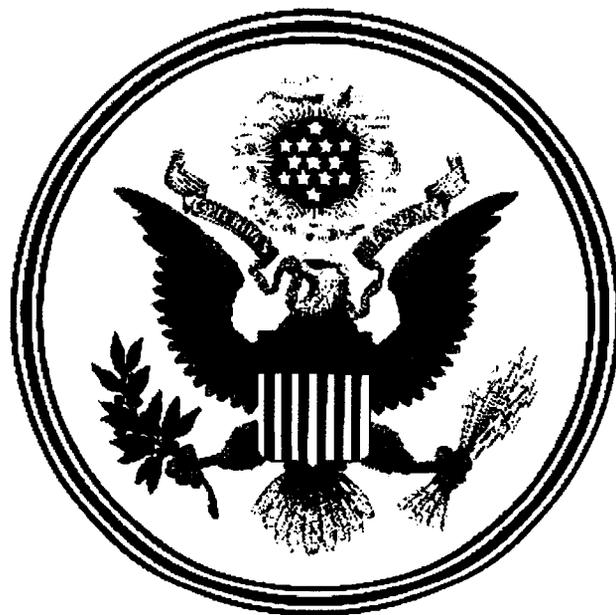


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**DEFENSE BASE CLOSURE AND
REALIGNMENT COMMISSION**



**ENVIRONMENTAL AND
ECONOMIC IMPACT HEARING**

AUGUST 11, 2005



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

WASHINGTON, DC ENVIRONMENTAL HEARING

AUGUST 11, 2005

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BRAC 2005 Closure and Realignment Impacts by State



BASE CLOSURE AND REALIGNMENT COMMISSION

ENVIRONMENTAL HEARING

AUGUST 11, 2005, 9:30AM to NOON

Senate Hart Hearing Room SH216

Opening Statement by Chairman Principi

- I. Panel One Testimony (approximately one hour)
 - Honorable Phillip Grone, Deputy Under Secretary of Defense,
Installations & Environment
 - Mr. James Woolford, Director, Federal Facilities Restoration
and Reuse Office
 - Mr. Patrick J. O'Brien, Director, Office of Economic
Adjustment

Commissioner's Questions

- II. Panel Two Testimony (approximately one hour)
 - Ms. Miki Schneider, Board of Directors, Association of
Defense Communities
 - Mr. Daniel J. Schnepf, Chairman & CEO, Matrix Design Group
Inc.
 - Mr. David Knisely, Partner, Garrity & Knisely Law Firm

Commissioner's Questions

Closing Statement by Chairman Principi

Media Availability

Reset for Afternoon Hearing

Philip W. Grone

Deputy Under Secretary of Defense

Installations and Environment

Mr. Philip W. Grone was appointed as the Deputy Under Secretary of Defense for Installations & Environment on November 1, 2004, after having served as that post's principal assistant deputy since September 2001. Mr. Grone has management and oversight responsibilities for military installations worldwide, which have a land area covering over 46,000-square miles and containing 587,000 buildings and structures valued at more than \$640 billion. His responsibilities include the development of installation capabilities, programs, and budgets; base realignment and closure; privatization of military housing and utilities system;, competitive sourcing; and integrating installations and environment needs into the weapons acquisition process. Additionally, he has responsibility for environmental management, safety and occupational health; environmental restoration at active and closing bases; conservation of natural and cultural resources; pollution prevention; environmental research and technology; fire protection; and explosives safety. Mr. Grone also serves as the Department's designated Senior Real Property Officer as well as the DOD representative to the Advisory Council on Historic Preservation.

Mr. Grone came to the Pentagon in 2001 with more than 16 years of Capitol Hill experience. He served as the Deputy Staff Director and the Assistant Deputy Staff Director for the House Armed Services Committee (HASC) from 2000-2001, where he managed all committee hearing, mark-up, floor, and conference activities, including the production of the annual defense authorization bill.

From 1995-2001, Mr. Grone served as Staff Director of the HASC Subcommittee on Military Installations and Facilities. In that position, he led the staff development of the annual military construction authorization bill. The legislative accomplishments of that subcommittee during his tenure included the Military Housing Privatization Initiative, the privatization of defense utility infrastructure, reform of the Sikes Act (concerning natural resource management on military installations), and various withdrawals of the public lands for military training and readiness.

Mr. Grone also served as the Subcommittee Professional Staff Member for the HASC Subcommittee on Oversight and Investigations; Professional Staff Member for the Joint Committee on the Organization of Congress; and Legislative Assistant to U.S. Representative Willis D. Gradison, Jr. of Ohio.

Mr. Grone graduated from Northern Kentucky University, *summa cum laude*, with a B.A. and earned his master's degree from the University of Virginia.

James (Jim) E. Woolford
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Office of Solid Waste and Emergency Response
U.S. Environmental Protection Agency (mail code 5106-G)
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Jim Woolford is Director of the Federal Facilities Restoration and Reuse Office (FFRRO) in the Office of Solid Waste and Emergency Response (OSWER). He has been the Director there since its creation in July 1994. His Office serves as EPA's National Program Office for the oversight Superfund cleanup and property transfer related to federal facilities. FFRRO also manages EPA's base closure (BRAC) activities.

Mr. Woolford's Office covers a wide range of cleanup and property transfer activities at Federal Facility Superfund National Priorities List (NPL) sites and other non-NPL facilities. His Office works with DoD and DOE, states, tribes, community activists and local governments on a variety of initiatives related to federal facilities including environmental justice, tribal involvement, and community outreach.

Mr. Woolford has worked at EPA for over 19 years. Mr. Woolford received a M.A. in Political Science from the University of North Carolina at Chapel Hill in 1980 and he conducted PH. D. work at Rutgers University in New Jersey. His undergraduate degree is in Political Science from Virginia Tech.

Patrick J. O'Brien

As Director of the Office of Economic Adjustment under the Secretary of Defense, Mr. O'Brien leads a talented team of project managers in assisting local economic adjustment efforts. Additionally, he manages the Defense Economic Adjustment Program and is the Executive Director of the President's Economic Adjustment Committee as it was recently updated by Executive Order to assist communities to respond to Defense base closures or realignments, contractor reductions, and base expansions.

He served as an OEA project manager for several local adjustment efforts from the previous '88, '91, '93, and '95 BRAC rounds, assisting various local efforts including those at Fort Ord, Loring AFB, Wurtsmith AFB, NTC San Diego, and Cameron Station. Additionally, he authored the OEA Community Guide to Base Reuse and several other technical resources for communities, and led different BRAC implementation policy reviews. He has demonstrated experience with all aspects of the BRAC process and has worked a range of issues, including: public-private initiatives; federal real property disposal; local organization and business plan development; redevelopment planning; and, economic cost-benefit analyses.

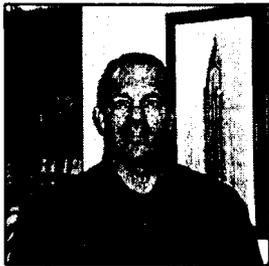
Prior to joining OEA, he negotiated development packages of various sizes, reviewed labor policies, sized federal loan participations, assisted distressed communities in evaluating proposed housing and economic projects, and crafted Executive legislative initiatives for the U.S. Department of Housing and Urban Development where he started his Federal career as a Presidential Management Intern. Preceding his tenure with the Federal government, Mr. O'Brien was an Assistant Business Developer for the City of Duluth, MN, where he assisted with the re-use of a closed air base; prepared marketing, finance, and business survey packages to assist local development efforts; and co-drafted the State's first enterprise zone bill. He also served as a citizen representative to the Duluth Joint Airport Zoning Board.

Mr. O'Brien has Bachelor of Arts degrees in Urban Affairs and Political Science from the University of Minnesota-Duluth, where he graduated "cum laude" and as a member of the Golden Key National Honor Society. He also received a Masters of Science degree in Public Management and Policy Analysis from the School of Urban and Public Affairs at Carnegie-Mellon University, where he graduated "with distinction," student-taught organizational management, and was elected to Pi Alpha Alpha. Mr. O'Brien is certified as an "Economic Development Finance Professional" by the National Development Council and graduated from the Federal Executive Institute's "Leadership for a Democratic Society."

Miki Schneider

Miki Schneider is the director of planning for the McClellan Joint Powers Authority, at the former Fort McClellan, in Anniston, Ala. Her responsibilities include negotiation of the first Early Transfer and ESCA with the Army and coordination of the environmental cleanup program; land use planning for prospective developers; coordination of zoning and planning with the city; working with legal contracts for lease and sale of real property; attending community meetings for Restoration Advisory Board and participation with the Base Cleanup Team; and coordinating environmental plans with state agencies regarding base redevelopment. Prior to her work at McClellan, Ms. Schneider was the assistant director of the Beaufort County Planning Department, Beaufort, S.C.; the senior planner of the Lancaster County Planning Department; and the subdivision administrator of Charleston County, in Charleston, S.C.

Ms. Schneider was elected to the Association of Defense Communities' Board of Directors in 2001. She currently serves as the Association's Treasurer and chair of the Defense Community Awards Committee. The Association of Defense Communities is the nation's leading membership organization supporting communities with active, closed and closing defense installations. Our 1,000 members unite the diverse interests of communities, the private sector and the military on issues of mission enhancement/realignment, community-base partnerships, privatization and closure/redevelopment.



Mr. Schnepf is a founding principal of Matrix Design Group, Inc. and, as Chairman and CEO, is responsible for the overall direction of the firm while maintaining leadership, technical, and management roles in major asset redevelopment projects. Prior to forming Matrix, Mr. Schnepf was an Owner and Vice President of BRW, Inc., with an extensive background in the design implementation and management of large, multidiscipline engineering projects for private, state, municipal, and federal agencies. Mr. Schnepf is a nationally recognized expert in the redevelopment of Base Realignment and Closure (BRAC) sites, and has served in a variety of capacities in the BRAC program nationally. Specifically, he has worked on over fifty different redevelopment programs across the country and abroad for a variety of communities and all components of the Department of Defense. Mr. Schnepf understands not only the technical needs of BRAC planning and design projects, but also how the projects are financed, developed, and ultimately implemented.

Currently, Mr. Schnepf is assisting the Department of the Navy and the Commonwealth of Puerto Rico in forming property disposition strategies for redevelopment of the former Naval Station Roosevelt Roads in Ceiba, Puerto Rico. This project is establishing the standards for the transfer of Navy installations that will be followed in the 2005 rounds of BRAC.

Mr. Schnepf was retained by the U.S. Army and the McClellan Joint Powers Authority to evaluate contaminated parcels under consideration for early transfer at the former Fort McClellan, Anniston, Alabama. Mr. Schnepf is currently the Program Manager for the complete privatized cleanup of the Fort McClellan installation a \$48.5 million remediation contract. He prepared remediation cost models early transfer documents, a Consent Agreement, and a plan for remediation of MEC, and continues with its investigation and program management, in addition to various planning and design studies.

Mr. Schnepf has been instrumental in negotiating the early transfer of the former Naval Training Center Boat Channel, San Diego, California on behalf of the City of San Diego Redevelopment Agency. He has recently been contracted to develop a focused analysis of opportunities and constraints, as well as a planning-level strategy to maximize development potential at the Naval Weapons Station Concord, Concord, California, in the event that this military installation is closed or realigned under BRAC 2005.

The City of Orlando retained Mr. Schnepf's for the preparation of the Reuse Plan for the over 2000 acre Naval Training Center, Orlando base located within the urbanized area of Orlando, Florida. As Project Director, Mr. Schnepf oversaw the project team in developing a number of alternative redevelopment plans and infrastructure service options for the base.

