia, "Lawmakers Seek to Stop Next Base-Closing Round," *Congress Daily*, January 16, 2003.

Armed Services Readiness Subcommittee, announced he would be receptive to a postponement, but would not offer an amendment.[7]

On May 9, 2003, the Readiness Subcommittee approved its part of the defense authorization bill (H.R. 1588), in which it adopted an amendment by Representative Taylor to repeal the 2005 round. A few days later, however, the full House Armed Services Committee voted to restore the 2005 closings. The chairman, Representative Duncan Hunter, argued that killing the base-closing round would only lead to a veto by the President and make the committee irrelevant.[8]

On May 21, 2003, the White House threatened to veto any bill if it included language delaying or cancelling DOD's ability to conduct another round of closures.[9]

On May 22, 2003, the House passed its defense authorization bill, including a provision that would exempt half of domestic bases from being closed. The bill, also, would require the Department of Defense to maintain a sufficient number of bases to handle a surge in military forces in the event of a future crisis. In final conference action in early November 2003, the "exemption" initiative failed, while the "surge" initiative succeeded (H.Rept. 108-354).[10]

Also, on May 22, 2003, the Senate passed its defense bill (S. 1050). It did not contain any significant domestic base closure language, but did provide authority to create a commission to review overseas bases. In later conference action, however, the overseas bases initiative was dropped.[11] The issue, nevertheless, remained alive. On November 4, 2003, the Military Construction Appropriations Act for FY2004 (Section 128) provided for a commission of eight members to review overseas bases. It further stipulated that appointment of the members must be made no later than 45 days after enactment of the act.[12]

On June 4, 2003, Senator Byron Dorgan offered an amendment to repeal the authority for a new base closure round in 2005. He said he could not think of a worse time to consider such a step. Senator Trent Lott, a co-sponsor of the amendment, concurred. He explained that "At this time, we have not properly assessed our needs. We are at war. It sends a terrible signal, and it is bad for the economy." He later suggested that, perhaps, delaying the next round to 2006 might be worth

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[7] "Panel May Seek Base Closing Delay," *Congress Daily*, May 7, 2003.

[8] David Morris, "House Committee Votes for Base Closings in 2005," *Congress Daily*, May 14, 2003.

[9] Carolyn Skorneck and Pat Towell, "House, Senate Pass Different Versions of Defense Authorization Measure," *CQ Today*, May 23, 2003.

[10] U.S. Government Printing Office, *Congressional Record*, November 6, 2003, p. H10659.

[11] P.L. 108-136, signed November 24, 2003.

[12] U.S. Congress. House. "Making Appropriations for Military Construction, etc.," (H.Rept. 108-342), November 4, 2003, p. 10-12.

considering."[13] In opposition, Senator Saxby Chambliss said that "putting off the BRAC 2005 round now will only prolong the anxiety in our communities surrounding our military installations."[14] In the final vote, the amendment was defeated 42 to 53 — a margin that many might regard as surprisingly close.

In contrast, letters sent to the committees by Pentagon officials strenuously argued that DOD was overburdened with an infrastructure that was simply no longer needed to support the size of the U.S. forces. The Secretary of Defense stressed that "BRAC provides the opportunity to configure our infrastructure to maximize capability and efficiency."[15]

On July 1, 2003, DOD officials issued a memo reorganizing its installations and environment office in anticipation of the impending 2005 base realignment and closure round. It created a new BRAC directorate that would identify which bases to eliminate. In the past, DOD has acceded to the individual services' recommendations on closures. In the new round, it appears the Office of the Secretary of Defense is poised to exercise a much greater degree of control.[16]

The House defense appropriations bill for 2004 included a provision that would close Roosevelt Roads Naval Station, Puerto Rico's largest employer. Several Members of Congress insisted that without the live-fire bombing range on Vieques island, there was little military value in retaining the military base.[17] The Senate's appropriations bill did not contain language for closing the base.

Under Section 8132 of the Department of Defense Appropriations Act for FY2004 (P.L. 108-87), the Secretary of the Navy was directed to close the Naval Station Roosevelt Roads not later than six months after its enactment, which occurred on September 30, 2003. Virtually all the military activity at the Naval Station has ceased, and military units and functions have been transferred to other installations located in the southeastern continental United States.

The act also required that the closure be carried out in accordance with the procedures and authorities contained in the relevant Defense Base Closure and Realignment Act of 1990, as currently amended.

On December 23, 2003, the Pentagon issued its *initial criteria* for selecting bases for closure and realignment, sending it to the *Federal Register* for public

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[13] U.S. Government Printing Office. *Congressional Record*, June 4, 2003, p. S7288.

[14] Ibid., p. S7292.

[15] Ibid., p. S7289.

[16] "Dubois Reforms I&E Office in Bid to Elevate DOD BRAC Influence," *Inside Defense*, July 1, 2003.

[17] U.S. Congress. House. "Department of Defense Appropriations Bill, 2004," (H.Rept. 108-187), July 2, 2003, p. 317.

construction. He stated that the criteria were so broadly constructed that they could suit almost any desired outcome.[21]

In reply to this charge, the Pentagon explained that, "The inherent mission diversity of the military departments and defense agencies makes it impossible for DOD to specify detailed criteria. Broad criteria allow flexibility of application across a wide range of functions within the Department."[22]

The 2005 base closure law provided Congress with the option of passing an act of disapproval regarding the final selection criteria. It set a deadline of March 1, 2004, for undertaking such an action. The deadline having passed without congressional action, DOD's finalization of the selection criteria for closing bases automatically took place.

## DOD Sends Report to Congress

On March 23, 2004, as part of the budget justification required by Congress each year, the Secretary of Defense submitted a detailed report on the need for a further BRAC round. He also certified that an additional round of closures and realignments would result in annual net savings for each of the military departments, beginning not later than FY2011.[23] Absent the certification, the 2005 base closure round would have been cancelled.

In the report, DOD developed a long-range force structure plan based on the probable threats to national security from 2005 to 2025. It also constructed a comprehensive installation inventory, arrayed by military department and by active and reserve component installations. To assess the amount of excess infrastructure anticipated in FY2009, DOD used the parametric analytical approach that it used in a similar earlier 1998 assessment.[24]

The DOD report focused on major U.S. installations across broad categories, rather than the entire inventory, which includes myriad smaller sites. In addition, DOD weighed the anticipated continuing need for installations outside the United States, as well as any efficiencies that might be gained from joint tenancy. Also, DOD used its experiences with prior rounds to assess the economic effects of base closures and realignments on communities in the vicinity of affected installations.

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[21] U.S. Congress. House. Committee on Appropriations, Subcommittee on Military Construction. Hearing on FY2005 Military Construction Appropriations (BRAC), February 12, 2004, p. 17.

[22] Elizabeth Kenny, "Base Closure Criteria Lists Finalized," *Portsmouth Herald*, February 13, 2004.

[23] U. S. Department of Defense. "Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for FY2003," March 2004, p. 1.

[24] Ibid., p. 2.

The report estimated that DOD possessed, in aggregate, 24% excess installation capacity. It pointed out, however, that "only a comprehensive BRAC analysis can determine the exact nature and location of potential excess."[25] It then went on to explain that DOD would conduct a thorough review of its existing infrastructure in the coming year, ensuring that all installations will be treated equally and evaluated on their continuing military value to the nation.[26]

The release of DOD's report was followed, on March 25, 2004, by a House Armed Services Military Readiness subcommittee hearing on base closures, at which some Members voiced strong opposition to the timing of the new round. Others were more conflicted — wanting to support the war on terror, on the one hand, but also concerned about the many open-ended challenges facing DOD and the country, on the other.[27]

On the same day, the General Accounting Office issued a report on the new BRAC round. It stated that DOD's 2005 selection criteria followed a framework similar to that employed in the four prior rounds. It also said that the criteria were generally sound but pointed out that DOD needed to consider, in its analyses, the absence of total agency-related and environmental costs.[28]

## Congress Considers BRAC Delay

On March 24, 2004, Representative Solomon Ortiz introduced legislation (H.R. 4023), calling for a two-year delay in implementing a new BRAC round. His bill was supported by 30 co-sponsors. He said: "This is not the time to be shutting down bases." He noted that the military had on-going operations in Iraq and Afghanistan and might move troops home as it closes down bases overseas.[29]

On March 25, 2004, Representative Joel Hefley, chairman of the House Armed Services Military Readiness Subcommittee, conducted a lengthy oversight hearing on BRAC. The discussions revealed significant emerging bipartisan support for delaying the BRAC process.

On April 1, 2004, the Senate Armed Services Subcommittee on Readiness and Management Support held hearings that included discussion of the 2005 base closure round. Deputy Under Secretary of Defense Raymond DuBois argued that any delay in the BRAC process would upset the ongoing global posture review aimed at determining which bases in the United States would receive the overseas force

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[25] Ibid., p. 3.

[26] Ibid.

[27] U.S. Congress. House Armed Services Military Readiness Subcommittee. "2005 Base Realignment and Closure (BRAC) Process," March 25, 2004.

[28] U.S. General Accounting Office. "Military Base Closures: Observations on Preparations for the Upcoming Base Realignment and Closure Round," (GAO-04-558T), March 25, 2004, p. 3.

[29] Amy Klamper, "House Committee Ponders Approach to Base Closings," *Government Executive*, March 22, 2004.

structure. He emphasized that "We must do the overseas piece first ... and by the end of May."[30]

Several weeks later, on May 6, 2004, the HASC subcommittee approved a two-year delay that would postpone the next base closure round until 2007. Its chairman, Representative Joel Hefley, expressed concern over the timing. "It would be a bad mistake to do it in the middle of a war," he said.

