



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

FILE

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MEMORANDUM FOR SAF/IEB

FROM: HQ USAF/ILE

SUBJECT: Strategic Planning Guidance

Review of Strategic Planning Guidance contained in Draft Predecisional Working Paper raises a concern I feel needs to be addressed. Specifically, there is an assumption that Defense-wide funds allocated over the FYDP *coupled with near-term BRAC savings*, will be sufficient to absorb BRAC implementation costs. While the definition of near-term savings is not specified, I cannot find a precedent that shows BRAC savings in the 2-3 years immediately following recent closure or realignment decisions. In fact, the requirement for BRAC 2005 is to show **net** savings beginning not later than fiscal year 2011.

A 2001 GAO Audit of previous rounds of BRAC indicates decreased funding in specific operational areas generated most savings. The costs of relocating personnel and equipment, constructing new facilities at gaining bases, and remediation of environmental problems was an up-front investment necessary to achieve overall BRAC savings. The problem in previous years, however, showed that savings estimates were infrequently updated and no method was established to track savings on a routine basis. For that reason, the money to pay the up-front costs associated with BRAC had to come from other sources. As far as I know, the Air Force has not solved this problem. There is still no methodology in place to determine savings estimates with any degree of confidence. Until we are able to put a savings estimate tool together and direct regular reporting/updates, I think "counting" BRAC **short-term** savings to pay for execution of the BRAC 2005 program is premature.

In a related arena, we are already hearing rumblings from the Air Force Corporate Structure (AFCS) that MAJCOMs as well as the AFCS may try to use projected BRAC savings to pay for 06 POM bills. We believe deliberate actions taken in the 06 POM regarding BRAC impairs the integrity of predecisional processes. How can we make funding decisions and recommendations before BRAC decisions are announced? For instance, a MAJCOM would come in with a 20% offset in sustainment, BOS, RPS, etc. to pay the balance of their 06 POM bills. Shouldn't these savings only be applied to BRAC **long-term** implementation costs?

While I believe it is important to adequately project savings for the long-term, life-cycle management of BRAC decisions, I think we're putting the cart before the horse in terms of outcome versus process. Once it has been determined how we will calculate BRAC savings and how OSD is going to manage the overall BRAC fund, it will be easier to determine how and when we will have the use of BRAC savings.

Kathleen I. Ferguson
KATHLEEN I. FERGUSON, P.E.
The Deputy Civil Engineer
DCS/Installations & Logistics