Mr. Schnepf served as manager for the Privatization Study, Reuse Plan, Infrastructure Master Plan, and Cost Model for the Red River Army Depot, Bowie County, Texas, and for the utilities privatization study, wastewater treatment plant evaluation, and review of the Site-Wide Remedial Action Plan for the County of Marquette, Michigan for the former K.I. Sawyer AFB, Marquette County, Michigan. Mr. Schnepf was also instrumental in developing the Infrastructure Master Plan and Cost Model for Fitzsimons Army Medical Center, Aurora, Colorado, and is currently managing the cost model and environmental evaluation for the early transfer of contaminated property to the Redevelopment Authority.

As Program Manager for the Lowry Redevelopment, he participated in a partnering relationship with the Lowry Redevelopment Authority, the City and County of Denver, and the City of Aurora to provide a Detailed Master Plan for the 1866 acre former Lowry Air Force Base, in Denver, CO. He was also Project Manager for the Lowry Redevelopment Engineering and Construction Documents Contract.

In addition, Mr. Schnepf provided infrastructure analysis, environmental studies, and financial modeling services for the early transfer of property at the Fleet Industrial Supply Center Oakland, Oakland, California, resulting in site closure and like use, and early revenue generation for the Port of Oakland and was the Civil Engineering Task Manager for the Williams Regional Planning Study, Mesa AZ.

Mr. Schnepf served in the Air Force from 1983 to 1992, achieving the rank of Captain, and is currently a reservist with the Air Force. He applied his engineering expertise to various projects like the Airfield Facilities Upgrades while Chief of Engineering at Osan Air Base in the Republic of Korea and presided over the design and construction of over \$15 million in Air Field improvements in a two year time frame at March AFB in Riverside, California as the Chief Airfield Engineer. He was presented the Air Force Association's award for engineering excellence in 1987 by the Secretary of the Air Force.

He holds a Master of Science in Civil Engineering from California State Polytechnic University and a Bachelor of Science in Civil Engineering from the United States Air Force Academy, in addition to various administration, management, and technical design courses undertaken at Wright Patterson AFB. He has authored numerous articles speeches on the subject of BRAC privatization.

DAVID S. KNISELY

Background Information

David S. Knisely is a partner in the law firm of Garrity and Knisely. He serves as lead counsel for the firm in the representation of municipalities, lenders, developers, utility providers and local redevelopment authorities at military installations scheduled to be closed or realigned.

Mr. Knisely is very familiar with the environmental and property transfer aspects of military base closure. He has completed the negotiation of economic development conveyance, public sale and public benefit conveyance terms, and prepared transfer documents, including leases in furtherance of conveyance, purchase memoranda of agreement, utility agreements and deeds at closing Army, Air Force and Navy installations.

Mr. Knisely has a great deal of experience in matters related to managing the risks associated with the environmental clean-up at closing and realigning installations. He has been involved in coordinating clean-up and redevelopment priorities, and has successfully negotiated consent agreements, covenants not to sue, findings of suitability to transfer, environmental services cooperative agreements and related documents with federal and state environmental agencies and military departments. He has also completed the negotiation of clean-up privatization and early transfer agreements at closing Army, Air Force and Navy installations.

Mr. Knisely has made numerous presentations to groups and professional associations regarding the transfer, environmental clean-up and utility privatization at military installations scheduled to be closed or realigned. He has also authored articles on these topics for the newsletter of the National Association of Installation Developers.

Mr. Knisely is a member of the Massachusetts Bar Association and the Massachusetts Conveyancers Association.

Mr. Knisely obtained his Bachelor of Arts degree, magna cum laude, from Case Western Reserve University in 1972 and a Masters degree in Public Administration from Harvard University in 1974. He obtained his Juris Doctor degree from Suffolk University and was admitted to the Massachusetts Bar in 1981. Mr. Knisely lives in Cambridge, Massachusetts, with his wife and two children.





BASE CLOSURE AND REALIGNMENT COMMISSION

Chairman's
Opening Statement

Hearing
of the
2005 Base Closure and Realignment Commission

Hearing on Environmental and Economic Impacts

**

Washington, D.C.
August 11, 2005

Good Morning.

I'm Anthony Principi, the Chairman of the 2005 Defense Base Closure and Realignment Commission. I am pleased to be joined by my fellow Commissioners James Bilbray, Philip Coyle, Harold Gehman, James Hansen, Lloyd Newton, Samuel Skinner, and Sue Turner for today's hearing.

As this Commission observed in our first hearing, the Congress entrusts our Armed Forces with vast, but not unlimited, resources. We have a responsibility to our nation, and to the men and women who bring the Army, Navy, Air force and Marine Corps to life, to demand the best possible use of those limited resources. Some of those resources are committed to the protection of environmental values and compliance with environmental laws and regulations.

The Commission committed to the Congress, to the President, and to the American people, that our decisions will be based on the criteria set forth in statute.

The Congress has a clear and direct interest in how the BRAC process responds to issues of environmental impact, both by DoD and by the Commission. Their concern is manifested in the language of the statute, and it was emphasized to me, clearly and directly, in the Senate's confirmation hearing on my nomination for Chairman of the Commission.

The Congress directed the Department of Defense, and therefore the Commission, to assess the environmental impact of

recommended closures and realignments, including the costs of restoration, waste management, and environmental compliance.

The Defense Department includes the cost of waste management and compliance with environmental laws and regulations in the computation of costs and savings for BRAC criterion five. For example, the cost of compliance with the process requirements of the National Environmental Protection Act.

However, DoD does *not* include the cost of environmental restoration required by the so-called “Superfund” legislation in its compilation of costs and savings. Those costs are real and sometimes substantial, and they *will* be paid by the American taxpayer.

I am committed, and this commission is committed, to understanding the substance of the environmental impact of DoD’s recommendations and methodology and assumptions behind them.

We need to know the extent to which the environmental impact of a DoD recommendation and the costs for relating to them can be predicted, and the range of uncertainty around those predictions.

We now have the benefit of experience based on prior BRAC rounds. What impacts and costs were predicted for prior closure and realignments and how accurate were those predictions? Did we have any surprises? Do we know what we don’t know about the environmental impact of the proposed recommendations? How can we find out?

We understand that DoD believes that \$949 million dollars would be required to clean-up at the 33 major installations DoD recommended for closure in the 2005 BRAC. Is that allocation realistic? On Tuesday, an article in the Washington Post indicated that environmental restoration at Ft. Monroe alone could approach a billion dollars. Who's right?

This morning's testimony will be presented by two panels. The first panel is comprised of representative's from the Department of Defense, the Environmental Protection Agency and the Office of Economic Adjustment. The second panel is comprised of representatives from the Association of Defense Communities, and the private sector legal and developers. Each panel has been allotted a generous block of time and we would greatly appreciate it if you would adhere to your time limits.

I now request our witnesses to stand for the administration of the oath required by the Base Closure and Realignment statute. The oath will be administered by Rumu Sarkar, the Commission's Designated Federal Officer.



SWEARING IN OATH

Do you swear or affirm that the testimony you are about to give, and any other evidence that you may provide, are accurate and complete to the best of your knowledge and belief, so help you God?



DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

WASHINGTON, DC ENVIRONMENTAL HEARING

AUGUST 11, 2005

BACKGROUND INFORMATION

- A.) GAO REPORT - PAGES 44-48 - UNCERTAINTIES IN ACCOUNTING FOR ALL EXPECTED COSTS OR SAVINGS TO THE FEDERAL GOVERNMENT
- B.) CONGRESSIONAL RESEARCH SERVICE - REPORT FOR CONGRESS
BASE REALIGNMENT AND CLOSURE (BRAC): PROPERTY TRANSFER AND DISPOSAL
- C.) CONGRESSIONAL RESEARCH SERVICE - REPORT FOR CONGRESS
MILITARY BASE CLOSURES: ROLE AND COSTS OF ENVIRONMENTAL CLEANUP
- D.) CONGRESSIONAL RESEARCH SERVICE - REPORT FOR CONGRESS
ROLE AND COSTS OF ENVIRONMENTAL CLEANUP

Navy and the Air Force included them in the cost of the military construction projects for each project. By including these support costs in the cost of each project, the Navy and Air Force generally generated higher relative recurring costs than the Army for the recapitalization of facilities over time. Specifically, the Army increased its military construction cost estimates by 18.5 percent to account for the connection of the projected new facilities' utilities. The Air Force, on the other hand, increased its construction costs for support services from 8 to 40 percent, depending on the type of facility, while the Navy included support costs at only two locations. According to the Special Assistant to the Secretary of the Navy for BRAC, the Navy assigned teams to review all proposed military construction projects by location to determine any support costs necessary for connection of utilities. Our analysis shows that had the Army used the same methodology as the Navy and the Air Force, the Army would incur about \$66 million in additional recapitalization costs for all of its proposed military construction projects.

The services were also inconsistent in considering the costs associated with meeting DOD's antiterrorism force protection standards in their estimated costs for military construction projects.³⁴ The Air Force increased the expected costs of its military construction projects by 2.3 percent, or about \$18 million, to meet DOD's standards. Air Force officials noted that these funds would provide enhancements such as security barriers and blast proof windows. The Army and the Navy, on the other hand, did not include additional costs to meet the department's standards in their proposed military construction projects. If the Army and the Navy estimated costs similarly to the Air Force, the cost of their proposed military construction projects would have increased by about \$146 million and \$25 million, respectively.

Uncertainties in Accounting for All Expected Costs or Savings to the Federal Government

DOD's cost and savings estimates for implementing its recommendations do not fully reflect all expected costs or savings that may accrue to the federal government. The BRAC legislation requires that DOD take into account the effect of proposed closure or realignment on the costs of any other activity of the department or any other federal agency that may be

³⁴ DOD's antiterrorism standards, effective no later than October 2009, apply to both new and existing DOD-inhabited buildings and require, for example, minimum building standoff distances; structures that will avoid progressive building collapse; reinforced exterior walls; glazed windows, skylights, and doors; and properly secured entrances. Unified Facilities Criteria, 4-010-01 (Oct. 8, 2003).

required to assume responsibility for activities at military installations.³⁵ While the services and joint cross-service groups were aware of the potential for these costs, estimated costs were not included in the cost and savings analysis because it was unclear what actions an agency might take in response to the BRAC action. One such agency was the U.S. Coast Guard, which currently maintains some of its ships or various units at several installations that are slated to close. Navy BRAC officials briefed the U.S. Coast Guard about its recommendations prior to the list being published, but the Air Force did not meet with the Coast Guard. The U.S. Coast Guard was still in the process of evaluating various responses to take as a result of the proposed BRAC actions and did not complete its analysis in time for it to be included in this report.

Further, as noted earlier, estimated costs for the environmental restoration of bases undergoing closure or realignment are not included in DOD's cost and savings analyses. Such costs would be difficult to fully project at this point without planned reuse of the unneeded property being known. Consistent with the prior BRAC rounds, DOD excluded estimates for base environment restoration actions from its costs and savings analysis and in determining payback periods, on the premise that restoration is a liability that the department must address regardless of whether a base is kept open or closed and therefore should not be included in the COBRA analysis. Nevertheless, DOD did give consideration to such costs in addressing selection criterion 8, and included available information on estimated restoration costs as part of the data supporting its BRAC recommendations. DOD estimates that the restoration costs to implement its major closures would be about \$949 million, as shown in table 5. (See fig. 4 in the Background section for a map of DOD's major base closures.)

³⁵ P.L. 101-510, section 2913(e).

Table 5: Estimated Environmental Restoration Costs for DOD's Recommended Major Base Closures

Dollars in millions

Military service	Number of major closures	Estimated environmental restoration costs ^a
Army	14	\$723.3
Navy	9	154.5
Air Force	10	71.3
Total	33	\$949.1

Source: GAO analysis of DOD data.

^aEstimated costs include some costs not specifically reported in DOD's May 2005 report to the Defense Base Closure and Realignment Commission. While the Army and Navy generally reported these costs, the Air Force did not but its costs were noted in supporting documentation.