On May 12, 2004, the full House Armed Services Committee addressed the base closure issue. Representative Gene Taylor offered an amendment to terminate the 2005 round. The committee, however, adopted a more moderate stand offered by Representative Joel Hefley. His substitute amendment called for delaying the round from 2005 to 2007.

On May 18, 2004, Senator Trent Lott introduced an amendment to delay the 2005 BRAC round. He explained that DOD should first close its bases overseas before closing those at home. The Senator was supported by a large number of bipartisan colleagues, but he also confronted strong opposition from Senator John Warner and other key leaders. The amendment was narrowly defeated by a vote of 49 to 47.[31]

Two days later, on May 20, 2004, the full House voted 259 to 162 to delay base closings until 2007. In response to this action, the White House immediately released a statement declaring that the Secretary of Defense, and other senior advisers, would urge the President to veto any bill that weakened, delayed, or repealed the current base closure authority.

On September 23, 2004, at a Senate Armed Services Committee hearing on global force posture, Secretary of Defense Rumsfeld reiterated the threat of a veto. He further stated that the timing of the planned return of about 70,000 U.S. forces from overseas, along with the scheduled BRAC round, were inextricably linked.[32]

In the same hearing, Senator John Warner, chairman of the defense committee, warned that communities were already spending millions of dollars hiring experts to BRAC-proof their installations. To perpetuate the situation for two more years, he stressed, would be an enormous burden to communities on top of the high cost of keeping open bases no longer needed.[33]

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[30] U.S. Congress. Senate Armed Services Readiness and Management Support Subcommittee, "Military Installation Programs in Review of the Defense Authorization Request for FY2005," [Hearings] April 1, 2004.

[31] No. 3158.

[32] "Rumsfeld Would Advise Veto Over Base-Closing Delay," *CongressDaily*, September 24, 2004.

[33] William Matthews, "No Hurry on U.S. 2005 Spending Bill," *DefenseNews*, September 20, 2004.

On October 8, 2004, Senate and House conferees reached agreement on the National Defense Authorization Act for FY2005, which included continued support of DOD's authority to conduct the 2005 base closure and realignment round. Senator John Warner stated, "This Administration priority is absolutely essential and necessary ... to allow the Department to evaluate its infrastructure and to make smart decisions to support a well-postured 21st Century military. We must complete this crucial process over the next year in order to reduce aging, excess infrastructure, provide resources for the military where they need it the most, and provide investment and development opportunities for the local communities that so strongly support our forces."[34]

On the same day, Representative Duncan Hunter underscored four provisions of the law intended to improve the BRAC implementation process. These included (1) prohibiting any revision of DOD's force-structure plan or infrastructure inventory after March 15, 2005; (2) codifying the Secretary of Defense's criteria for selecting bases to be closed and realigned; (3) repealing the authority of the Secretary of Defense to place installations in inactive status; and (4) prohibiting the Commission from changing the Secretary of Defense's selections — unless at least two members of Commission visits the installation involved, and at least seven members of the Commission support the decision.[35] This last provision was intended to ensure that a super-majority of BRAC commissioners prevailed.[36]

# Community Concerns about BRAC

## Local Efforts to Prevent Closures[37]

As a result of the impending new round of base closures, many community leaders have been searching for ways to protect nearby military installations. In these efforts, they have received much encouragement and financial support from their respective state and local governments. Millions of dollars are currently being spent to improve the infrastructure near bases, with the intent of ensuring their survival.

The Pentagon, with an interest in paring down the military, is looking at bases with only one or two missions, or some other critical vulnerability. At the other end of the continuum is Fort Jackson, SC which, besides including a basic combat and advanced individual Army training program, also is the home of a chaplain school,

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[34] U.S. Senate, Committee on Armed Services. Press Release, October 8, 2004.

[35] U.S. Government Printing Office. Congressional Record, October 8, 2004, p. H9279.

[36] U.S. House of Representatives, Committee on Armed Services. Press Release, October 8, 2004

[37] Information in this section, as well as in the next, is derived in large part from two articles by George Cahlink, "Bracing for Closure," *Government Executive*, August 1, 2001; and "White House Threatens Veto of Defense Bill over Limits on Base Closure," *Government Executive*, May 23, 2003.

a drill sergeants' school, the Soldier Support Institute, and the Department of Defense Polygraph Institute.[38]

In August 2003, leaders in San Antonio, Texas proposed a constitutional amendment authorizing the state to issue $250 million in bonds to help protect Texas military installations. Local communities, under this arrangement are able to borrow the bond proceeds at low rates for projects that "enhance the military value" of facilities.[39]

In another example, a non-profit community organization in Shreveport, LA offered to build and refurbish more than 300 housing units at Barksdale Air Force Base — at no additional cost to DOD. The offer was made after many complaints about the inadequacy of its military housing.

In other cases, state "retention" grants have been awarded to help local communities (1) establish links between military bases and state universities; (2) utilize the potential for public-private partnerships; and (3) consider exchanging military land with private developers in return for building new base facilities.

When asked for advice on how to prevent base closures, one leading former defense official answered that the communities should emphasize existing strengths and new partnerships with the military. "Our advice to the communities," he said, "was always the same — make sure the strengths of your facility are known."[40]

## Addressing the Encroachment Issue

Of special concern to many communities, as well as the Department of Defense, is "range encroachment." It is the process whereby a military base is progressively hemmed in by urban growth, competition for air space, protection of an endangered species, and other factors. Such a development can detract from a base's desirability, and thus make it a target for future closure and realignment in the next round.

In the past, the Department of Defense has regarded encroachment as a local government issue over which it had little or no control. According to one Pentagon official, John Leigh, the federal government remained virtually powerless to intervene in local community growth issues. However, laws have been passed in the last few years that now require local jurisdictions to consider the impact of new growth on military readiness when making land-use decisions.[41]

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[38] Susanne M. Schafer, "Fort Should Be Safe, Sanford Says," *The Associated Press*, August 26, 2003.

[39] "Help State Defend Its Military Facilities," *San Antonio Express-News*, August 25, 2003.

[40] Cahlink, op. cit.

[41] Lara Beaven, "Encroachment Likely to 'Loom Large' in 2005 Base Closure Round," *Inside Defense*, August 13, 2002.

An October 2002 study by the National Governors Association drew attention to the rising problem of encroachment in many states. A condensed section of the study follows:

> Civilian encroachment is beginning to restrict or eliminate testing and training activities in many locations. Eighty percent of our nation's installations are experiencing urban growth at a rate higher than the national average. Residential and commercial communities are potentially exposed to artillery fire, aircraft noise, dust, and worse yet accidents.
>
> As urban growth and development increase near and around bases, so do land-use conflicts between mission activities and local communities. For instance, many military airports conduct night training exercises. The city lights of encroaching development often compromise the effectiveness of night vision equipment, making night training exercises impractical.
>
> The extent of urban encroachment and its effect on operational activity of an installation is a consideration in determining its future viability, and such mission constraint can lead to activity reductions or even closures. The resulting reduction in installation personnel and mission activities can jeopardize economic activity, jobs, and tax revenues. Encroachment puts local and state economies at risk.[42]

The FY2003 defense authorization act (P.L. 107-314) included a natural resource conversion provision that addressed the impact of land development on military installations. The Pentagon argued that environmental requirements placed serious limitations on the use of certain lands. As a result, Section 2881 authorized the Secretary of Defense to create conservation buffer zones outside its installations to help prevent urban sprawl, while also providing habitat for endangered species. Environmental advocates have argued that DOD needs to work more closely with developers and local officials, who are likely to be focused on increasing the area's tax base.

The FY2004 defense authorization conference report requires the Secretary of Defense to conduct a comprehensive study on the impact of various types of encroachment issues affecting military installations and operational ranges. The report must be completed not later than January 31, 2006.[43]

## U.S. Overseas Basing Initiative

On August 16, 2004, the President announced that the Pentagon would redistribute its overseas bases as a means of achieving a more agile and flexible force. The initiative, as part of a Global Posture Review, came after three years of study and consultation. In his statement, the President made it clear he would retain

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[42] National Governors Association, "Military Installations Pressured by Sprawl," October 11, 2002, p.1.

[43] H.Rept. 108-354. U. S. Government Printing Office, *Congressional Record*, November 6, 2003, p. H10577-8.

a significant military presence overseas, but that he also intended to bring home about 60,000 to 70,000 uniformed personnel and about 100,000 family members and civilian employees over the next ten years.[44]

Opponents of the 2005 base realignment and closure plan have seized on the President's announcement, arguing that roughly one-third of the soldiers overseas will be returning home and that, given the circumstances, it would be premature to close domestic facilities. Key Members of Congress, most notably Senators Kay Bailey Hutchison and Dianne Feinstein (Chair and Ranking Member of the Senate Appropriations' Subcommittee on Military Construction), expressed their concerns in this regard.

