

ACTION MEMO

TO: SECRETARY OF DEFENSE

FROM: Honorable Paul Wolfowitz, Deputy Secretary of Defense

SUBJECT: Base Realignment and Closure (BRAC) Selection Criteria

- The BRAC statute requires the use of public selection criteria in the analytical process. Selection criteria are important because they, along with the force structure plan, are the basis on which the Commission judges DoD recommendations.
- DoD must publish draft criteria in the *Federal Register* by December 31, 2003, for a thirty day comment period. DoD has until February 16, 2004 to review public comments, and publish and provide the criteria to Congress. Unless disapproved by an Act of Congress, the criteria become final on March 15, 2004.
- The BRAC statute specifies that the selection criteria must make military value the primary consideration. It also lists specific considerations that military value must include and special considerations that the selection criteria must address (TAB B).
- The draft selection criteria (TAB C) comply with statutory requirements and build on the construct used successfully in past rounds – broad, flexible statements that provide structure without restricting creativity. The eight criteria that were proven and accepted in past rounds have only been changed to incorporate legislative direction and to stress the Department’s capabilities based approach to performing missions.
 - Using the previous criteria as the baseline maintains a broad framework for the BRAC 2005 analysis and avoids raising questions about how we will conduct the analysis or suspicions of predetermined results.
- The way these criteria will be used in the analysis will be addressed through policy to be issued by the Infrastructure Steering Group, chaired by the Acting AT&L.
- I recommend you approve these criteria for publication in the Federal Register and use in BRAC 2005.

COORD: IEC Members and GC

RECOMMENDATION: _____ Approve _____ Disapprove _____ Other

Attachments: As stated



SECDEF


CSAF



DEPUTY SECRETARY OF DEFENSE

1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

DEC 1 2003



MEMORANDUM FOR INFRASTRUCTURE EXECUTIVE COUNCIL MEMBERS
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Base Realignment and Closure Selection Criteria

The Base Realignment and Closure (BRAC) statute requires the Department to develop selection criteria to use in its analytical process. The selection criteria are important because they, along with the force structure plan, are the basis on which the Commission judges the Department's recommendations. Not later than December 31, 2003, the Department must publish draft selection criteria in the *Federal Register* for a thirty day public comment period. After the public comment period the Department must submit the final criteria to the congressional defense committees, and publish them in the *Federal Register*, by February 16, 2004. Unless the criteria are disapproved by an Act of Congress, they become final on March 15, 2004.

The Infrastructure Steering Group recommends the attached draft selection criteria. I believe these criteria comply with all statutory requirements and are broad enough to support the Department's BRAC analysis. I request that you review and coordinate on both the attached action memorandum to the Secretary of Defense and the draft selection criteria.

Please provide your coordination and any comments to the OSD BRAC Office by December 5, 2003.

A handwritten signature in black ink, appearing to read "Paul Wolfowitz".

Attachments:
As Stated

U19580 /03

Draft Selection Criteria

Military Value

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

Other Considerations

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



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

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OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR UNDERSECRETARY OF DEFENSE
(ACQUISITION, TECHNOLOGY & LOGISTICS)

FROM: SAF/IE

SUBJECT: Coordination of Draft Selection Criteria (Yr Memo, 22 Oct 03)

Non-concur with subject draft selection criteria. My discussions with Staff and Members of Congress as they debated the BRAC 2005 legislation and subsequently, along with personal research, convince me that the Congress expects the Department to approach BRAC 2005 in a fundamentally different way from previous BRAC rounds. Secretary Rumsfeld's position is equally clear, stating in his kick off memo, Transformation Through Base Realignment and Closure, that "BRAC 2005 can make an even more profound contribution to transforming the Department by rationalizing our infrastructure with defense strategy." The "Selection Criteria" is the first public document mandated by Congress in BRAC 2005 and it's critical that we get it right. Congress expected change, not adoption of the past processes and procedures. I offer two specific comments regarding the draft selection criteria.

First, I believe eliminating Criterion 4 would reduce the ambiguity and uncertainty in measuring cost and manpower implications. Cost and manpower considerations are already embedded in Military Value--specifically in Criteria 1 and 3--and development of metrics for measuring Criteria 1 and 3 will, by its very nature, include cost and manpower implications. At a minimum, I believe that Criterion 4 should be rewritten to limit its scope to manpower implications. The rewritten criterion would be: Criterion 4: The manpower implications associated with current and future mission requirements.

Second, the general category Return on Investment should be changed to Other Considerations, and Criteria 5, 6, 7 and 8 should all be included within this heading. This makes the selection criteria more consistent with §2913. Additionally, Criterion 5 must be rewritten to ensure we consider both the concept of cost, savings and payback, as outlined in §2913, as well as accepted economic principles that incorporate the time value of money, specifically the use of Net Present Value analysis in the decision-making process. I suggest: Criterion 5: The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment actions, for the savings to exceed cost, using accepted Net Present Value analytic techniques.

Congress specifically added language (§2913) outlining their views on selection criteria. The subject draft, by merely appending §2913 language to each selection criterion used in the

past BRAC round, does not in my view meet the Congressional intent for a fundamentally transformational approach to BRAC 2005.

I am available to discuss this issue at your convenience.


NELSON F. GIBBS
Assistant Secretary
(Installations, Environment & Logistics)

cc:
ISG Members



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DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, DC

20 November 2003

MEMORANDUM FOR UNDERSECRETARY OF DEFENSE (AT&L)

FROM: AF/CVA

SUBJECT: Coordination of Draft Selection Criteria (Your Memo, 22 Oct 03)

Concur, with two substantive comments, on the subject draft selection criteria.

First, we believe cost and manpower considerations are already embedded in Military Value and that development of metrics for measuring Criteria 1 and 3 will include cost and manpower implications. You should rewrite Criterion 4 to properly limit it to the manpower implications and/or move it from Military Value to the next section of the criteria. An alternative Criterion could be: Criterion 4: The manpower implications associated with current and future mission requirements.

Second, we suggest that the general category Return on Investment, be changed to Special Considerations, and that Criteria 4, 5, 6, 7, and 8 be included within this new heading. This makes the selection criteria more consistent with §2913. Additionally, Criterion 5 must be rewritten to ensure we consider both the concept of cost, savings, and payback, as outlined in §2913, as well as accepted economic principles that incorporate the time value of money (e.g., the use of Net Present Value calculations). We suggest: Criterion 5: The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment alternatives, for the savings to exceed cost, using accepted Net Present Value economic considerations.

FOR THE CHIEF OF STAFF

RICHARD E. BROWN III
Lieutenant General, USAF
Deputy Chief of Staff, Personnel

cc:
SAF/IE
ISG Members