Based on the data provided, the Army would incur the largest share of estimated restoration costs due to the closure of several ammunition plants and chemical depots. The largest expected costs for any one location across DOD, about \$383 million, would be for restoration at Hawthorne Army Depot, Nevada. While the DOD report does not specifically identify the potential for some additional restoration costs at its installations, available supporting documentation does identify some additional costs. For example, the Army estimated the range restoration at Hawthorne Army Depot could cost from about \$27 million to \$147 million, which is not included in the estimates in table 5. Further, the Army recognizes that additional restoration costs could be incurred at six additional locations that have ranges and chemical munitions, but these costs have not yet been determined.

Our prior work has shown that environmental costs can be significant, as evidenced by the nearly \$12 billion in total cost DOD expected to incur when all restoration actions associated with the prior BRAC rounds are completed. Service officials told us that the projected cost estimates for environmental restoration are lower, in general, because the environmental condition of today's bases is much better than the condition of bases closed during the prior BRAC rounds, primarily because of DOD's ongoing active base environmental restoration program. Nonetheless, our prior work has indicated that as closures are implemented, more intensive environmental investigations occur and additional hazardous conditions may be uncovered that could result in additional, unanticipated restoration and higher costs. Finally, the services' preliminary estimates are based on restoration standards that are applicable for the current use of the base

property. Because reuse plans developed by communities receiving former base property sometimes reflect different uses for the property this could lead to more stringent and thus more expensive restoration in many cases.

Based on experiences from prior BRAC rounds, we believe other costs are also likely to be incurred, although not required to be included in DOD's cost and savings analysis but which could add to the total costs to the government of implementing the BRAC round. These costs include transition assistance, planning grants, and other assistance made available to affected communities by DOD and other agencies. DOD officials told us that such estimates were not included in the prior rounds' analyses and that it was too difficult to project these costs, given the unknown factors associated with the number of communities affected and the costs that would be required to assist them. Additionally, as we reported in January 2005,³⁶ in the prior four BRAC rounds, DOD's Office of Economic Adjustment, the Department of Labor, the Economic Development Administration within the Department of Commerce, and the Federal Aviation Administration provided nearly \$2 billion in assistance through fiscal year 2004 to communities and individuals, and according to DOD officials, these agencies are slated to perform similar roles for the 2005 round. However, while the magnitude of this assistance is unknown at this time, it is important to note that assistance will likely be needed in this round, as contrasted with prior rounds, for not only those communities that surround bases losing missions and personnel but also for communities that face considerable challenges dealing with large influxes of personnel and military missions. For example, DOD stated in its 2005 BRAC report that over 100 actions significantly affect local communities, triggering federal assistance from DOD and other federal agencies. Also, as discussed more fully later, the number of bases in the 2005 BRAC round that will gain several thousand personnel from the recommended actions could increase pressure for federal assistance to mitigate the impact on community infrastructure, such as schools and roads, with the potential for more costs than in the prior rounds.

Finally, the BRAC costs and savings estimates do not include any anticipated revenue from such actions as the sale of unneeded former base property or the transfer of property to communities through economic

³⁶ GAO, *Military Base Closures: Updated Status of Prior Base Realignments and Closures*, GAO-05-138 (Washington, D.C.: Jan. 13, 2005).

development conveyances.³⁷ The potential for significant revenue may exist at certain locations. For example, the Navy sold some unneeded property from prior round actions in California at the former El Toro Marine Corps Air Station for about \$650 million and the former Tustin Marine Corps Air Station for \$208.5 million. The extent to which sales will play a role in the disposal of unneeded property arising from the 2005 BRAC round remains to be seen.

*

 Impact of BRAC Recommended Actions on Communities

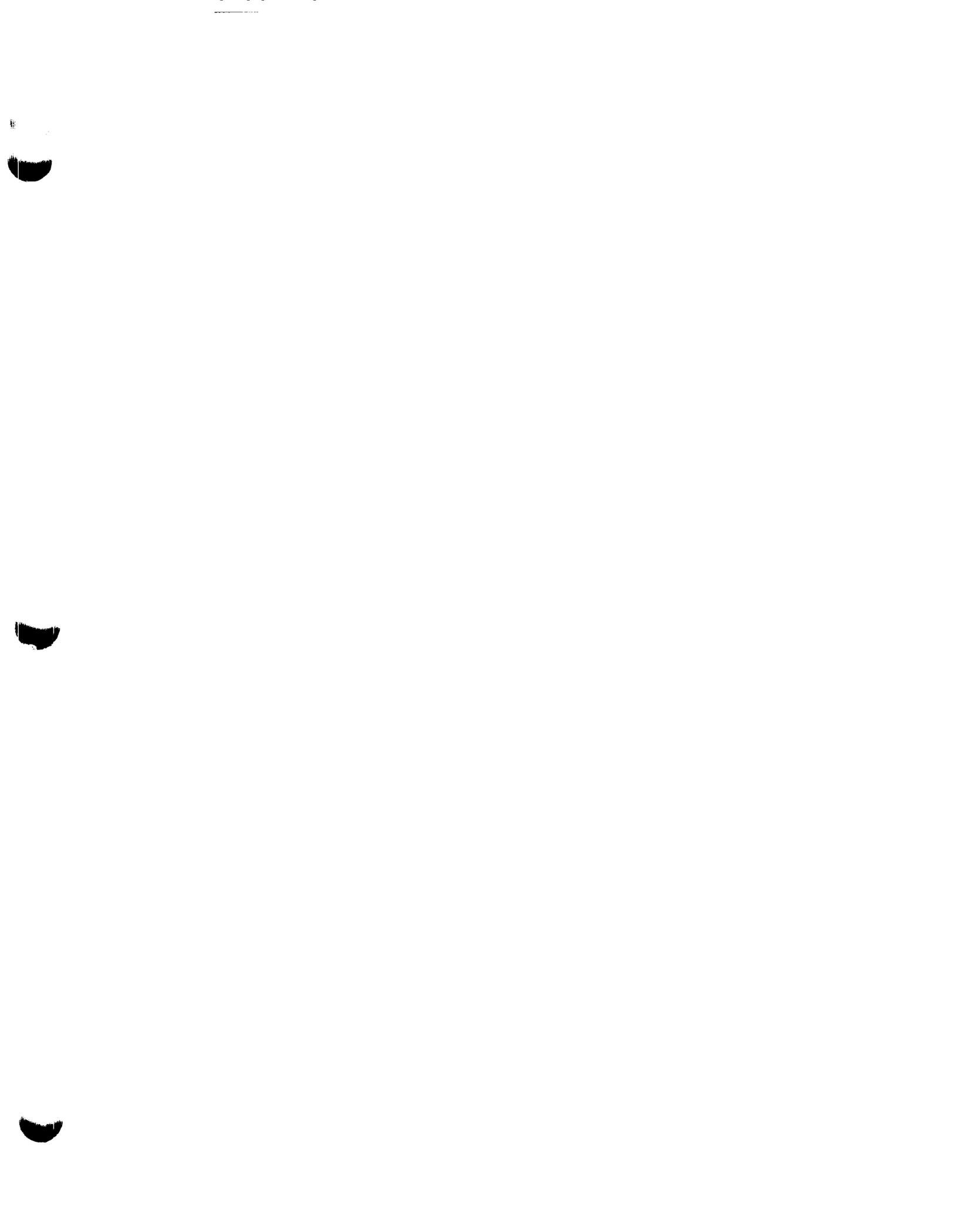
The recommended actions for the 2005 BRAC round will have varying degrees of impact on communities surrounding bases undergoing a closure or realignment. While some will face economic recovery challenges as a result of a closure and associated losses of base personnel, others, which expect large influxes of personnel due to increased base activity, face a different set of challenges involving community infrastructure necessary to accommodate growth.

In examining the economic impact of the 222 BRAC recommendations as measured by the percentage of employment, DOD data indicate that most economic areas across the country are expected to be affected very little but a few could face substantial impact. Almost 83 percent of the 244 economic areas affected by BRAC recommendations fall between a 1 percent loss in employment and a 1 percent gain in employment.³⁸ Slightly more than 9 percent of the economic areas had a negative economic impact of greater than 1 percent, but for some of these areas, the projected impact is fairly significant, ranging up to a potential direct and indirect loss of up to nearly 21 percent. Almost 8 percent of the economic areas had a positive economic impact greater than 1 percent. Appendix XIV provides additional detail on our economic analyses.

Of those communities facing potential negative economic impact, six communities face the potential for a fairly significant impact. They include communities surrounding Cannon Air Force Base, New Mexico;

³⁷ Economic development conveyances are used to transfer unneeded property to communities for uses that promote economic recovery and job creation. The National Defense Authorization Act for Fiscal Year 2002 (P.L. 107-107, Title XXX, section 3006 (Dec. 28, 2001)) included a provision stipulating that DOD seek to obtain fair market value for BRAC-related transfers of property in the 2005 round. The effect this provision will have on the generation of revenue for DOD is unknown at this time.

³⁸ Some of the recommendations had multiple actions that affected more than one economic area.





CRS Report for Congress

Base Realignment and Closure (BRAC): Property Transfer and Disposal

Aaron M. Flynn
Legislative Attorney
American Law Division

Summary

The Defense Base Realignment and Closure Act of 1990 and the Federal Property and Administrative Services Act of 1949 provide the basic framework for the transfer and disposal of military installations closed during the base realignment and closure (BRAC) process. This report provides an overview of the various authorities available under the current law and describes the planning process for the redevelopment of BRAC properties. This report will be updated as events warrant.

Introduction

The nation's military installations have gone through several rounds of base realignments and closures (BRAC), the process by which excess military facilities are identified and, as necessary, transferred to other federal agencies or disposed of, placing ownership in non-federal entities. Since the enactment of the Defense Base Closure and Realignment Act of 1990, transfer or disposal of former military installations has been governed by relatively consistent legal requirements. On December 28, 2001, the most recent changes to the BRAC framework were signed into law (P.L. 107-107)¹, providing for a new round of base closures in 2005.

The current BRAC law is generally similar to the original statute and retains many of the transfer and disposal authorities that were available in previous rounds. However, significant amendments in 1999 and 2001 altered portions of the law's disposal authorities. This report will provide an overview of the transfer and disposal authorities available under the law for military installations that may be closed during the 2005 round

¹ National Defense Authorization Act For Fiscal Year 2002, Act of December 28, 2001, P.L. 107-107, 115 Stat 1012 (current version at 10 U.S.C. § 2687 note). For ease of reference, all citations to the 1990 Act are to the relevant sections of the act as it appears in the note following 10 U.S.C. § 2687.



and indicate how recent amendments to the Defense Base Closure Act have altered the property transfer and disposal process.² It will be updated as events warrant.

Transfer and Disposal Authorities

The transfer or disposal of federal property is primarily performed by the General Services Administration (GSA) pursuant to the Federal Property and Administrative Services Act of 1949 (FPASA).³ The Defense Base Closure and Realignment Act directs the GSA to delegate its statutory authority to the Department of Defense (DOD) with respect to BRAC installations, and DOD has, in turn, delegated this authority to the various military services.⁴ Thus, BRAC property transfer and disposal is performed, generally, in accordance with the FPASA and the GSA regulations implementing it. In addition, the Defense Base Closure and Realignment Act authorizes DOD, with GSA approval, to supersede GSA regulations with BRAC-specific regulations.⁵ The FPASA process for BRAC properties is discussed below.

Federal Screening. The first step in the property transfer process begins when the military service in possession of a BRAC property notifies other DOD branches that property has become available.⁶ If another branch of DOD determines that it requires the property and if Secretary of Defense concurs, intragency transfer may occur with or without reimbursement.⁷ If no DOD branch requires the property, it is deemed “excess” and a notice of its availability is sent to all other federal agencies.⁸ If no federal agency pursues acquisition within the specified time frame or if DOD exercises residual authority to deny the request for transfer, the property is determined to be “surplus” and the disposal process begins.⁹

Local Redevelopment Authorities (LRAs). An LRA is “[a]ny authority or instrumentality established by a State or local government and recognized by the Secretary of Defense ... as the entity responsible for developing the redevelopment plan” with

² It should be noted that significant issues related to environmental cleanup under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) exist at some BRAC properties and that the use of certain property transfer authorities may be contingent upon adequate performance of CERCLA obligations or agreement by the acquiring entity to accept liability for environmental cleanup. See 42 U.S.C § 9620(h); P.L. 107-107, § 3006.