On April 8, 2003, these two Senators sponsored a bill (S. 949) to create a bipartisan Overseas Basing Commission (OSBC).[45] Its purpose was "to assess the adequacy of the U.S. military footprint overseas, consider the feasibility and advisability of closing any current U.S. installations, and provide to Congress recommendations for a comprehensive overseas basing strategy that meets the current and projected needs of the United States."[46]

On April 29, 2003, the sponsors explained: "If we reduce our overseas presence, we need statewide bases to station returning troops. It is senseless to close bases on U.S. soil in 2005 only to determine a few years later that we made a costly, irrevocable mistake."[47] The two Members of Congress also said that the new commission would last for one year, include eight congressionally appointed members, and be completed for the opening of the 2005 BRAC process.[48]

In a July 10, 2003 statement, the White House threatened not to cooperate with an Overseas Basing Commission, saying that it was already looking at current and future force structure and basing needs. A congressional commission looking over DOD's shoulders, it argued, was unnecessary. In spite of White House opposition, however, the OSBC became law when President George Bush signed the Fiscal Year 2004 Military Construction Appropriations Act on November 22, 2003 (P.L. 108-132).

The Overseas Basing Commission was originally scheduled to report its findings by December 31, 2004. As a result of delays in forming the OSBC, its deadline was extended to August 31, 2005 — with a preliminary draft issued by the end of March.

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[44] John D. Banusiewicz, "Bush Announces Global Posture Changes Over Next Decade," *American Forces Press Service,* August 16, 2004.

[45] The full title is the "Commission on Review of Overseas Military Facility Structure of the United States."

[46] "Feinstein, Hutchison Introduce Military Base Commission Legislation," April 8, 2003.

[47] U.S. Government Printing Office. *Congressional Record,* April 29, 2003, p. S5495.

[48] Lisa Burgess, "Call for Commission on Overseas Military Facilities," *Stars and Stripes,* May 1, 2003.

On November 9, 2004, the OSBC held a hearing in which John Hamre, former deputy Secretary of Defense, said that DOD had not thought enough about how realigning forces abroad could be used strategically to shape the international environment in the coming decades. He noted that the kinds of changes to the U.S. military posture DOD was contemplating at this time were driven primarily by operational expediency, rather than strategy. "The problem," he emphasized, "is that in order to be sustainable over the long-term, U.S. bases overseas must be part of an overall political, diplomatic, and strategic framework." He did not feel that the Administration had established "an enduring framework for the new bases DOD was contemplating."[49]

# BRAC Developments: 2005

## The 2005 BRAC Commission

The 2005 base realignment and closure statute entitled the President to nominate nine members to an independent base closure Commission, by a date no later than March 15, 2005. He was also given the opportunity to ignore the directive — with the result that the new BRAC round would have been cancelled.[50] The President, however, declined to exercise that authority.[51]

In appointing members to the new BRAC Commission, the statute states that the President *should* consult with the top congressional leadership, as outlined below:

| House of Representatives | Senate |
|---|---|
| Speaker of the House — 2 | Majority Leader of the Senate — 2 |
| Minority Leader — 1 | Minority Leader — 1 |

The three remaining appointments do not require consultation with Congress. A related matter of likely interest will be the composition of the Commission members. In the past four BRAC rounds, they have included

- Former Members of Congress
- Retired military leaders
- Former U.S. ambassadors
- Business leaders — industry, banking, etc.
- Former House and Senate staff members
- Former White House staff members

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[49] Chris Strohm, "Effort to Realign Military Bases Abroad Seen as Short-Sighted," *GovExec*, November 9, 2004.

[50] U. S. Congress. House. "National Defense Authorization Act for Fiscal Year 2002," (P.L. 107-107, December 12, 2001.

[51] The President has another opportunity to terminate the BRAC process by failing to forward the final list of BRAC actions to Congress before November 7, 2005.

Over a period of two months, from February 1, 2005 to April 1, 2005, the President and senior congressional leaders conducted a review and, ultimately, approved the selection of nine commissioners to the 2005 base closure and realignment round.

Speaker of the House J. Dennis Hastert recommended former *Representative James V. Hansen* of Utah, and *Samuel K. Skinner* of Illinois. The latter formerly served on President George Bush's chief of staff.

House Minority Leader Nancy Pelosi recommended *Philip E. Coyle III* of California, a former Assistant Secretary of Defense and Director of Operational Test and Evaluation.

Senate Majority Leader William H. Frist recommended retired *General Lloyd W. Newton,* USAF (Ret.) of Connecticut, and retired *Admiral Harold W. Gehman, Jr.* USN (Ret.) of Virginia.

Senate Minority Leader Harry Reid recommended former *Representative James Bilbray* of Nevada.

The President selected *Anthony A. Principi* of Califonria to be the chairman of the 2005BRAC Commission. He was, most recently, vice-president of the Pfizer Corporation. In earlier years, he served as the Secretary of Veterans Affairs, the chief counsel for the Senate Armed Services Committee and the Senate Veterans Affairs Committee, and as a top official with defense contractor Lockheed Martin. In addition, he is a decorated Vietnam war veteran.

The two other nominees selected by the President were *Brigadier General Sue Ellen Turner,* USAF (Ret.) of Texas, and *General James T. Hill,* USA (Ret.) of Florida.

With its formal establishment, the BRAC Commission will most likely proceed to conduct a series of local, D.C.– area hearings to collect general information on DOD's force structure needs and goals for the BRAC process. It will also likely conduct regional hearings at locations throughout the country to provide affected communities with the chance to express their views and concerns. At least one commissioner, it has been said, will visit each base on DOD's designated list. An additional round or two of hearings (local and regional) are possible before completion of the BRAC deliberative process — after which the Commission will send its final list to the President.

It should be noted that, due to current BRAC law, the Commission can only **add** a base to DOD's list under the following circumstances. Two commissioners must visit the installation — and seven of the nine commissioners must reach agreement on the decision.[52] In past rounds, there appears to be no evidence of such similar

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[52] Sec. 2914(d) (3) and (5): "Limitations on Authority to Add to Closure or Realignment (continued...)

# Base

# Realignment and Closure

# 2005

# Revised

# Force Structure Plan

## 2 March 2005

UNCLASSIFIED
Version

# INTRODUCTION

The Chairman of the Joint Chiefs of Staff provided a long-term force structure plan for the Defense Department based on its analysis of current and future threats, challenges, and opportunities and on the President's national strategy to meet such circumstances. In accordance with Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, the force structure plan for Base Realignment and Closure (BRAC) 2005 is based on the probable threats to national security for a 20-year period, from 2005 to 2024. In previous BRAC rounds, this projection ran only 6 years into the future. It is important to note that this report focuses on a snapshot of force structure through Fiscal Years 2011 due to security classifications. However, this snapshot is a realistic representation of future force structure.

An unclassified portion of the force structure plan is included in this report. The entire plan is classified and available through restricted distribution. The force structure plan does not reflect temporary adjustments to the force structure of one or another military service that the Secretary of Defense may make from time to time in response to unique but transient conditions. The Secretary of Defense submitted the force structure plan to Congress in March 2004 per Public Law 101-510. This submission is a revision to that plan.

## Strategy and Force Development

The President's National Security Strategy and the Secretary of Defense's Strategy provide a new focus for US military forces. These strategies require that US forces, by their presence and activities, assure friends and allies of the United States resolve and ability to fulfill commitments. Military forces must dissuade adversaries from developing dangerous capabilities. In addition, forces must provide the President with a wide range of options to deter aggression and coercion, and if deterrence fails, forces must have the ability to defeat any adversary at the time, place, and in the manner of US choosing.

Based on detailed analysis since the Secretary's 2001 Quadrennial Defense Review, the Department of Defense has updated its strategic thinking, incorporating lessons learned from recent military operations.

The Department's planning has informed decisions to date on the force's overall mix of capabilities, size, posture, patterns of activity, readiness, and capacity to surge globally. Just as strategy is constantly updated to incorporate and account for a changing global security environment, force planning standards also are adaptive and dynamic over time.

The Department's force planning framework does not focus on specific conflicts. It helps determine capabilities required for a range of scenarios. The Department analyzes the force requirements for the most likely, the most

dangerous, and the most demanding circumstances. Assessments of US capabilities will examine the breadth and depth of this construct, not seek to optimize in a single area. Doing so allows decision makers to identify areas where prudent risk could be accepted and areas where risk should be reduced or mitigated.

The defense strategy requires the creation of new forms of security cooperation to support US efforts to swiftly defeat an adversary with modest reinforcement. Specifically, security cooperation will underpin diversified, operational basing access and training opportunities for forward stationed forces, and strengthen US influence with potential partners that could provide coalition capabilities for future contingencies. Security cooperation efforts will focus on activities to build defense relationships that promote US and allied security interests, develop allied and friendly military capabilities for self-defense and coalition operations, and provide US forces with peacetime and contingency access and en route infrastructure.

**Transformation To A Capabilities-Based Approach**

Continuous defense transformation is part of a wider governmental effort to transform America's national security institutions to meet 21st-century challenges and opportunities. Just as our challenges change continuously, so too must our military capabilities.

The purpose of transformation is to extend key advantages and reduce vulnerabilities. We are now in a long-term struggle against persistent, adaptive adversaries, and must transform to prevail.

Transformation is not only about technology. It is also about:

- Changing the way we think about challenges and opportunities;
- Adapting the defense establishment to that new perspective; and,
- Refocusing capabilities to meet future challenges, not those we are already most prepared to meet.

Transformation requires difficult programmatic and organizational choices. We will need to divest in some areas and invest in others.

Transformational change is not limited to operational forces. We also want to change long-standing business processes within the Department to take advantage of information technology. We also are working to transform our international partnerships, including the capabilities that our partners and we can use collectively.