³ Act of June 30, 1949, ch. 288, 63 Stat. 377. Transfer and disposal authority is codified at 40 U.S.C. §§ 521-559.

⁴ Defense Base Closure and Realignment Act, § 2905(b); 32 C.F.R. §175.6 (2004).

⁵ Defense Base Closure and Realignment Act, § 2905(b).

⁶ 32 C.F.R. § 175.7(4).

⁷ Defense Base Closure and Realignment Act, § 2905(b).

⁸ “Excess” property is defined as “any property under the control of a Military Department that the Secretary concerned determines is not required for the needs of the Department of Defense.” 32 C.F.R. §175.3(e).

⁹ “Surplus” property is defined as “any excess property not required for the needs and the discharge of the responsibilities of federal agencies. Authority to make this determination, after screening with all federal agencies, rests with the Military Departments.” 32 C.F.R. § 175.3(i).

respect to an installation closed under the BRAC process.¹⁰ Briefly, upon the conclusion of the federal screening process, LRAs are to conduct outreach efforts and design a comprehensive plan for reuse of BRAC property, culminating in a redevelopment plan.¹¹ The redevelopment plan is not binding upon DOD; indeed, DOD is ultimately responsible for preparing an environmental impact analysis under the National Environmental Policy Act (NEPA), in which it must examine all reasonable disposal alternatives, and make its own disposal decisions.¹² However, it is worth noting that DOD is statutorily obligated to give the LRA's redevelopment plan considerable weight in making its own disposal determinations. Specific requirements impacting the planning process and eventual disposal of property are discussed below.

Homeless Assistance. The Stewart B. McKinney Homeless Assistance Act¹³ allows "excess," "surplus," "unutilized," or "underutilized" federal property to be used as homeless shelters, and has been applicable to BRAC properties closed in prior rounds.¹⁴ A separate process is now provided for properties closed after October 25, 1994 (the date of enactment for Base Closure Community Development and Homeless Assistance Act of 1994).¹⁵ To comply with the older McKinney Act provisions, DOD was required to submit a description of its vacant base closure properties to the Department of Housing and Urban Development (HUD).¹⁶ HUD would then determine whether any of this property was "suitable for use to assist the homeless."¹⁷ The HUD determination would be published in the *Federal Register*, at which time qualified "representatives of the homeless" could apply for and receive the requested property.¹⁸

As stated, amendments to the Defense Base Closure and Realignment Act now displace the traditional McKinney Act implementation requirements. The Secretary of Defense is now directed to publish notice of the available property and to submit information on that property to HUD and any local redevelopment authority.¹⁹ All interested parties, including representatives of the homeless, are then to submit to the local redevelopment authority a notice of interest in the property.²⁰ Simultaneously, redevelopment authorities are to perform outreach efforts and provide assistance in evaluating property for various reuse purposes. After complying with these requirements and the statutorily imposed information collection time frames, the redevelopment

¹⁰ 32 C.F.R. § 176.5.

¹¹ 32 C.F.R. § 176.20.

¹² 42 U.S.C. § 4321 *et seq.*

¹³ 42 U.S.C. § 11411.

¹⁴ *Id.* § 11411(a).

¹⁵ P.L. 103-421, 108 Stat. 4346 (1994).

¹⁶ Defense Base Closure and Realignment Act, § 2905(b); 32 C.F.R. § 175.6(b).

¹⁷ *Id.*

¹⁸ See *National Law Center on Homelessness and Poverty v. U.S. Dept. of Veterans Affairs*, 964 F.2d 1210, 1212 (D.C.Cir.1992).

¹⁹ Defense Base Closure and Realignment Act, § 2905(b).

²⁰ *Id.*

authority must prepare a redevelopment plan, which considers “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”²¹ The redevelopment authority next submits the plan to the Secretary of HUD and the Secretary of Defense for review. The Secretary of HUD is authorized to review the plan, to negotiate with the redevelopment authority for changes, and ultimately must determine, based on statutorily prescribed factors, whether the plan is acceptable.²² Upon HUD approval, the base redevelopment plan, including any homeless assistance component and agreement to implement no cost homeless assistance property conveyances, are submitted to DOD. Again, it would appear that DOD, giving “substantial deference to the redevelopment plan concerned,” may develop its own disposal plan.²³

Public Benefit Transfers. Public benefit transfers are authorized under FPASA and allow for the conveyance of property at a discount for specified public purposes.²⁴ Various agencies oversee these programs and are authorized to approve a state’s application for acquisition under them.²⁵ The military departments are required to inform these agencies of potentially available property and transmit any expression of interest to the relevant LRA.²⁶ LRA’s are encouraged to work with the public benefit transfer agencies and must consider any expression of interest, although they are not required to include it in a redevelopment plan.²⁷ All the same, it would appear the DOD must consider these options when examining disposal alternatives even though it would not appear that a public benefit transfer proposal must be accepted by DOD with respect to BRAC property.²⁸

Public Auction and Negotiated Sale. In addition to the public benefit transfer, additional disposal authorities exist. In accordance with FPASA, DOD may dispose of BRAC property via public auction or through a negotiated sale with a single purchaser.²⁹ The public auction process requires public advertising for bids under such terms and conditions as to permit “full and free competition consistent with the value and nature of the property involved.”³⁰ Further, if adequate bids are received and disposal is in the public interest, the bid most advantageous to the federal government is to be accepted. A negotiated sale is permissible if a series of conditions are met. Generally, negotiated sales are permissible when: (1) a public auction would not be in the public interest; (2) public auction would not promote public health, safety, or national security; (3) a public

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ See 4 U.S.C. §§ 550-554. These include uses for airports, highways, education, wildlife and environmental preservation, and public health purposes.

²⁵ *Id.*

²⁶ 32 C.F.R. § 176.20(d).

²⁷ *Id.*

²⁸ Defense Base Closure and Realignment Act, § 2905(b); 32 C.F.R. § 176.45.

²⁹ 40 U.S.C. § 545.

³⁰ *Id.*

exigency makes an auction unacceptable; (4) public auction would adversely impact the national economy; (5) the character of the property makes public auction impractical; (6) public auction has failed to produce acceptable bids; (7) fair market value does not exceed \$15,000; (8) disposal is to a state, territory, or U.S. possession; or (9) negotiated sale is authorized by other law.³¹ It is also worth noting that even if one of these conditions is met, there is frequently an additional requirement that fair market value and other satisfactory terms can be obtained through negotiation.

Economic Development Conveyances (EDCs). In addition to FPASA authorities, the Defense Base Realignment and Closure Act has since its enactment provided for EDCs in one form or another. Under its EDC authority, DOD may dispose of BRAC property for less than fair market value.³² From 1994 until the 1999 and 2001 amendments to the Defense Base Closure and Realignment Act, the Secretary of Defense was authorized to “transfer real property and personal property located at a military installation to be closed ... to the redevelopment authority ... for consideration at or below the fair market value of the property transferred or without consideration.”³³ The reduced or no cost conveyance was authorized when it was determined to be necessary to support economic development and when DOD could show that other transfer authorities were insufficient.³⁴

The 1999 and 2001 amendments³⁵ significantly altered the requirements of the EDC. Under section 2905(b) of the Defense Base Closure and Realignment Act, the broad discretion of the Secretary of Defense to authorize reduced or no consideration economic development conveyances has been replaced by what is arguably a more restrictive scheme. The law now states: “the transfer of property of a military installation. . . may be without consideration” but only when the transferee agrees to specified terms.³⁶ These terms include a requirement that a transferee use the proceeds from certain future sales or leases of the acquired property to support economic redevelopment at the former installation.

Further, under the new legislation, while no consideration transfers remain a possibility as described above, the Secretary is also now required to “seek to obtain consideration in connection with any transfer . . . in an amount equal to the fair market

³¹ *Id.*

³² Additionally, a no consideration transfer was required when a closure was to take place in a rural area and would cause “a substantial adverse impact (as determined by the Secretary) on the economy of the communities in the vicinity of the installation and on the prospect for economic recovery” P.L. 103-160, § 2903, *amended by* P.L. 106-65). For a thorough discussion of the policy behind the EDC, see Randall S. Beach, *Swords to Plowshares: Recycling Cold War Installations*, 15 PROB. & PROP. 58 (2001).

³³ P.L. 103-160, § 2903 (1994).

³⁴ *Id.*

³⁵ Act of October 5, 1999, P.L. 106-65, 113 Stat 512; P.L. 107-107, § 3006. Bases closed under previous BRAC law but still owned by the Department of Defense may be included under the new statutory framework, and certain existing contracts may be modified to comply with the updated law.

³⁶ P.L. 106-65, § 2821, *amended by* P.L. 107-107.

value of the property, as determined by the Secretary.”³⁷ The provision does not explicitly state what the Secretary must do to fulfill this requirement. However, when read in conjunction with the authorization for no consideration transfers, the requirement to seek fair market value would appear to leave open the possibility of a no consideration transfer so long as a reasonable attempt to find or negotiate another transaction is unsuccessful. Another significant change is the apparent elimination of the statutory requirement that DOD justify its decision to use its EDC authority and not a public auction or negotiated sale.³⁸ Exactly how this change would affect procedures when read in conjunction with the requirement that DOD seek fair market value must be deemed an open question at present.

Conclusion

In sum, the transfer and disposal process for 2005 round BRAC properties is primarily governed by the Defense Base Closure and Realignment Act, as amended, and the Federal Property and Administrative Services Act. The process first requires screening to determine if other DOD branches or federal agencies have a need for the property. In the event that property is not transferred in this manner, it is deemed surplus and may be disposed of pursuant to other authorities. Compliance with these disposal authorities will generally require some form of homeless assistance screening and public benefit transfer analysis. DOD is directed to take into consideration multiple factors in determining which authority to use but would appear to be ultimately responsible for making final determinations. Public auctions and negotiated sales are generally available, although it would appear that fair market value must generally be obtained under these authorities. Economic development conveyances may be authorized as well, which may be made for no consideration, contingent upon certain conditions of transfer.

³⁷ P.L. 107-107, § 3006.

³⁸ P.L. 106-65, § 2821(a)(3).





CRS Report for Congress

Military Base Closures: Role and Costs of Environmental Cleanup

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Summary

The upcoming 2005 round of military base closings has stimulated interest among potentially affected communities in how the bases to be selected for closure might be economically redeveloped to replace lost jobs. Environmental contamination can present a challenge to redevelopment, if cleanup of the land to a degree that would be safe for its intended use would be limited because of funding or technological constraints. Most of the lands on bases closed under the previous four rounds have been cleaned up for their intended reuse, and have been transferred for redevelopment. However, some bases have yet to be cleaned up to an extent that would be adequate for the planned land use, presenting an obstacle to replacing lost jobs. Bases closed under the 2005 round could face similar delays in redevelopment, if a community's preferred land use would necessitate a costly and time-consuming degree of cleanup. This report will be updated as events warrant.

Introduction

Following the collapse of the former Soviet Union, Congress authorized four rounds of military base closings and realignments in 1988, 1991, 1993, and 1995.¹ As of the end of FY2001, the Department of Defense (DOD) had completed these actions and reduced its domestic infrastructure by about 20%. Although closure of installations under all four rounds is complete, environmental cleanup and economic redevelopment of some of these properties continues.

The pace and cost of cleaning up environmental contamination on base closure lands has been an ongoing issue, because of concern about human health and environmental risks and the public's desire to redevelop these properties for civilian uses. The completion of cleanup is often a key factor in economic redevelopment, because the land

¹ For additional information, see CRS Report 97-305, *Military Base Closures: A Historical Review from 1988 to 1995*, by David Lockwood.



cannot be used for its intended purpose until it is cleaned up to a degree that would be safe for reuse. DOD is scheduled to release its recommendations for another round of base closings and realignments in May 2005, subject to review by a specially appointed commission, and approval by the President and Congress.² The upcoming round has raised concern among communities as to whether the cleanup of environmental contamination may pose challenges in redeveloping additional bases to replace lost jobs.