Derivative of a transformational mindset is adoption of a capabilities-based planning methodology. Capabilities-based planning focuses more on how adversaries may challenge us than on whom those adversaries might be or where we might face them. It focuses the Department on the growing range of

capabilities and methods we must possess to contend with an uncertain future. It recognizes the limits of intelligence and the impossibility of predicting complex events with precision. Our planning aims to link capabilities to joint operating concepts across a broad range of scenarios.

The Department is adopting a new approach for planning to implement our strategy. The defense strategy will drive this top-down, competitive process. Operating within fiscal constraints, our new approach enables the Secretary of Defense and Joint Force Commanders to balance risk across a range of areas.

We seek to foster a culture of innovation. The War on Terrorism imparts an urgency to defense transformation; we must transform to win the war.

**Addressing Capabilities Through Force Transformation**

The Department's transformation strategy will balance near-term operational risk with future risk in investment decisions. It will invest now in specific technologies and concepts that are transformational, while remaining open to other paths towards transformation. Capabilities will be developed, supported by force transformation, which will allow us to meet the defense strategy while remaining open to explore new and essential capabilities. This force transformation will allow us to create a new/future force structure, which will move from its current platform-centric condition to a more capabilities-based and network-centric philosophy that addresses the full spectrum of conflict. It will allow the US military to create conditions for increased speed of command and opportunities for coordination across the battlespace.

## PROBABLE THREATS TO NATIONAL SECURITY

**Range of Challenges**. Uncertainty is the defining characteristic of today's strategic environment. We can identify trends but cannot predict specific events with precision. While we work to avoid being surprised, we must posture ourselves to handle unanticipated problems – we must plan with surprise in mind.

We contend with uncertainty by adapting to circumstances and influencing events. It is not enough to react to change. We must safeguard US freedoms and interests while working actively to forestall the emergence of new challenges.

The US military predominates in the world in traditional forms of warfare. Potential adversaries accordingly shift away from challenging the United States through traditional military action and adopt asymmetric capabilities and methods. An array of traditional, irregular, catastrophic, and disruptive capabilities and methods threaten US interests.

These categories overlap. Actors proficient in one can be expected to try to reinforce their position with methods and capabilities drawn from others.

Indeed, recent experience indicates that the most dangerous circumstances arise when we face a complex of such challenges. For example, our adversaries in Iraq and Afghanistan presented both traditional and irregular challenges. Terrorist groups like al Qaida pose irregular threats but also actively seek catastrophic capabilities. The government of North Korea at once poses traditional, irregular, and catastrophic challenges. In the future, the most capable opponents may seek to combine truly disruptive capacity with traditional, irregular, and catastrophic forms of warfare.

**Traditional challenges** come largely from states employing recognized military capabilities and forces in well-known forms of military competition and conflict. While traditional forms of military competition remain important, trends suggest that these challenges will receive lesser priority in the planning of adversaries vis-à-vis the United States. This can be attributed, in part, to US and allied superiority in traditional forms of warfare and the enormous cost to develop, acquire, and maintain conventional capabilities. But it is also explained by the increasing attractiveness of irregular methods, as well as the increasing availability of catastrophic capabilities. Even where adversaries possess considerable capacity in traditional domains, they often seek to reinforce their position with catastrophic, irregular, and disruptive methods and capabilities. Therefore, some strictly traditional or hybrid challenges require the active maintenance of sufficient combat overmatch in key areas of traditional military competition.

**Irregular challenges** are characterized as "unconventional" methods employed by state and non-state actors to counter the traditional advantages of stronger opponents. Irregular methods of increasing sophistication – including terrorism, insurgency, civil war, and third-party coercion – will challenge US security interests to a greater degree than they have in the past. Our adversaries are likely to exploit a host of irregular methods in an attempt to erode US influence, power, and national will over time.

Two factors in particular have intensified the rapid growth and potential danger of irregular challenges: the rise of extremist ideologies and the erosion of traditional sovereignty. Worldwide political, religious, and ethnic extremism continue to fuel deadly and destabilizing conflicts. Particularly threatening are those extremist ideologies that sanction horrific violence targeted at civilians and noncombatants. Areas in Central and South America, Africa, the Middle Ease, and South, Central, and Southeast Asia have provided havens for terrorists, criminals, insurgents, and other groups that threaten global security. Many governments in these areas are unable or unwilling to extend effective control over their territory, thus increasing the area available to hostile exploitation. Irregular challenges in and from these areas will grow more

intense over time and are likely to challenge the security of the United States and its partners for the indefinite future.

Our ongoing War on Terrorism and our resulting operational experience call for a reorientation of our military capabilities to contend with these challenges more effectively.

**Catastrophic challenges** involve the acquisition, possession, and use of weapons of mass destruction (WMD) or methods producing WMD-like effects. A number of state and non-state actors are vigorously seeking to acquire dangerous and destabilizing catastrophic capabilities. States seek these capabilities to offset perceived regional imbalances or to hedge against US military superiority. Terrorists seek them because of the potential they hold for greater physical and psychological impact on targeted audiences.

Porous international borders, weak controls over weapons-related materials and expertise, and ongoing revolutions in information technology are increasingly enabling this trend. Particularly troublesome is the nexus of transnational terrorists, WMD proliferation, and rogue states. Unchecked, this confluence raises the prospect of direct WMD employment against the United States or our allies and partners. Indeed, many would-be adversaries likely believe the best war to check American reach and influence is to develop the capability to threaten the US homeland directly. Catastrophic attacks could arrive via a number of delivery means ranging from rogue use of WMD-armed ballistic missiles to surreptitious delivery through routine commercial channels to innovative attacks like those undertaken on 9/11.

Elements of the US national infrastructure are vulnerable to catastrophic attack. The interdependent nature of the infrastructure crests more vulnerability because attacks against one sector – the electric power grid for instance – would impact other sectors as well. Parts of the defense-related critical infrastructure are vulnerable to a wide range of attacks, especially those that rely on commercial sector elements with multiple single points of failure.

The continuing illicit proliferation of WMD technology and expertise makes contending with catastrophic challenges an enduring necessity. A single catastrophic attack against the United States is an unacceptable prospect. The strategic effect of such an attack transcends the mere economic and social costs. It represents a more fundamental, existential threat to our nation, our institutions, and our free society. Thus, new emphasis must be applied to capabilities that enable us to dissuade acquisition of catastrophic capabilities, deter their use, and finally, when necessary, defeat them prior to their posing direct threats to us and our partners.

**Disruptive challenges** are those posed by competitors employing breakthrough technology that might counter or negate our current advantages

in key operational domains. In doing so, competitors seek to provide new military options that offset our advantages in niche areas and threaten our ability to operate from the strategic commons – space, international waters and airspace, and cyberspace. Such developments will afford opponents only temporary advantage. In a few instances, however, the United States could confront technological breakthroughs that would fundamentally alter our approach to security. These might include, but are not limited to, breakthroughs in biotechnology, cyber-operations, space, directed-energy, and other emerging fields. Although such developments are unpredictable, we must be attentive to the consequences that such possibilities hold, and plan and invest accordingly.

The goal of our transformation is to contend effectively with these challenges and channel future security competition in ways favorable to the United States and its international partners. We accomplish this by assuring our allies and friends – demonstrating our resolve to fulfill defense commitments and protect common interests; dissuading potential adversaries from adopting threatening capabilities and ambitions; deterring aggression and coercion by maintaining capable and rapidly deployable military forces. Finally, at the direction of the President, we will defeat adversaries at the time, place, and in the manner of our choosing – setting the conditions for future security.

**The Unclassified Force Structure Plan**

The following table shows the programmed force structure, manning, and funding for the Army, Navy, Marine Corps, and Air Force for Fiscal Years 2005, 2007, 2009, and 2011. When reviewing this plan, it should be noted that it depicts only Service force units; that is, not all of the force structure is identified. For example, the unclassified version does not account for Army non-divisional units including its associated assets like aviation and special operations; Navy non-carrier-based aircraft and construction battalions; and Air Force airlift, special operation, tankers, and missiles.

# Service Force Units

| | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|
| **Army UEx** | | | | |
| Active | 6 | 11 | 13 | 13 |
| Reserve | 1 | 5 | 8 | 8 |
| **Army Divisions** | | | | |
| Active | 5 | | | |
| Reserve | 7 | 3 | | |
| **Aircraft Carriers** | 12 | 11 | 11 | 11 |
| **Carrier Air Wings** | | | | |
| Active | 10 | 10 | 10 | 10 |
| Reserve | 1 | 1 | 1 | 1 |
| **Battle Force Ships** | 324 | 325 | 337 | 342 |
| **Air Force AEFs** | 10 | 10 | 10 | 10 |
| **USMC Divisions** | | | | |
| Active | 3 | 3 | 3 | 3 |
| Reserve | 1 | 1 | 1 | 1 |

**End-strength (k)**

| | | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|---|
| **USA*** | AC | 482 | 482 | 482 | 482 |
| | RC | 555 | 555 | 555 | 555 |
| **USN** | AC | 366 | 345 | 345 | 345 |
| | RC | 83 | 71 | 70 | 70 |
| **USMC*** | AC | 175 | 175 | 175 | 175 |
| | RC | 40 | 40 | 40 | 40 |
| **USAF** | AC | 360 | 356 | 350 | 350 |
| | RC | 183 | 182 | 182 | 183 |

* The Army projects it will end FY05 with end strength of 511,800 or 29,400 above the baseline of 482,400. The Marine Corps projects it will end FY05 with end strength of 177,675 or 2,675 above the baseline of 175,000. The FY05 Supplemental request includes $1.7 billion to support these overstrengths. In FY06, the Army and Marine Corps plan to exceed the funded end strength levels by at least 30,000 and 3,000 end strength, respectively. Both Services plan to seek Supplemental funding for any additional end strength above the baseline in support of the War on Terrorism.

**Anticipated Level of Funding ($B)**

| | FY05 | FY07 | FY09 | FY11 |
|---|---|---|---|---|
| **USA** | 115 | 110.1 | 120.3 | 125.6 |
| **USN** | 103.7 | 110.5 | 122.7 | 131.5 |
| **USMC** | 18.9 | 18.5 | 20.6 | 21.9 |
| **USAF** | 119.6 | 133.3 | 138.7 | 146.8 |

# Defense Transformation: Background and Oversight Issues for Congress

(Summary extracted from CRS Report to Congress; April 4, 2005; Code RL32238*)

## Summary

The Bush Administration identified transformation as a major goal for the Department of Defense (DOD) soon after taking office and has since worked to refine and implement its plans for defense transformation. Defense transformation can be defined as large-scale, discontinuous, and possibly disruptive changes in military weapons, concepts of operations (i.e., approaches to warfighting) and organization. The issue for the 109th Congress is how to take the concept of defense transformation into account in assessing and acting on Administration proposals for DOD.

The Administration argues that new technologies make defense transformation possible and that new threats to U.S. security make defense transformation necessary. The Administration's vision for defense transformation calls for placing increased emphasis in U.S. defense planning on irregular warfare including terrorism, insurgencies, and civil war; potential catastrophic security threats, such as the possession and possible use of weapons of mass destruction by terrorists and rogue states; and potential disruptive events, such as the emergence of new technologies that could undermine current U.S. military advantages. The Administration's vision for defense transformation calls for shifting U.S. military forces toward a greater reliance on joint operations, network-centric warfare, effects-based operations, speed and agility, and precision application of firepower. Transformation could affect the defense industrial base by transferring funding from "legacy" systems to transformational systems, and from traditional DOD contractors to firms that previously have not done much defense work.

Debate has arisen over several elements of the Administration's transformation plan, including its emphasis on network-centric warfare; the planned total size of the military; the balance between air and ground forces; the restructuring of the Army; the balance of tactical aircraft relative to unmanned air vehicles and bombers; its emphases on missile defense and special operations forces; and its plans regarding reserve forces and forces for stability operations. Potential areas of debate regarding the Administration's strategy for implementing transformation include overall leadership and management; the balance of funding for transformation vs. near-term priorities; the roles of DOD offices responsible for transformation; tests, exercises, and metrics for transformation; independent analysis of the Administration's plans; and actions for creating a culture of innovation.

Some observers are concerned that the Administration's regular (some might even say habitual) use of the term transformation in discussing its proposals for DOD has turned the concept of transformation into an empty slogan or buzz-phrase. Other observers are concerned that the Administration is invoking the term transformation as an all-purpose rhetorical tool for justifying its various proposals for DOD, whether they relate to transformation or not, and for encouraging minimal debate on those proposals by tying the concept of transformation to the urgent need to fight the war on terrorism. This report will be updated as events warrant.

* Full CRS Report available on request

**PREPARED TESTIMONY OF U.S. SECRETARY OF DEFENSE**
**DONALD H. RUMSFELD**
**BEFORE THE SENATE ARMED SERVICES COMMITTEE**
**GLOBAL POSTURE**
**SEPTEMBER 23, 2004**

Mr. Chairman, members of the Committee:

We thank you for the opportunity to discuss our work of some 3½ years to transform the Department of Defense.

History is traced by major events. It is important to learn from them. As we look back now on the wars of the last few centuries, we see the key moments, the turning points, and the statesmen and legislative leaders who played critical roles in helping to make our world more secure and allowing freedom to spread.

I am not certain that our work, together with this Committee and the Congress, in carrying out the President's vision for transforming of our military is one of those milestones.

But it could prove to be so.

I hope it is. Indeed, it is important that that be the case.

Today I will mention some of the elements of reform – even revolution – that fit under the somewhat pedestrian term of "transformation" or "transforming." We all can look back with some satisfaction on how much has been achieved, and look forward with encouragement, as we seek to do still more.

We meet as the brave men and women in uniform are defending the American people against those who seek to terrorize and intimidate civilized societies and to attack our freedoms. The folks in uniform represent the best our country has to offer. They have not wavered in meeting the tough challenges we face.

While I know the Committee agrees that our responsibility is to ensure that they have the tools they need to fight this war, and a military structure that helps them win it, we need to do still more.

Rearranging our global posture, the subject of today's hearing, is essential to our success. General Jim Jones, Admiral Thomas Fargo, and General Leon LaPorte are here today with Chairman of the Joint Chiefs of Staff, General Dick Myers, to discuss these important proposals.

It is important to note that rearranging our global posture is only part of our considerably broader set of undertakings. What we are doing is changing mindsets and perspectives.

Essential to this is transforming our military into a more agile, more efficient force that is ready and able to combat the asymmetric challenges of this new and uncertain time.

This is a sizable undertaking. It is said that Abraham Lincoln once equated reorganizing the Army with "bailing out the Potomac River with a teaspoon." He was expressing the truth that change is not easy.

But history has long warned great nations of the perils of seeking to defend themselves by using the successful tactics and strategies of the last war. The French experienced this with the Maginot Line.

Throughout our history, Americans have shown a talent for innovation and invention, and the providence of finding the right leaders for the times. General Ulysses S. Grant made skillful use of the rifle, the telegraph, and railroads to win the Civil War. At the turn of the 20th Century, President Theodore Roosevelt recognized the potency of deterrence and used naval power to project American strength.

After World War I, visionaries like Billy Mitchell predicted the rise of air power as critical to future battles. And Patton and Eisenhower's awareness of the importance of the tank and armored warfare helped to prepare for World War II.

In Afghanistan, our forces utilized a creative combination of cutting edge satellite technology and old-time cavalry charges to liberate that country with a minimal loss of life.

America today remains the world's preeminent military power because our leaders have properly challenged assumptions and the status quo, invested in and made use of new technologies, and abandoned old certainties and strategies when freedom's defense required it. Ours are the military forces that have been on the cutting edge of new ideas. And so we must be today.

Members of the Committee, we do not propose changes to our defense strategies lightly or precipitously. They are part of a broad strategy that, as this Committee knows, has been years in the making. These proposals will take place over the next six to eight years. There will be no grand announcement. This administration has consulted extensively with our allies – new and old – on a multitude of levels, every step of the way. We have sought the advice of the Congress. We recognize that no one has a monopoly on wisdom.

The course we have charted is not novel or sudden. Key points were designated by the President, before he was even elected.

In a 1999 speech at the Citadel, then-Governor Bush warned of the rise of terrorism, the spread of missile technology, and the proliferation of weapons of mass destruction – a "world of terror and missiles and madmen."

Calling for a "new spirit of innovation," he outlined ambitious goals: "to move beyond marginal improvements – to replace existing programs with new technologies and strategies. Our forces in the next century must be agile, lethal, readily deployable, and require a minimum of logistical support. We must be able to project our power over long distances, in days or weeks, rather than months."

Mr. Chairman, I realize these goals are not new to you or to this Committee. We have been working on these changes together for a number of years.

But let me set out where we are at this point of our journey:

- We have increased the size of the U.S. Army and are re-organizing it into more agile, lethal and deployable brigades – light enough to move quickly on short notice, but also with enough protection, firepower and logistics assets to sustain themselves;

- We are retraining and restructuring the Active and Reserve components to achieve a more appropriate distribution of skill sets, to improve the total force's responsiveness to crises, and so that individual reservists and guardsmen will mobilize less often, for shorter periods of time, and with somewhat more predictability. Already the services have rebalanced some 10,000 military spaces both within and between the Active and Reserve components in 2003, and are projected to rebalance 20,000 more during 2004.

- We are increasing the jointness between the services. Instead of simply de-conflicting the armed services and members of the intelligence community we are integrating them to interact as seamlessly as possible.

- We are improving communications and intelligence activities. This includes, for example, the development of Space Based Radar (SBR) to monitor both fixed and mobile targets deep behind enemy lines and over denied areas, in any kind of weather. We also are at work on the Transformational Communications Satellite (TSAT) to provide our joint warfighter with unprecedented communication capability. To give you an idea of the speed and situational awareness the TSAT will provide, consider this: transmitting a Global Hawk image over a current Milstar II, as we do today, takes over 12 minutes. With TSAT it will take <u>less than a second</u>.

- The Department is constructing three new state-of-the-art guided missile destroyers to patrol the seas; 42 new F/A-18 fighter aircraft to guard the skies; and new C-17 strategic air lifters, which will improve our ability to move forces quickly over long distances.

- We have significantly expanded the capabilities and missions of Special Operations. SOCOM has moved from exclusively a "supporting" command to both a "supporting" and a "supported" command, with the authority to plan and execute missions in the global war on terror.

- We have established new commands and restructured old ones:

    - the Northern Command, dedicated to defending the homeland;
    - the Joint Forces Command, to focus on continuing transformation; and
    - the Strategic Command, responsible for early warning of and defense against missile attack, and the conduct of long-range attacks.

- We are working with NATO in an effort to make the Alliance more relevant and credible in this post-Cold War era, shedding redundant headquarters and creating a new rapid response force.

- It used to be that operational and contingency plans were developed, then placed on the shelf for years. We're working to maintain a regular review of plans, challenging our own assumptions and keeping the plans fresh and relevant.