This report provides an overview of cleanup requirements for the transfer and reuse of base closure properties, discusses the status of property transfer on bases closed under the four previous rounds, examines past cleanup costs and estimates of future costs, and offers relevant observations for the upcoming 2005 round.

Cleanup Requirements for Property Transfer and Reuse

Section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly referred to as Superfund) generally requires the United States (in this case, DOD) to clean up closed bases prior to transfer out of federal ownership.³ Property on a closed base is typically transferred to a local redevelopment authority (LRA) responsible for implementing a plan for civilian reuse. To speed redevelopment, CERCLA authorizes early transfer under certain conditions, but cleanup still must be done before the land can be safely reused.⁴ For base closure properties listed on the National Priorities List (NPL) of the nation's most hazardous waste sites, early transfer requires the concurrence of DOD, the Environmental Protection Agency (EPA), and the governor of the state in which the property is located. For properties not listed on the NPL, concurrence of only DOD and a governor is required for early transfer.

Whether a property is transferred after cleanup, or transferred early, how the land will be used is a key factor in determining the degree of cleanup. Cleanup standards are generally stricter for land uses that would result in greater risk of human exposure to contamination. For example, cleanup is typically more stringent and more costly for land uses such as residential development, which could pose a higher risk of exposure to sensitive populations including children and the elderly, or schools where children are likely to be exposed to the soil on playgrounds. Cleanup is typically the least stringent and the least costly for industrial land uses, such as manufacturing or commercial warehouses, which could pose less risk of exposure.

At a minimum, DOD must clean up contaminated land to make it suitable for industrial purposes, but is not required to perform cleanup beyond that level if a community prefers another land use that would require a stricter and more costly degree of cleanup. In such cases, DOD may conclude that cleanup for land uses other than industrial purposes is economically or technically infeasible, depending on the availability

² For information on the criteria that DOD is using to select bases for the 2005 round, see CRS Report RS21822, *Military Base Closures: DOD's 2005 Internal Selection Process*, by Daniel Else and David Lockwood. For information on the current status of the 2005 round, see CRS Report RL32216, *Military Base Closures: Implementing the 2005 Round*, by David Lockwood.

³ 42 U.S.C. 9620(h).

⁴ 42 U.S.C. 9626(h)(3)(C).

of funding and the ability of remediation technologies. When that is the case, DOD may choose to delay cleanup and seek a property developer who wants the land for a purpose that would present less risk of human exposure, and therefore necessitate a less stringent and less costly cleanup.

In addition to land use, numerous other factors can determine the degree and cost of cleanup, raising other issues. For example, cleanup does not necessarily require the removal of contamination, if a safe method of containing it is available to prevent exposure. Although containment is typically less costly than removal, some of the savings of containment can be offset by the costs of maintaining the containment method over the long term to ensure that it remains effective in preventing exposure.

Tensions may arise between DOD and the community if there is disagreement about the degree of cleanup and the method selected to prevent exposure. Communities frequently prefer removal rather than containment, because of common concerns about lingering risks and continuing costs if the method of containment were to fail over time. However, DOD may prefer containment to save costs, due to limited funding for cleanup of many closed bases across the country.

Once a land use is agreed upon between DOD and the community, DOD generally administers and pays for the cleanup, regardless of whether cleanup is completed prior to transfer, or subsequently under an early transfer. In the case of an early transfer, the property recipient may choose to administer the cleanup as a means to speed the reuse of the land, but DOD typically would still pay the costs.

DOD remains liable after cleanup is complete, if additional contamination is found later that requires remediation. However, DOD is liable for further cleanup only to the extent that the degree of contamination found later would exceed applicable standards for the land use originally agreed upon for the transfer. If a community decides to use the land for another purpose that would require further cleanup, DOD would not be liable for paying for it. In such cases, the additional costs of cleanup to make the land safe for a different purpose would be the responsibility of the property recipient, which may present a challenge for redevelopment, depending on the availability of other financial resources.

Status of Property Transfer on Closed Bases⁵

The Government Accountability Office (GAO) reports that, as of the end of FY2003, 364,000 acres (72%) of the 504,000 acres of land on bases closed during the previous four rounds had been transferred for reuse. Approximately 95% of the transferred acreage had been transferred after cleanup was completed. Although early transfer has the potential to speed redevelopment, it has been used relatively infrequently for several reasons, such as the reluctance of a community to accept property before cleanup is finished and the lack of consensus within a community on reuse. DOD also may be hesitant to agree to early transfer if it would be required to expend more cleanup funds earlier than would be necessary otherwise, to make the land safe for reuse more quickly.

⁵ Government Accountability Office, *Military Base Closures: Updated Status of Prior Base Realignments and Closures*, GAO-05-138, January 2005. See pp. 10-19.

Approximately 91,000 acres (18%) on closed bases had been leased for reuse prior to the completion of cleanup. However, pending cleanup has delayed the permanent transfer of these properties, with reuse limited to purposes that would be safe considering the degree of contamination still present on these lands and the potential risk of human exposure. The remaining 49,000 acres (10%) had not been leased or transferred for reuse primarily because of environmental cleanup challenges. GAO found that some cleanup is necessary before transfer can occur on 98% of Air Force, 82% of Army, and 65% of Navy lands still awaiting transfer.

Past Cleanup Costs and Estimates of Future Costs⁶

DOD estimates that the closure of bases under the previous four rounds has resulted in an annual savings of \$7 billion in operational expenses. The costs of environmental cleanup have run into billions of dollars, discussed below, and have offset some of these savings gained from a reduced military infrastructure. However, a portion of the cleanup costs would have been incurred regardless, as DOD is required to clean up its operational installations at least to a degree that would be safe for industrial purposes, somewhat reducing this offset. The incremental cost and time to clean up a closed based depends primarily on how extensive the cleanup must be to make the land safe for uses that would be less restrictive than industrial purposes and pose a higher risk of human exposure.

As indicated in the following table, DOD data indicate that \$7.2 billion in cleanup costs had been incurred through FY2003 at bases closed during the previous four rounds. This amount reflects the *actual* costs of the cleanup process, from site identification and investigation to selection, design, construction, operation, and monitoring of remedial actions. About 42% of the \$7.2 billion was spent on cleanup in California, where DOD has identified more contaminated sites on closed bases than any other state. In January 2005, GAO reported \$8.3 billion in cleanup expenses at closed bases through the end of FY2003. This amount reflects funding *obligated* for cleanup, some of which would be paid at a later date upon completion of specific cleanup actions, rather than actual costs incurred through this period. GAO's reported amount also includes other costs related to cleanup, such as program management and support.

Although the majority of the acreage on bases closed under the previous four rounds has been cleaned up and transferred, estimates of future costs to complete cleanup on lands awaiting transfer, and on those transferred early, remain substantial. Also noted in the following table, DOD data indicate that an estimated \$3.7 billion would be necessary to complete cleanup of known contamination on these lands, with 51% of these costs attributed to cleanup in California. However, future costs could be higher than estimated, if new, or more stringent, regulations are issued that require a greater degree of cleanup than anticipated. Future costs also could be more than expected if unknown environmental threats, such as unexploded ordnance or additional hazardous substances, are discovered. On the other hand, costs at some sites may prove lower if more cost-effective cleanup technologies become available. The President's FY2006 budget includes \$378 million for continuing cleanup at bases closed under the previous four rounds, \$112 million more than the FY2005 appropriation of \$246 million.

⁶ Based on CRS compilation of cost data from DOD's *Defense Environmental Restoration Program Report to Congress for FY2003*, April 2004.

Environmental Cleanup Costs from Previous Base Closure Rounds

State or U.S. Territory	Past Costs Incurred Through FY2003	Estimates of Future Costs FY2004 to Completion
Alabama	\$227,624,000	\$124,969,000
Alaska	\$260,731,000	\$47,407,000
Arizona	\$67,743,000	\$44,921,000
Arkansas	\$60,208,000	\$1,888,000
California	\$3,067,651,000	\$1,885,967,000
Colorado	\$205,465,000	\$80,224,000
Connecticut	\$18,320,000	\$21,857,000
Florida	\$146,693,000	\$43,764,000
Guam	\$171,855,000	\$48,351,000
Hawaii	\$58,130,000	\$10,178,000
Illinois	\$283,076,000	\$190,477,000
Indiana	\$83,951,000	\$37,520,000
Iowa	\$6,779,000	\$0
Kentucky	\$47,107,000	\$4,113,000
Louisiana	\$34,072,000	\$16,684,000
Maine	\$129,560,000	\$104,719,000
Maryland	\$120,720,000	\$26,895,000
Massachusetts	\$312,939,000	\$49,693,000
Michigan	\$111,995,000	\$56,419,000
Midway Islands	\$21,978,000	\$0
Missouri	\$12,589,000	\$1,352,000
Montana	\$813,000	\$0
Nebraska	\$195,000	\$0
New Hampshire	\$153,393,000	\$50,750,000
New Jersey	\$104,583,000	\$34,004,000
New Mexico	\$34,397,000	\$37,973,000
New York	\$245,016,000	\$162,400,000
North Carolina	\$95,000	\$0
Ohio	\$40,184,000	\$6,654,000
Oregon	\$53,560,000	\$10,290,000
Pennsylvania	\$187,227,000	\$44,404,000
Puerto Rico	\$486,000	\$6,304,000
Rhode Island	\$51,723,000	\$12,973,000
South Carolina	\$103,354,000	\$20,987,000
Tennessee	\$57,098,000	\$35,648,000
Texas	\$495,862,000	\$371,129,000
Utah	\$163,642,000	\$77,992,000
Virginia	\$68,881,000	\$7,793,000
Washington	\$16,301,000	\$1,439,000
Total	\$7,225,996,000	\$3,678,138,000

Source: Prepared by CRS using data from the Department of Defense, *Defense Environmental Restoration Program Report to Congress for FY2003*, April 2004. The above total amount of \$7.2 billion through FY2003 for all states and territories reflects *actual* costs of cleaning up contaminated lands on bases closed under the four previous rounds combined. Planned cleanup is complete in states with no estimated future costs. In January 2005, GAO reported a total of \$8.3 billion through FY2003 in funding *obligations* for environmental cleanup at base closure sites, which includes costs to be paid at a later time when specific actions are complete, and other costs such as program management and support.

Relevant Observations for the Upcoming 2005 Round

The amount of money and time required to clean up additional bases to be selected for closure in the 2005 round would depend on the type and extent of contamination present on those properties, and the actions that would be necessary to make the land safe for its intended reuse. As in previous base closure rounds, the availability of funding and the capabilities of remediation technologies could limit the degree of cleanup of some properties, making certain land uses infeasible and posing challenges to economic redevelopment. Consequently, communities concerned about the possible closure of a base in their area would be better positioned to develop an effective plan for economic redevelopment, if they are knowledgeable about the contamination on that base and the potential funding and technological limitations that DOD may encounter in cleaning it up for certain alternative land uses.



CRS Report for Congress

Received through the CRS Web

Military Base Closures: Role and Costs of Environmental Cleanup

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Summary

The upcoming 2005 round of military base closings has stimulated interest among potentially affected communities in how the bases to be selected for closure might be economically redeveloped to replace lost jobs. Environmental contamination can present a challenge to economic redevelopment, if funding or technological constraints would limit cleanup of the land to a degree that would be safe for its intended use. Most of the lands on bases closed under the previous four rounds have been cleaned up for their intended reuse, and have been transferred for redevelopment. However, some bases have yet to be cleaned up to an extent that would be adequate for the planned land use, presenting an obstacle to replacing lost jobs. Bases closed under the 2005 round could face similar delays in redevelopment, if a community's preferred land use would necessitate a costly and time-consuming degree of cleanup. This report will be updated as events warrant.

Introduction

Following the collapse of the former Soviet Union, Congress authorized four rounds of military base closings and realignments in 1988, 1991, 1993, and 1995.¹ As of the end of FY2001, the Department of Defense (DOD) had completed these actions and reduced its domestic infrastructure by about 20%. Although closure of installations under all four rounds is complete, environmental cleanup and economic redevelopment of some of these properties continues.

The pace and cost of cleaning up environmental contamination on base closure lands has been an ongoing issue, because of concern about human health and environmental risks and the public's desire to redevelop these properties for civilian uses. The completion of cleanup is often a key factor in economic redevelopment, because the land cannot be used for its intended purpose until it is cleaned up to a degree that would be safe

¹ For additional information, see CRS Report 97-305, *Military Base Closures: A Historical Review from 1988 to 1995*, by David Lockwood.

for reuse. DOD issued its recommendations for another round of base closings and realignments on May 13, 2005, subject to review by a specially appointed commission, and approval by the President and Congress.² The upcoming round has raised concern among communities as to whether the cleanup of environmental contamination may pose challenges in redeveloping additional bases to replace lost jobs.

This report provides an overview of cleanup requirements for the transfer and reuse of base closure properties, discusses the status of property transfer on bases closed under prior rounds, examines costs to clean up bases closed under these prior rounds, and offers relevant observations and estimates of cleanup costs for the upcoming 2005 round.

Cleanup Requirements for Property Transfer and Reuse

Section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly referred to as Superfund) generally requires the United States (in this case, DOD) to clean up closed bases prior to transfer out of federal ownership.³ Property on a closed base is typically transferred to a local redevelopment authority (LRA) responsible for implementing a plan for civilian reuse.

To speed redevelopment, CERCLA authorizes early transfer under certain conditions.⁴ For bases on the National Priorities List (NPL) of the nation's most hazardous waste sites, early transfer requires the concurrence of DOD, the Environmental Protection Agency (EPA), and the governor of the state in which the property is located. For bases not on the NPL, concurrence of only DOD and a governor is required for early transfer. Early transfer can be advantageous in terms of redevelopment, if the intended land use would not present the potential for human exposure to contamination, and therefore not require cleanup. Conversely, redevelopment still could be delayed despite early transfer, if cleanup would be necessary to make the intended land use safe.

Whether a property is transferred after cleanup, or transferred early, the degree of cleanup can vary from site to site, depending on the cleanup standard used and the remedy selected to attain it. CERCLA does not specify cleanup standards for particular substances. Rather, it requires that cleanup comply with all legally applicable, relevant and appropriate requirements (ARARs) to protect human health and the environment, which include a host of federal and state standards for various hazardous substances.⁵

CERCLA does not explicitly require the consideration of land use in determining the degree of cleanup. However, in practice, land use is a key factor in deciding which cleanup standard is used, and what remedy is selected to attain it. Cleanup standards generally are stricter for land uses that would result in greater risk of human exposure to

² For information on the criteria that DOD used to select bases for the 2005 round, see CRS Report RS21822, *Military Base Closures: DOD's 2005 Internal Selection Process*, by Daniel Else and David Lockwood. Also see, CRS Report RS22061, *Military Base Closures: The 2005 BRAC Commission*, by Daniel Else and David Lockwood.

³ 42 U.S.C. 9620(h)

⁴ 42 U.S.C. 9620(h)(3)(C)

⁵ 42 U.S.C. 9621(d)

contamination. For example, cleanup is typically more stringent and more costly for land uses such as residential development, which could pose a higher risk of exposure to sensitive populations including children and the elderly. Cleanup is typically the least stringent and the least costly for industrial land uses, such as manufacturing, which could pose less risk of exposure.

EPA, or the overseeing state agency, is responsible for determining whether the selected remedy would attain the cleanup standard for a specific site.⁶ EPA has issued non-binding guidance for considering the “reasonably anticipated land use” in selecting cleanup remedies.⁷ DOD and the community, usually through the LRA, are responsible for determining how the land will be reused, in negotiating the terms of the property transfer. However, the community’s ability to attain its preferred use is constrained, as the Defense Base Closure and Realignment Act does not require DOD to dispose of property on a closed base for a particular land use, nor within a certain time frame.⁸ Impediments to conveying the land for redevelopment may surface if DOD is resistant to transferring it for a purpose that the community desires because of cost considerations or technological limitations affecting cleanup of the contamination. EPA’s guidance, noted above, acknowledges that some land uses may not be practical due to such challenges, and indicates that the cleanup objective may need to be revised, which may result in “different, more reasonable land use(s).”⁹

In addition to land use, numerous other factors can determine the degree and cost of cleanup, raising further issues. For example, cleanup does not necessarily require the removal of contamination, if a safe method of containing it is available to prevent exposure. Although containment is typically less costly than removal, some of the savings of containment can be offset by the costs of maintaining the containment method over the long term to ensure that it remains effective in preventing exposure. Tensions may arise between DOD and the community, if there is disagreement over the method selected to prevent exposure. Communities frequently prefer removal rather than containment, because of concerns about lingering risks and continuing costs if the method of containment were to fail over time. However, DOD may prefer containment to save costs, due to limited funding for the cleanup of many closed bases across the country.

Once a land use is agreed upon between DOD and the community, and a cleanup remedy is selected to make it safe for that land use, DOD generally administers and pays for the cleanup, regardless of whether cleanup is completed prior to transfer, or subsequently under an early transfer. In the case of an early transfer, the property recipient may choose to administer the cleanup as a means to speed the reuse of the land, but DOD typically would still pay the costs.

⁶ Both EPA and states play a role in the oversight of cleanup on federal facilities, including military installations. EPA typically is the lead agency at sites listed on the NPL, and states usually take the lead on those that are not listed on the NPL.

⁷ EPA. Office of Solid Waste and Emergency Response. *Land Use in the CERCLA Remedy Selection Process*. OSWER Directive No. 9355.7-04. May 25, 1995.

⁸ 10 U.S.C. 2687 note

⁹ EPA. Office of Solid Waste and Emergency Response. *Land Use in the CERCLA Remedy Selection Process*. OSWER Directive No. 9355.7-04. May 25, 1995. p. 7.

DOD remains obligated after cleanup is complete, if additional contamination is found later that requires remediation. However, DOD is obligated for further cleanup only to the extent that the degree of contamination found later would exceed applicable standards for the land use originally agreed upon for the transfer. If a community decides to use the land for another purpose that would require further cleanup, DOD would not be responsible for paying for it. In such cases, the additional costs of cleanup to make the land safe for a different purpose would be the responsibility of the property recipient.

Status of Property Transfer on Closed Bases¹⁰

The Government Accountability Office (GAO) reports that, as of the end of FY2003, 364,000 acres (72%) of the 504,000 acres of land on bases closed during the previous four rounds had been transferred for reuse. Approximately 95% of the transferred acreage had been transferred after cleanup was completed. Although early transfer has the potential to speed redevelopment, it has been used relatively infrequently for several reasons, such as the reluctance of a community to accept property before cleanup is finished and the lack of consensus within a community on reuse. DOD also may be hesitant to agree to early transfer if it would be required to expend more cleanup funds earlier than would be necessary otherwise, to make the land safe for reuse more quickly.

Approximately 91,000 acres (18%) on closed bases had been leased for reuse prior to the completion of cleanup. However, pending cleanup has delayed the permanent transfer of these properties, with reuse limited to purposes that would be safe considering the degree of contamination still present on these lands and the potential risk of human exposure. The remaining 49,000 acres (10%) had not been leased or transferred for reuse primarily because of environmental cleanup challenges. GAO found that some cleanup is necessary before transfer can occur on 98% of Air Force, 82% of Army, and 65% of Navy lands still awaiting transfer.

Cleanup Costs of Past Base Closure Rounds

DOD estimates that the closure of bases under the previous four rounds has resulted in an annual savings of \$7 billion in operational expenses. The costs of environmental cleanup have run into billions of dollars, discussed below, and have offset some of these savings gained from a reduced military infrastructure. However, a portion of the cleanup costs would have been incurred regardless, as DOD is required to clean up its operational installations at least to a degree that would be safe for military uses, somewhat reducing this offset. The incremental cost and time to clean up a closed base depends primarily on how extensive the cleanup must be to make the land safe for uses that would be less restrictive than military purposes, and pose a higher risk of human exposure. DOD reports that it had incurred approximately \$7 billion in cleanup costs through FY2004 at bases closed under the previous four rounds.¹¹ This amount reflects the *actual* costs of the cleanup process, from site identification and investigation to selection, design,

¹⁰ Government Accountability Office, *Military Base Closures: Updated Status of Prior Base Realignments and Closures*, GAO-05-138, January 2005. See pp. 10-19.

¹¹ Department of Defense, *Defense Environmental Programs Annual Report to Congress for FY2004*, April 2005, Appendix K and Appendix L, various pages.

construction, operation, and monitoring of cleanup remedies.¹² About 44% of the \$7 billion was spent on cleanup in California, where DOD has identified more contaminated sites on closed bases than any other state.

Although the majority of the acreage on bases closed under the previous four rounds has been cleaned up and transferred, estimates of future costs to complete cleanup on lands awaiting transfer, and on those transferred early, remain substantial. DOD estimates that over \$3 billion would be necessary to complete cleanup of known contamination on these lands,¹³ with 59% of these costs attributed to cleanup in California. However, future costs could be higher than estimated, if new, or more stringent, regulations are issued that require a greater degree of cleanup than anticipated. Future costs also could be more than expected if unknown environmental threats, such as unexploded ordnance or additional hazardous substances, are discovered. On the other hand, costs at some sites may prove lower if more cost-effective cleanup technologies become available.

Relevant Observations for the Upcoming 2005 Round

The amount of money and time required to clean up additional bases recommended for closure in the 2005 round would depend on the type and extent of contamination present on those properties, and the actions that would be necessary to make the land safe for reuse. Cleanup can take many years, as the continuing remediation of certain bases closed between 1988 and 1995 demonstrates. As in prior rounds, availability of funding and capabilities of remediation technologies could limit the degree of cleanup of installations that may be closed in the 2005 round, making certain land uses infeasible and posing challenges to economic redevelopment.

The following table indicates DOD estimates to complete cleanup at the 33 “major” installations it has recommended for closure in 2005. These cost estimates are based on a degree of cleanup that would be safe for the current military use of the land. If a property were to be used for less restrictive purposes that would result in a higher risk of human exposure to contamination, a greater degree of cleanup likely would be required to make the land safe for that use. In such circumstances, more funding and additional time may be needed to complete cleanup than DOD currently has planned. Some cleanup also may be necessary on *realigned* installations, which are not included in the following table, if the change in the installation’s mission would involve the transfer of contaminated land that is no longer needed by DOD.

¹² In January 2005, GAO reported \$8.3 billion in cleanup expenses at closed bases through the end of FY2003. This included funding *obligated* for cleanup, which would be paid at a later date upon completion of specific actions, in addition to actual costs incurred through this period. GAO’s reported amount also included other costs, such as program management and support.

¹³ Department of Defense, *Defense Environmental Programs Annual Report to Congress for FY2004*, April 2005, Appendix K and Appendix L, various pages.