- The Department is changing its approach to infrastructure and installations. When the Administration arrived, facilities were funded at a rate and level that reflected an expectation that they would be replaced only every 175 to 200 years. Our goal was and remains to cut it down to a more realistic recapitalization rate closer to 70 years.

- We are making progress in changing the culture in the Department and the military from one of "risk avoidance" to one that rewards achievement and innovation.

Let me mention another example of an activity underway that on its own may seem minor, but is crucial to the process of transforming.

Today we have tens of thousands of uniformed people doing what are essentially non-military jobs. And yet we are calling up Reserves to help deal with the global war on terror. The same benefit as we achieve with an increase in military personnel is already coming from converting some of these jobs filled by uniformed personnel to positions supported by DoD civilians or contractors. The Department has identified over 50,000 positions to begin such conversion and plans to carry out this conversion at a rate of about 10,000 positions per year. We are also continuing to review thousands of other positions for possible conversion.

To support this, we are working with the Congress and the unions to improve our civilian personnel systems so we can fill these converted positions expeditiously. This is an enormously complicated matter and there is a great deal more work to be done. But when fully implemented, the National Security Personnel System, should:

- Expedite the hiring process for civilian employees;
- Recognize and reward outstanding civilian individuals;
- Make it easier to provide merit-based promotions and reassignments; and
- Streamline the complex webs of rules and regulations that currently frustrate efficient management of the Department.

When we talk about changes to our country's global posture, it is important to look at those changes – as part of the broader transforming of our way of doing things. One cannot succeed without the other.

If our goal is to arrange the Department and our forces so we are prepared for the challenges of this new century – the newer enemies and the more lethal weapons – it is clear that our existing arrangements are seriously obsolete.

We have entered an era where enemies are in small cells scattered across the globe. Yet America's forces continue to be arranged essentially to fight large armies, navies, and air forces, and in support of an approach – static deterrence – that does not apply to enemies who have no territories to defend and no treaties to honor.

We are still situated in a large part as if little has changed for the last fifty years – as if, for example, Germany is still bracing for a Soviet tank invasion across its northern plain. In South Korea, our troops were virtually frozen in place from where they were when the Korean War ended in 1953.

So we have developed a set of new concepts to govern the way we will align ourselves in the coming years and decades. Though this should not be news to many on the Committee since we have offered extensive briefings to Members and staffs, let me reiterate some of the concepts.

A first notion is that our troops should be located in places where they are wanted, welcomed, and needed. And, in some cases, the presence and activities of our forces grate on local populations and have become an irritant for host governments. The best example is our massive headquarters in some of the most valuable downtown real estate in Seoul – Korea's capital city – long a sore point for many South Koreans. Under our proposed changes, that headquarters will be moved to a location well south of the capital.

In the last few years, we have built new relationships with countries that are central to the fight against extremists – in places such as Afghanistan, Pakistan, and Uzbekistan, to offer a few examples. We also have strong partnerships with the newly-liberated nations of Eastern Europe. We believe it makes sense to try to work out arrangements with countries that are interested in the presence of the U.S. and which are in closer proximity to the regions of the world where our troops are more likely to be needed in the future.

A second governing concept is that American troops should be located in environments that are hospitable to their movements. Because U.S. soldiers may be called to a variety of locations to engage extremists at short notice, we need to be able to deploy them to trouble spots quickly. Yet over time, some host countries and or their neighbors have imposed restrictions on the movement and use of our forces. So it makes sense to place a premium on developing more flexible legal and support arrangements with our allies and partners where we might choose to locate, deploy or exercise our troops.

Many of our current legal arrangements date back a half a century or more. We need our international arrangements to be up-to-date – to reflect the new realities and to permit operational flexibility. They have to help, not hinder, the rapid deployment and employment of U.S. and coalition forces worldwide in a crisis. These legal arrangements should encourage responsibility and burden-sharing among our partners and ourselves, and be certain to provide the necessary legal protections for U.S. personnel.

Third, we need to be in places that allow our troops to be usable and flexible. As the President has noted, the 1991 Gulf War was a stunning victory. But it took six months of planning and transport to summon our fleets and divisions and position them for battle. In the future, we cannot expect to have that kind of time.

Finally, we believe we should take advantage of advanced capabilities that allow us to do more with less. The old reliance on presence and mass reflects the last century's industrial-age thinking.

In this century, we are shifting away from the tendency to equate sheer numbers of things – tanks, troops, bombs, etc. – with capability. If a commander has a smart bomb that is so precise that it can do the work of eight dumb bombs, for example, the fact that his inventory is reduced from ten dumb bombs to five smart bombs does not mean his capability has been reduced – indeed his capability has been significantly increased.

The "old think" approach needs to be modernized. In terms of lethality, precision weapons have greatly expanded our capability, while significantly reducing the number of weapons needed.

We can, for example, attack multiple targets in one sortie, rather than requiring multiple sorties to attack one target. The Navy's response time for surging combat ships has been shortened to the point that we will likely not need a full-time carrier strike group presence in every critical region.

As a result of these new ways of thinking, we have developed plans for a more flexible and effective force posture for the 21st century. For example, main operating bases in places like Germany, Italy, the U.K., Japan, and Korea, will be consolidated, but retained. We hope to rely on forward operating sites and locations, with rotational presence

and pre-positioned equipment, and to gain access to a broader range of facilities with little or no permanent U.S. presence, but with periodic service or contractor support.

In Asia, our ideas build upon our current ground, air, and naval access to overcome vast distances, while bringing additional naval and air capabilities forward into the region. We envision consolidating facilities and headquarters in Japan and Korea, establishing nodes for special operations forces, and creating multiple access avenues for contingency operations.

In Europe, we seek lighter and more deployable ground capabilities and strengthened special operations forces – both positioned to deploy more rapidly to other regions as necessary – and advanced training facilities.

In the broader Middle East, we propose to maintain what we call "warm" facilities for rotational forces and contingency purposes, building on cooperation and access provided by host nations during Operations Enduring Freedom and Iraqi Freedom.

In Africa and the Western Hemisphere, we envision a diverse array of smaller cooperative security locations for contingency access.

And, of course, we welcome comments and suggestions as negotiations with potential host countries proceed.

One additional benefit to our proposed new arrangements is that they will significantly improve the lives of U.S. military families. This is important. Over the coming period of years, we plan to transfer home, to American soil, up to 70,000 troops and some 100,000 family members and civilian employees. In addition, deployments of the future should be somewhat shorter, families should experience somewhat fewer permanent changes of station, and thus less disruption in their lives.

Base Realignment and Closure (BRAC)

The global posture decision process and Base Realignment and Closure (BRAC) are tightly linked, indeed they depend on each other. They are both key components of the President's transformation agenda, and they both will be critical instruments for stability in the lives of service members and their families. Together, they will help to provide more predictability in assignments and rotations.

The progress made to date on global posture enables DoD to provide specific input on overseas changes for BRAC 2005. That input will allow domestic implications of the global posture review – with forces and personnel either returning to or moving forward from U.S. territory – to be accounted for as effectively as possible within the BRAC decision-making process.

Finally, as was the case with previous BRAC rounds, the U.S. will retain enough domestic infrastructure to provide for difficult-to-reconstitute assets to respond to surge needs, and to accommodate significant force reconstitution as necessary, including all forces based within or outside the United States.

Any initiative as complex as the proposed global posture realignment will stimulate questions – especially in an election year.

I appreciate this opportunity to address a few of the myths and misconceptions that seem to be lingering out there about what is contemplated.

***For example, will reducing overall force levels in Korea reduce our ability to come to its defense?***

In fact, our partnership with the Republic of Korea is a good example of what we hope to accomplish. The Defense Department has been investing in and making arrangements for improved capabilities – such as long range precision weaponry – to be available on the Korean peninsula. As a result, as we are increasingly able to transfer responsibility to Korean forces, we will be able to reduce U.S. troop levels. The combined capabilities of the U.S. and the Republic of Korea will make our defense of Korea stronger than before.

As in Western Europe, the situation in Korea is different from what it was 50 years ago, back when South Korea was impoverished and virtually destroyed. Today South Korea is an economic powerhouse, with a modern military force of some 600,000, and a GDP per capita of 18 times that of North Korea. Our proposed global force posture initiatives make it clear that the U.S. and the Republic of Korea are working together as partners, each bringing important capabilities to our shared challenges.

***Has the Administration prepared the public – and informed Congress – about these changes?***

As I mentioned, these concepts were outlined years ago – first in a 1999 speech before President Bush took office and then a number of times since.

The global posture review had its origins in the 2001 Report of the statutory Quadrennial Defense Review. On November 25, 2003, President Bush announced that the U.S. would intensify consultations with friends, allies, and partners overseas.

We have made significant progress during 2003-2004, and these proposals have been shared frequently with the Congressional leadership, committee leadership and members, and with committee staffs.

I'm told that in the past two years the Department of State and this Department have provided at least:

- Four briefings to House committee staffs and one each to members of the House Armed Services Committee and House Appropriations Committee – Defense Subcommittee;
- Four briefings to individual Senators;
- Nine briefings to Senate committee staffs or members' personal staffs; and
- This year alone, I took part in five breakfast meetings on the subject with Congressmen and Senators, including one on April 29, 2004 with Chairman Warner and Senator Levin.

***Should we have given earlier warning to our allies?***

In fact, we have met with officials in foreign governments on a variety of levels on these concepts. Secretary Powell and I have spoken many times with our counterparts abroad, as have our staffs.