Major Military Installations Recommended by DOD for Closure in 2005: Past Cleanup Costs Incurred and Estimates of Future Cleanup Costs

Installation	State	Actual Costs Through FY2004	Estimated Costs to Completion
Kulis Air Guard Station	Alaska	a	a
Corona Naval Support Activity b	California	\$0	\$0 ✓
Onizuka Air Force Station b	California	\$139,000	\$0 ✓
River Bank Army Ammunition Plant	California	\$53,664,000	\$5,091,000
Concord Detachment Seal Beach Naval Weapons Station	California	\$57,564,000	\$79,069,000
New London Naval Submarine Base	Connecticut	\$57,642,000	\$23,141,000
Atlanta Naval Air Station	Georgia	\$1,473,000	\$2,596,000
Fort Gillem	Georgia	\$21,790,000	\$14,800,000
Fort McPherson	Georgia	\$7,924,000	\$7,301,000
Newport Chemical Depot	Indiana	\$19,366,000	\$4,874,000
Kansas Army Ammunition Plant	Kansas	\$32,165,000	\$25,271,000
New Orleans Naval Support Activity b	Louisiana	\$283,000	\$0
Portsmouth Naval Shipyard	Maine	\$48,614,000	\$35,256,000
Otis Air National Guard Base	Massachusetts	\$335,308,000	\$372,553,000
Selfridge Army Activity	Michigan	\$17,000	\$13,202,000
W.K. Kellogg Airport Air Guard Station b	Michigan	\$4,878,000	\$0
Mississippi Army Ammunition Plant	Mississippi	\$0	\$8,413,000
Pascagoula Naval Station	Mississippi	a	a
Hawthorne Army Depot	Nevada	\$35,539,000	\$465,078,000
Fort Monmouth	New Jersey	\$24,490,000	\$3,642,000
Cannon Air Force Base b	New Mexico	\$11,111,000	\$0
Niagara Falls International Airport Air Guard Station	New York	\$9,252,000	\$1,254,000
Umatilla Chemical Depot	Oregon	\$53,560,000	\$10,390,000
Pittsburgh International Airport Air Reserve Station b	Pennsylvania	\$600,000	\$0
Willow Grove Naval Air Station	Pennsylvania	\$6,867,000	\$6,235,000
Ellsworth Air Force Base	South Dakota	\$69,488,000	\$26,397,000
Brooks City Base	Texas	\$7,044,000	\$3,415,000
Ingleside Naval Station	Texas	a	a
Lone Star Army Ammunition Plant	Texas	\$25,557,000	\$1,156,000
Red River Army Depot	Texas	\$34,464,000	\$52,450,000
Deseret Chemical Depot	Utah	\$21,096,000	\$180,498,000
Fort Monroe	Virginia	\$1,830,000	\$201,165,000
General Mitchell Air Reserve Station	Wisconsin	c	c
All Installations		\$941,725,000	\$1,543,247,000

Source: Prepared by the Congressional Research Service using information from the Department of Defense, *Defense Environmental Programs Annual Report to Congress for FY2004*, April 2005, Appendix K and Appendix L, various pages. The above amounts indicate costs for actions directly related to cleanup, and do not include indirect costs such as program management and support. The above table supersedes the tables in prior versions of this CRS report, and reflects significantly revised amounts for some installations. Discrepancies were subsequently discovered in DOD's electronic database of cleanup cost estimates, upon which the original CRS table was based.

- a. In the above report, DOD did not indicate sites where remediation of contamination was or is required as of the end of FY2004.
- b. DOD indicated that all planned cleanup actions were complete as of the end of FY2004.
- c. DOD reported that cleanup was complete at General Mitchell Air Force Base, but did not indicate cleanup at the Air Reserve Station.



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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

WASHINGTON, DC ENVIRONMENTAL HEARING

AUGUST 11, 2005

TESTIMONY

- A.) TESTIMONY OF THE HONORABLE PHILIP GRONE, DEPUTY UNDERSECRETARY OF DEFENSE, INSTALLATIONS AND ENVIRONMENT
- B.) TESTIMONY OF MR. PATRICK O'BRIEN, DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT
- C.) TESTIMONY OF MR. JAMES E. WOOLFORD, DIRECTOR OF FEDERAL FACILITIES, RESTORATION, AND REUSE OFFICE - ENVIRONMENTAL PROTECTION AGENCY
- D.) TESTIMONY OF MS. MIKI SCHNIEDER, BOARD OF DIRECTORS, ASSOCIATION OF DEFENSE COMMUNITIES
- E.) TESTIMONY OF MR. DANIEL J. SCHNEPF, CHAIRMAN & CEO, MATRIX DESIGN GROUP INC.
- F.) TESTIMONY OF MR. DAVID KINSLEY, PARTNER, GARRITY & KINSLEY LAW FIRM

PREPARED STATEMENT OF

PHILIP W. GRONE

DEPUTY UNDER SECRETARY OF DEFENSE

(INSTALLATIONS AND ENVIRONMENT)

BEFORE THE

DEFENSE BASE CLOSURE

AND REALIGNMENT COMMISSION

AUGUST 11, 2005

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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

Chairman Principi and members of the Defense Base Closure and Realignment Commission, I appreciate the opportunity to discuss the role of environmental matters in the development of the Department's base closure and realignment (BRAC) recommendations and to highlight the manner in which the Department will address environmental issues during the implementation of the final BRAC recommendations.

Role of the Environment in Developing BRAC Recommendations

In accordance with the Defense Base Closure and Realignment Act of 1990, as amended, the Department developed its recommendations based on the Force Structure Plan and the statutory BRAC Selection Criteria. It is through the application of the Selection Criteria – in two important ways – that the Department considered environmental factors. The first was the application of the first four selection criteria to develop the military value score of an installation; the second was the application of Selection Criterion eight, which required the Department to consider the “environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.”

Environment in Military Value

As codified by Congress, the BRAC statute requires the Department to make military value the primary consideration when selecting installations for closure or realignment. The statute also specifies the military value criteria as follows:

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

In the context of calculating military value, environmental factors were key elements of discerning the "availability and condition of land, facilities, and associated airspace" and the "ability to accommodate contingency, mobilization, surge, and future total force requirements." The Military Departments incorporated environmental factors into the military value scoring plans as follows:

The Army used a total of forty attributes to determine an installation's military value. Of these forty attributes, the following seven attributes were classified as environmental: 1) Air Quality; 2) Noise Contours; 3) Soil Resiliency; 4) Water Quantity; 5) Buildable Acres; 6) Environmental Elasticity; and 7) Urban Sprawl. The forty attributes had individual weights ranging from a high of 5.45 percent to a low of 0.27 percent. Some of the environmental attributes received considerable weighting accounting for 12.79% of each recommendations military value score. For example, Soil Resiliency was weighted at 2.72 percent, Buildable Acres was weighted at 4.09 percent and Urban Sprawl was weighted at 2.72 percent.

The matrices developed for the Department of the Navy operational military value analysis were modeled on the BRAC 1995 military value matrices with modifications based on lessons learned, fleet input, and improved modeling. The matrices for the three Operational Functions (Surface/Subsurface, Aviation, and Ground) had five attributes (Operational Infrastructure, Operational Training, Base Characteristics, Environment and Encroachment, and Personnel Support). Specific data and weighting of the attributes reflected the differences between each function.

Environmental and Encroachment questions measured an array of constraints, costs, and capabilities associated with balancing an activity's mission and compliance with Federal and state environmental regulations. The Navy weighted Environment and Encroachment the highest for Naval Ground (13% of the score). This was followed closely by Naval Aviation (12.75% of the score) and Surface/Subsurface (9.75% of the score). Answers to questions regarding such environmental impacts as waste disposal, air quality, and encroachment factored into the Environment and Encroachment score.

The Air Force placed strong military value on those characteristics that are either immutable or prohibitively expensive to reconstitute elsewhere. Examples of the former are weather, geography, terrain, demographics, and environmental characteristics.

The Air Force used a hierarchical decision support model designed to rate a base's ability to host specific Air Force mission-areas. This BRAC Analysis Tool used operational data, military value criteria, and weighting assigned by the Air Force Base Closure Executive Group to develop mission-area ratings.

The Air Force Base Closure Executive Group generally assigned military value to the following environmental characteristics: the level of mission encroachment, the air quality attainment status and emission budget growth allowance, the buildable acres for industrial operations growth, and the buildable acres for air operations growth. The characteristics for each installation were based on certified data collected via an unbroken chain of accountability.

Environmental Impact is considered through Selection Criterion Eight

In addition to consideration as part of military value, Selection Criterion Eight specifically required the Department to assess "the environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities" of closure and realignment recommendations. The environmental impacts that the Department considered under Selection Criterion Eight fell into four areas: environmental resource impacts; impacts of costs related to potential environmental restoration; impacts of costs related to potential waste management; and impacts of costs related to potential environmental compliance activities.

In order to assess and consider the environmental resource impacts of different recommendations, the Department identified ten environmental resource areas for consideration: Air Quality; Cultural/Archeological/Tribal Resources; Dredging; Land Use Constraints/Sensitive Resource Areas; Marine Mammals/Marine Resources/Marine Sanctuaries; Noise; Threatened and Endangered Species/Critical Habitat; Waste Disposal; Water Resources; and Wetlands.

The Department considered the impact of costs related to potential environmental restoration through the review of certified data for pre-existing, known environmental restoration projects at installations identified during recommendation development as candidates for closure or realignment. The Military Departments and Joint Cross-Service Groups considered the Fiscal Year 2003 estimate of costs to complete for Installation Restoration Program (IRP) sites managed and reported under the Defense Environmental Restoration Account (DERA). It is important to note that under DERA, the costs are generally calculated on a "clean-to-current-use" clean-up standard. The cost of environmental restoration did not dictate any installation closure decision but was noted in the Selection Criterion Eight analysis documentation. The presence of

installation restoration sites was considered as a land use constraint for installations receiving missions as a result of a realignment decision. Since the Department of Defense has a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned, or remains open, environmental restoration costs at closing bases were not considered in the cost of closure calculations.

This approach was consistent with procedures used in prior BRAC rounds and responds to Government Accountability Office (GAO) concerns. The GAO has stated that determining final restoration costs could be problematic before a closure decision, since neither reuse plans nor studies to identify related restoration requirements would have been initiated. Any other approach to the consideration of such environmental restoration costs could have provided a perverse incentive that would reward (through retention) polluted sites and close clean sites.

In accordance with Policy Memorandum Four, *Transformation Through Base Realignment and Closure (BRAC 2005) - Selection Criteria 7 and 8*, the Military Departments and Defense Logistics Agency (DLA) identified recurring and non-recurring environmental compliance and waste management costs for each scenario and subsequent recommendation evaluated as part of the scenario development and recommendation analysis process. These one-time waste management and compliance costs associated with closing a facility (e.g., costs generated as result of operating permit closure regulations) or similar one-time costs associated with realignment actions (expanding treatment or compliance operation permits) were also identified in Cost of Base Realignment Actions (COBRA) tool to ensure these costs were part of the payback analysis. The Military Departments and DLA also ensured that these one-time costs were included in the Summary of Scenario Environmental Impacts and the Summary of Cumulative Environmental Impact so that the Department's decision makers could consider the impact of these costs in their Selection Criterion Eight evaluations.

The Department used three different reports to evaluate and document the consideration of Selection Criterion Eight as the recommendation process unfolded. The first report was an Installation Environmental Profile developed by the Military Departments and DLA for each of their installations. The profiles displayed certified environmental data arrayed by the 10 environmental resource areas and included Installation Restoration cost data to present the current picture of that installation's environmental condition and its ability to assume new missions given that condition.

During the scenario analysis and recommendation development phase, the Military Department and JCSGs recommendation proponents requested that the

entity with real property responsibility for the affected installations prepare a Summary of Scenario Environmental Impacts that assessed the environmental impacts of a particular scenario. The summaries consisted of an overview of the certified data and potential impacts in the ten resource areas, including the impacts of costs related to potential environmental restoration, waste management, and environmental compliance activities, as explained above. When recommendations were integrated in the last stage of our process, the Military Departments and DLA provided decision makers with new summaries that evaluated all of the actions affecting the integrated recommendation.

The final report was the Summary of Cumulative Environmental Impacts on a particular gaining installation. This report summarizes the cumulative environmental impacts of all candidate recommendations affecting a particular installation. The Summary of Cumulative Environmental Impacts was compiled from the individual scenario summaries prepared earlier. If an installation was affected by only one recommendation, a Summary of Cumulative Environmental Impacts was not prepared for the installation.