The results of multiple consultations by Under Secretary of Defense Feith, his State Department colleague Marc Grossman, and others at NATO and in key European, Asian and other capitals helped to create understanding and cooperation regarding our posture realignment.

Our foreign counterparts have appreciated that their input was sought before key decisions were made and they understood our global, long-term view and the strategic rationale for conducting the review at this time.

***Does realigning our posture send a dangerous message to North Korea about our commitment to the South?***

The answer is an emphatic "no." We know that sheer numbers of people are no longer appropriate measures of commitment or capabilities. As I have noted earlier, our capabilities in defending the Republic of Korea are increasing, not decreasing.

Senator Joe Lieberman said it well in an interview a few weeks ago. He noted that: "Kim Jong Il ... is not under any misconceptions. We have enormous power at sea, in the air, on the ground, in the Asian Pacific region and on the Korean peninsula. And if he tries to take aggressive action against the South Koreans, he will pay a very, very heavy price." The Senator is correct.

***Will sending more troops home from theaters in Europe weaken our ability to surge quickly to trouble spots?***

Actually, the opposite is closer to the truth. Presence is important, but forward stationing does not mean optimal stationing. Forces in Europe, for example, are only closer to the Middle East if they can deploy rapidly to the south. If those same forces have to deploy to the north, through the Baltic and North Seas, then to the Atlantic and Mediterranean, then we can move roughly as fast from the United States. We do not expect our forces to fight where

they are stationed. We know that our forces will need to move to the fight, wherever it is. That means that command structures and capabilities must be expeditionary. We need well-developed transportation networks. And we need materiel and supplies along transportation routes.

So, if there are legal or political restrictions on the movement of our troops where they are stationed, the difficulties in using them quickly multiply.

Additionally, the more flexible arrangements we are seeking with our allies will allow us to make changes as changes are needed. Area commanders don't own forces. Our country does. We have no hesitation in moving forces from one region to another as circumstances change and require – and we do frequently.

Critics of these proposed moves seem trapped in the thinking of the last century. In some ways, that is understandable. It is difficult to part with thoughts that one has harbored for decades. But the world changes and updated thinking is needed.
We owe an up-to-date defense posture to our troops in the field and the generations that may be called to battle in the future.

This week, I had the privilege of participating in one of our regular meetings in Washington with the combatant commanders, some of whom are here today. They are impressive. They follow in the footsteps of the visionary military leaders of the past. And this plan was undertaken with the benefit of their military advice.

One day future generations will look back at them with gratitude for what they have accomplished in the last few years in the struggle against global extremists.

And our task is to see that one day historians and generations will look back at what is being done today, at what is being accomplished, and say that our actions also helped to make the world more peaceful, our military more formidable, and our freedom more secure.

Thank you, Mr. Chairman.

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# SPEECHES AND TESTIMONY

## Global Intelligence Challenges 2005: Meeting Long-Term Challenges with a Long-Term Strategy

**Testimony of Director of Central Intelligence**
**Porter J. Goss**
**Before the Senate Select Committee on Intelligence**

**16 February 2005**
**(as prepared for delivery)**

Good morning, Mr. Chairman, Mr. Vice Chairman, Members of the Committee.

It is my honor to meet with you today to discuss the challenges I see facing America and its interests in the months ahead. These challenges literally span the globe. My intention is to tell you what I believe are the greatest challenges we face today and those where our service as intelligence professionals is needed most on behalf of the US taxpayer.

We need to make tough decisions about which haystacks deserve to be scrutinized for the needles that can hurt us most. And we know in this information age that there are endless haystacks everywhere. I do want to make several things clear:

- Our officers are taking risks, and I will be asking them to take more risks--justifiable risks--because I would much rather explain why we did something than why we did nothing,
- I am asking for more competitive analysis, more collocation of analysts and collectors, and deeper collaboration with agencies throughout the Intelligence Community. Above all, our analysis must be objective. Our credibility rests there.
- We do not make policy. We do not wage war. I am emphatic about that and always have been. We do collect and analyze information.

With respect to the CIA, I want to tell you that my first few months as Director have served only to confirm what I and Members of Congress have known about CIA for years. It is a special place--an organization of dedicated, patriotic people. In addition to taking a thorough, hard look at our own capabilities, we are working to define CIA's place in the restructured Intelligence Community--a community that will be led by a new Director of National Intelligence--to make the maximum possible contribution to American security at home and abroad. The CIA is and will remain the flagship agency, in my view. And each of the other 14 elements in the community will continue to make their unique contributions as well.

Now, I turn to threats. I will not attempt to cover everything that could go wrong in the year ahead. We must, and do, concentrate our efforts, experience and expertise on the challenges that are most pressing: defeating terrorism; protecting the homeland; stopping proliferation of weapons of mass destruction and drugs; and fostering stability, freedom and peace in the most troubled regions of the world. Accordingly, my comments today will focus on these duties. I know well from my 30 years in public service that you and your colleagues have an important responsibility with these open sessions to get information to the American people. But I also know all too well that as we are broadcasting to America, enemies are also tuning in. In open session I feel I must be very prudent in my remarks as DCI.

**TERRORISM**

Mr. Chairman, defeating terrorism must remain one of our intelligence community's core objectives, as widely dispersed terrorist networks will present one of the most serious challenges to US national security interests at home and abroad in the coming year. In the past year, aggressive measures by our intelligence, law enforcement, defense and homeland security communities, along with our key international partners have dealt serious blows to al-Qa'ida and others. Despite these successes, however, the terrorist threat to the US in the Homeland and abroad endures.

- Al-Qa'ida is intent on finding ways to circumvent US security enhancements to strike Americans and the Homeland.
- It may be only a matter of time before al-Qa'ida or another group attempts to use chemical, biological, radiological, and nuclear weapons (CBRN).
- Al-Qa'ida is only one facet of the threat from a broader Sunni jihadist movement.
- The Iraq conflict, while not a cause of extremism, has become a cause for extremists.

We know from experience that al-Qa'ida is a patient, persistent, imaginative, adaptive and dangerous opponent. But it is vulnerable and we and other allies have hit it hard.

- Jihadist religious leaders preach millennial aberrational visions of a fight for Islam's survival. Sometimes they argue that the struggle justifies the indiscriminate killing of civilians, even with chemical, biological, radiological, or nuclear weapons.

Our pursuit of al-Qa'ida and its most senior leaders, including Bin Ladin and his deputy, Ayman al-Zawahiri is intense. However, their capture alone would not be enough to eliminate the terrorist threat to the US Homeland or US interests overseas. Often influenced by al-Qa'ida's ideology, members of a broader movement have an ability to plan and conduct operations. We saw this last March in the railway attacks in Madrid conducted by local Sunni extremists. Other regional groups--connected to al-Qa'ida or acting on their own--also continue to pose a significant threat.

- In Pakistan, terrorist elements remain committed to attacking US targets. In Saudi Arabia, remnants of the Saudi al-Qa'ida network continue to attack US interests in the region.
- In Central Asia, the Islamic Jihad Group (IJG), a splinter group of the Islamic Movement of Uzbekistan, has become a more virulent threat to US interests and local governments. Last spring the group used female operatives in a series of bombings in Uzbekistan.
- In Southeast Asia, the Jemaah Islamiyah (JI) continues to pose a threat to US and Western interests in Indonesia and the Philippines, where JI is colluding with the Abu Sayyaf Group and possibly the MILF.

- In Europe, Islamic extremists continue to plan and cause attacks against US and local interests, some that may cause significant casualties. In 2004 British authorities dismantled an al-Qa'ida cell and an extremist brutally killed a prominent Dutch citizen in the Netherlands.

Islamic extremists are exploiting the Iraqi conflict to recruit new anti-US jihadists.

- These jihadists who survive will leave Iraq experienced in and focused on acts of urban terrorism. They represent a potential pool of contacts to build transnational terrorist cells, groups, and networks in Saudi Arabia, Jordan and other countries.

- Zarqawi has sought to bring about the final victory of Islam over the West, and he hopes to establish a safe haven in Iraq from which his group could operate against "infidel" Western nations and "apostate" Muslim governments.

Other terrorist groups spanning the globe also pose persistent and serious threats to US and Western interests.

- Hizballah's main focus remains Israel, but it could conduct lethal attacks against US interests quickly upon a decision to do so.

- Palestinian terrorist organizations have apparently refrained from directly targeting US or Western interests in their opposition to Middle East peace initiatives, but pose an ongoing risk to US citizens who could be killed or wounded in attacks intended to strike Israeli interests.

- Extremist groups in Latin America are still a concern, with the FARC--the Revolutionary Armed Forces of Colombia--possessing the greatest capability and the clearest intent to threaten US interests in the region.

- Horn of Africa, the Sahel, the Mahgreb, the Levant, and the Gulf States are all areas where "pop up" terrorist activity can be expected.

**AFGHANISTAN**

Mr. Chairman, Afghanistan, once the safe haven for Usama bin Ladin, has started on the road to recovery after decades of instability and civil war. Hamid Karzai's election to the presidency was a major milestone. Elections for a new National Assembly and local district councils--tentatively scheduled for this spring--will complete the process of electing representatives.

President Karzai still faces a low-level insurgency aimed at destabilizing the country, raising the cost of reconstruction and ultimately forcing Coalition forces to leave.

- The development of the Afghan National Army and a national police force is going well, although neither can yet stand on its own.

**IRAQ**

Low voter turnout in some Sunni areas and the post-election resumption of insurgent attacks--most against Iraqi civilian and security forces--indicate that the insurgency achieved at least some of its election-day goals and remains a serious threat to creating a stable representative government in Iraq.

Self-determination for the Iraqi people will largely depend on the ability of Iraqi forces to provide security. Iraq's most capable security units have become more effective in recent months, contributing to several major operations and helping to put an Iraqi face on security operations. Insurgents are determined to discourage new recruits and undermine the effectiveness of existing Iraqi security forces.

- The lack of security is hurting Iraq's reconstruction efforts and economic development, causing overall economic growth to proceed at a much slower pace than many analysts expected a year ago.

- Alternatively, the larger uncommitted moderate Sunni population and the Sunni political elite may seize the post electoral moment to take part in creating Iraq's new political institutions if victorious Shia and Kurdish parties include Sunnis in the new government and the drafting of the constitution.

**PROLIFERATION**

Mr. Chairman, I will now turn to the worldwide challenge of proliferation. Last year started with promise as Libya had just renounced its WMD programs, North Korea was engaged in negotiations with regional states on its nuclear weapons program, and Iran was showing greater signs of openness regarding its nuclear program after concealing activity for nearly a decade. Let me start with Libya, a good news story, and one that reflects the patient perseverance with which the Intelligence Community can tackle a tough intelligence problem.

**LIBYA**

In 2004 Tripoli followed through with a range of steps to disarm itself of WMD and ballistic missiles.

- Libya gave up key elements of its nuclear weapons program and opened itself to the IAEA.

- Libya gave up some key CW assets and opened its former CW program to international scrutiny.

- After disclosing its Scud stockpile and extensive ballistic and cruise missile R&D efforts in 2003, Libya took important steps to abide by its commitment to limit its missiles to the 300-km range threshold of the Missile Technology Control Regime (MTCR).

The US continues to work with Libya to clarify some discrepancies in the declaration.

**NORTH KOREA**

On 10 February 2005, Pyongyang announced it was suspending participation in the six-party talks underway since 2003, declared it had nuclear weapons, and affirmed it would seek to increase its nuclear arsenal. The North had been pushing for a freeze on its plutonium program in exchange for significant benefits, rather than committing to the full dismantlement that we and are our partners sought.

- In 2003, the North claimed it had reprocessed the 8,000 fuel rods from the Yongbyong reactor, originally stored under the Agreed Framework, with IAEA monitoring in 1994. The North claims to have made new weapons from its reprocessing effort.

- We believe North Korea continues to pursue a uranium enrichment capability drawing on

the assistance it received from A.Q. Khan before his network was shutdown.

North Korea continues to develop, produce, deploy, and sell ballistic missiles of increasing range and sophistication, augmenting Pyongyang's large operational force of Scud and No Dong class missiles. North Korea could resume flight-testing at any time, including of longer-range missiles, such as the Taepo Dong-2 system. We assess the TD-2 is capable of reaching the United States with a nuclear-weapon-sized payload.

- North Korea continues to market its ballistic missile technology, trying to find new clients now that some traditional customers, such as Libya, have halted such trade.

We believe North Korea has active CW and BW programs and probably has chemical and possibly biological weapons ready for use.

**IRAN**

In early February, the spokesman of Iran's Supreme Council for National Security publicly announced that Iran would never scrap its nuclear program. This came in the midst of negotiations with EU-3 members (Britain, Germany and France) seeking objective guarantees from Tehran that it will not use nuclear technology for nuclear weapons.

- Previous comments by Iranian officials, including Iran's Supreme Leader and its Foreign Minister, indicated that Iran would not give up its ability to enrich uranium. Certainly they can use it to produce fuel for power reactors. We are more concerned about the dual-use nature of the technology that could also be used to achieve a nuclear weapon.

In parallel, Iran continues its pursuit of long-range ballistic missiles, such as an improved version of its 1,300 km range Shahab-3 MRBM, to add to the hundreds of short-range SCUD missiles it already has.

Even since 9/11, Tehran continues to support terrorist groups in the region, such as Hizballah, and could encourage increased attacks in Israel and the Palestinian Territories to derail progress toward peace.

- Iran reportedly is supporting some anti-Coalition activities in Iraq and seeking to influence the future character of the Iraqi state.

- Conservatives are likely to consolidate their power in Iran's June 2005 presidential elections, further marginalizing the reform movement last year.

- Iran continues to retain in secret important members of Al-Qai'ida-the Management Council--causing further uncertainty about Iran's commitment to bring them to justice.

**CHINA**

Beijing's military modernization and military buildup is tilting the balance of power in the Taiwan Strait. Improved Chinese capabilities threaten US forces in the region.

- In 2004, China increased its ballistic missile forces deployed across from Taiwan and rolled out several new submarines.

- China continues to develop more robust, survivable nuclear-armed missiles as well as conventional capabilities for use in a regional conflict.

Taiwan continues to promote constitutional reform and other attempts to strengthen local identity. Beijing judges these moves to be a "timeline for independence". If Beijing decides that Taiwan is taking steps toward permanent separation that exceed Beijing's tolerance, we believe China is prepared to respond with various levels of force.

China is increasingly confident and active on the international stage, trying to ensure it has a voice on major international issues, secure access to natural resources, and counter what it sees as US efforts to contain or encircle China.

New leadership under President Hu Jintao is facing an array of domestic challenges in 2005, such as the potential for a resurgence in inflation, increased dependence on exports, growing economic inequalities, increased awareness of individual rights, and popular expectations for the new leadership.

**RUSSIA**

The attitudes and actions of the so-called "siloviki"--the ex-KGB men that Putin has placed in positions of authority throughout the Russian government--may be critical determinants of the course Putin will pursue in the year ahead.

- Perceived setbacks in Ukraine are likely to lead Putin to redouble his efforts to defend Russian interests abroad while balancing cooperation with the West. Russia's most immediate security threat is terrorism, and counterterrorism cooperation undoubtedly will continue.

- Putin publicly acknowledges a role for outside powers to play in the CIS, for example, but we believe he is nevertheless concerned about further encroachment by the US and NATO into the region.

- Moscow worries that separatism inside Russia and radical Islamic movements beyond their borders might threaten stability in Southern Russia. Chechen extremists have increasingly turned to terrorist operations in response to Moscow's successes in Chechnya, and it is reasonable to predict that they will carry out attacks against civilian or military targets elsewhere in Russia in 2005.

Budget increases will help Russia create a professional military by replacing conscripts with volunteer servicemen and focus on maintaining, modernizing and extending the operational life of its strategic weapons systems, including its nuclear missile force.

- Russia remains an important source of weapons technology, materials and components for other nations. The vulnerability of Russian WMD materials and technology to theft or diversion is a continuing concern.

**POTENTIAL AREAS FOR INSTABILITY**

Mr. Chairman, in the MIDDLE EAST, the election of Palestinian President Mahmud Abbas, nevertheless, marks an important step and Abbas has made it clear that negotiating a peace deal with Israel is a high priority. There nevertheless are hurdles ahead.

- Redlines must be resolved while Palestinian leaders try to rebuild damaged PA infrastructure and governing institutions, especially the security forces, the legislature, and the judiciary.

- Terrorist groups, some of who benefit from funding from outside sources, could step up

attacks to derail peace and progress.

In AFRICA, chronic instability will continue to hamper counterterrorism efforts and pose heavy humanitarian and peacekeeping burdens.

- In Nigeria, the military is struggling to contain militia groups in the oil-producing south and ethnic violence that frequently erupts throughout the country. Extremist groups are emerging from the country's Muslim population of about 65 million.

- In Sudan, the peace deal signed in January will result in de facto southern autonomy and may inspire rebels in provinces such as Darfur to press harder for a greater share of resources and power. Opportunities exist for Islamic extremists to reassert themselves in the North unless the central government stays unified.

- Unresolved disputes in the Horn of Africa--Africa's gateway to the Middle East--create vulnerability to foreign terrorist and extremist groups. Ethiopia and Eritrea still have a contested border, and armed factions in Somalia indicate they will fight the authority of a new transitional government.

In LATIN AMERICA, the region is entering a major electoral cycle in 2006, when Brazil, Colombia, Costa Rica, Ecuador, Mexico, Nicaragua, Peru, and Venezuela hold presidential elections. Several key countries in the hemisphere are potential flashpoints in 2005.

- In Venezuela, Chavez is consolidating his power by using technically legal tactics to target his opponents and meddling in the region, supported by Castro.

- In Colombia, progress against counternarcotics and terrorism under President Uribe's successful leadership, may be affected by the election.

- The outlook is very cloudy for legitimate, timely elections in November 2005 in Haiti--even with substantial international support.

- Campaigning for the 2006 presidential election in Mexico is likely to stall progress on fiscal, labor, and energy reforms.

- In Cuba, Castro's hold on power remains firm, but a bad fall last October has rekindled speculation about his declining health and succession scenarios.

In SOUTHEAST ASIA, three countries bear close watching.

- In Indonesia, President Yudhoyono has moved swiftly to crackdown on corruption. Reinvigorating the economy, burdened by the costs of recovery in tsunami-damaged areas, will likely be affected by continuing deep-seated ethnic and political turmoil exploitable by terrorists.
- In the Philippines, Manila is struggling with prolonged Islamic and Communist rebellions. The presence of Jemaah Islamiyah (JI) terrorists seeking safe haven and training bases adds volatility and capability to terrorist groups already in place.
- Thailand is plagued with an increasingly volatile Muslim separatist threat in its southeastern provinces, and the risk of escalation remains high.

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