Addressing environmental concerns as part of military value and as part of Criterion Eight helped provide stronger recommendations.

Environmental Restoration Progress for Prior BRAC Rounds

Before addressing the Department's environmental plans and approaches for BRAC 2005, I want to say a few words about DoD's environmental restoration program and underscore the progress that the Department has made in cleaning up restoration sites at installations closed in prior BRAC rounds.

The Services have been cleaning up sites at installations since, at least, the early 1970s. The Department has been conducting cleanups under the authorities granted in the Superfund A Reauthorization Act since 1986. This program operates across active and BRAC installations. The Department conducts environmental restoration activities through a well-planned, carefully implemented, and outcome-driven process. This process includes investigations and analyses to characterize the environmental condition of DoD's installations, remedy selection, design and construction of remedies to protect human health and the environment, monitoring, and restoration completion. It includes restoring sites by prioritizing based on risk, and setting goals for when cleanup must be completed. Under this program, the Department works with regulatory agencies and the community to address stakeholder concerns. DoD has signed cooperative agreements with 48 states to engage and financially support state agencies to assist the Department in restoration efforts. In addition, the Department engages local communities through Restoration Advisory Boards, on which the Department of

Defense, the Environmental Protection Agency, and local regulators are all members. Meeting periodically, these Boards provide a forum for local concerns about environmental cleanup to be presented to both the Department of Defense and the lead regulator. The Department is currently reviewing public comments on a draft Restoration Advisory Board rule prior to final publication.

The Department estimates the cost to complete by using a commercial benchmark estimating model that has been modified into two models that estimate restoration costs. These models are the Remedial Action Cost Engineering Requirements System, or RACER used by the Army and Air Force, and NORM parametric cost estimating system used by the Navy. The models and process used to update them was accredited in accordance with the DoD Instruction 5000.61, *DoD Modeling and Simulation Verification, Validation, and Accreditation*, by Pricewaterhouse Coopers, LLP, in July of 2001. A cross military service team uses the validated process to update the model annually to ensure that the estimates have the benefit of the latest historic information.

From a BRAC perspective, the Department also has made progress cleaning up restoration sites at bases closed in prior rounds, and a good deal of this progress has been made since the last round of base closures in 1995. In 1995, for example, the majority of cleanup program funding and effort was focused on characterizing contaminated sites and identifying environmental issues on a total of 208 installations. By the end of Fiscal Year 2004, however, the Department completed environmental responses, or put required cleanup remedies in place, at 81 percent of all restoration sites identified at these installations. This translates to completed responses or remedies in place at 4,169 out of 5,150 BRAC restoration sites in the cleanup program. The remaining 19 percent of the sites at BRAC installations have cleanup remedies underway, or investigations planned or underway.

The GAO reported in January, 2005 *Military Base Closures, Updated Status of Prior Base Realignment and Closures* that the Department, as of the end of Fiscal Year 2004, has transferred about 72 percent of the approximately 504,000 unneeded acres from the prior BRAC rounds. When leased acreage is included in the total, 90 percent of the BRAC property from prior rounds is in reuse.

As a means to provide further insight into the Department's BRAC environmental restoration efforts since the last BRAC round, the following exemplify some cleanup successes at installations from each of the military departments.

ARMY. Military Ocean Terminal Bayonne, New Jersey, represents a successful transfer and privatization of environmental clean-up. The Department recommended Bayonne for closure during the 1995 BRAC round and operationally closed it in late 1999. In September of 2001, the Army entered into its very first Environmental Services Cooperative Agreement (or ESCA) with the City of Bayonne with a grant in the amount of \$11.6 million. Since signing the ESCA, the City has successfully completed remediation actions for landfills and wetlands. At the end of 2004, the city awarded the final remediation contract for contaminated soils in and around the electrical sub-station. This project is scheduled to be completed by the end of this calendar year. With the completion of this final contract, all remediation requirements of the ESCA will be complete in just over 4 years with an estimated savings to the Army of \$5 million. This BRAC installation is now being redeveloped rapidly and will include condominiums, office buildings, a large port, a ferry disembarking station and is quickly becoming one of the prime locations on the East Coast for filming big screen films.

Honey Lake, part of the Sierra Army Depot located in the high desert at the foot of the Sierra Nevada Mountains in Lassen County, California, served as an aerial gunnery range in the mid-1930s. Sierra Army Depot underwent realignment during the 1995 BRAC round. Honey Lake was also used for target training by Army pilots and for detonation of excess munitions until the mid 1950's. As a result, the area may be contaminated with Munitions and Explosives of Concern (MEC) and associated debris.

However, in September 2003, the Army transferred the entire 57,632-acre non MEC-contaminated portion of Honey Lake to the Center for Urban Watershed Renewal under the newly-developed conservation conveyance mechanism. The Honey Lake Conservation Team, made up of the Center for Urban Watershed Renewal, the Trust for Public Lands, Baker Engineering and Energy and Bio Engineering Group, will undertake the remediation and restoration of Honey Lake. The Honey Lake transfer constituted the first major conservation conveyance in the United States under the authorities provided the Department in the 2003 National Defense Authorization Act.

NAVY. Mare Island Naval Shipyard, dating back to 1854, was the first U.S. naval facility on the West Coast. During World War II, over 45,000 personnel worked at the shipyard, building and servicing numerous allied warships. The Navy closed the base in March 1996 pursuant to a BRAC 1993 recommendation.

Seeking innovative ways to more quickly dispose of BRAC property, the Navy completed the early transfer of 3,500 of 5,200 original acres at the facility in 2002.

In advance of the conveyance, the Navy executed an ESCA with the City of Vallejo, California, at a cost of \$132 million to complete the environmental cleanup on the transferred acres. By this agreement and associated insurance policies, the Navy has capped its overall environmental cleanup cost, which might otherwise have changed due to cost growth or discovery of additional contamination.

As part of the ESCA, the recipients of the property are responsible to adhere to the requirements of a performance-based cleanup agreement that placed the maximum amount of control with the transferees and the regulators, minimizing the Navy's role in the cleanup decision-making process. The ESCA resulted from extensive partnering with multiple stakeholders. As a result, the City of Vallejo and its agents are busy with cleanups, renovating office spaces, redeveloping former housing and leasing and re-conveying portions of the early transfer parcels.

By this ESCA, the Navy demonstrated that early transfer of BRAC property is one of the viable methods to reduce the time it takes to transfer property and quickly enable BRAC property again to be part of the functioning economic base for the surrounding community.

AIR FORCE. At Bergstrom Air Force Base in Austin, Texas, an installation closed through a BRAC 1991 recommendation, the Air Force conveyed a deed for 942 acres to the City of Austin in 1999 and integrated environmental cleanup with airport construction to ensure the transition of the base to a \$600 million dollar airport. Because of the cooperative efforts of the City, regulators, and the Air Force, the City was able to maintain its tight construction schedule. This installation has received "Operating Properly and Successfully" determinations from the U.S. Environmental Protection Agency Region 6 and is planning to complete the transfer of the former Bergstrom AFB to the Local Reuse Authority (LRA) later this year.

At Reese Air Force Base in Lubbock, Texas, a BRAC 1995 closure, the Air Force implemented a form of Performance Based Contracting called "Guaranteed Fixed Price with Insurance Remediation" saving an estimated \$20 million over the original estimate. The contract includes all activities required for base-wide environmental cleanup, including conducting community outreach and obtaining regulatory concurrence. The contract also allows for the use of innovative

remediation methods such as in-situ reactive zone technology to accelerate groundwater cleanup timeframes.

Of course there are installations where the discovery of new contaminants, or a disagreement with a regulator can delay the process and increase the cost of cleanup. However, even at those sites the Department has been ultimately successful at transferring the installation back to a productive asset of the community.

Outlook for BRAC 2005

There are several notable differences between DoD's BRAC cleanup program for prior BRAC rounds and that associated with BRAC 2005 recommendations. The main difference is that the Department is starting with a mature restoration program where installations already have information on environmental conditions, restoration projects are already identified and in various stages of completion, and required funding and goals have already been established to achieve required environmental actions. The Department has mature relationships with the regulators at the Federal and State levels and local communities. In each of the states where the Department has proposed the closure of an installation, the Department has signed agreements to engage and financially support state agencies to assist in restoration efforts. Sixteen of the 33 major installations on the proposed closure list have an operating Restoration Advisory Board.

In this proposed BRAC round, there are 180 major and minor installations identified for closure, approximately half of which contain restoration sites, totaling 1,206 individual sites. Seventy-seven or six percent of these sites, contain military munitions and/or munitions constituents. For the installations slated for closure in the Department's recommendations, the percentage of sites with remedies in place or response complete is already at 84 percent (1010/1206) for the Installation Restoration and Military Munitions Response Programs combined. For the 33 major installations recommended for closure in this round, there are a total of 843 restoration sites. Seventy-eight percent (658) of these sites report Response Complete or Remedy in Place.

To put prior BRAC rounds in perspective with this round, of the 208 installations with restoration sites closed in prior BRAC rounds, the total cost to complete for restoration actions was \$2.77 billion for the Installation Restoration Program and \$548 million for the Military Munitions Response Program as of the end of Fiscal Year 2003. The Department certified the cost to complete cleanup for restoration sites at the installations slated for closure in this round at \$552 million.

To complete the cost for environmental restoration at the installations proposed for closure in BRAC 2005 the cost of the Military Munitions Response Program is also important. The cleanup of munitions at active installations began in 2001 under the Defense Environmental Restoration Program. DoD developed the Military Munitions Response Program to address environmental health and safety hazards from unexploded ordnance, discarded military munitions, and munitions constituents. This program is less mature than DoD's Installation Restoration Program and while the Department uses the same accredited estimating tool on both the Installation Restoration Program and the Munitions Response Program, the cost to complete for the munitions program is less accurate due to there being no legal standards for cleanup of munitions, a lack of robust data for previous cleanups, and on going assessment at most munitions sites. The Military Munitions Response Program (MMRP) affects 16 out of 180 of the installations or 9 percent of the installations recommended for closure. Fourteen of the 33 major installations recommended for closure have MMRP sites. These 14 installations have a total of 69 MMRP sites. The certified estimates for MMRP range from \$500M to \$565M, therefore, the total estimate for restoration is \$1.05 to \$1.12 billion.

Included in the testimony is a chart that gives the name of each of the 33 major installations proposed for closure. The chart lists the investment through FY03, the environmental restoration cost to complete for each installation, the number of sites, and the phase of cleanup of each site.

Installation	Invested Through FY03 (\$M)	Cost to Complete FY04* (\$M)	Total Sites	Preliminary Assessment/ Site Inspection	Remedial Investigation/ Feasibility Study	Remedial Design/ Remedial Action	Remedy in place/ Response Complete
BROOKS CITY BASE	119	42	17	0	0	0	17
CANTON AIR FORCE BASE	125	12	27	0	0	0	27
CONCORD TWS	549	40.1	59	9	17	1	42
DESERET CHEMICAL DEPOT	14	66.9	32	3	5	3	21
ELLSWORTH AIR FORCE BASE	57.4	27.0	21	0	0	0	21
FORT GILLEM	27.1	18.0	13	9	6	0	7
FORT MCPHERSON	NA	8.6	14	2	0	0	12
FORT MONMOUTH	11.0	0.3	44	1	0	0	43
FORT MONROE	NA	20.0	17	13	0	0	4
GENERAL MITCHELL INTERNATIONAL AIRPORT	2.1	0.0	9	3	0	0	6
HAWTHORNE ARMY DEPOT	26.3	383.2	144	18	3	5	118
KANSAS AAP	30.7	79.8	35	1	16	2	16
LOHIE STAR AAP	21.3	8.5	57	0	3	1	53
MASSACHUSETTS MILITARY RESERVATION (MMRP)	83.5*	146.8**	85	4	7	5	69
MISSISSIPPI AAP	NA	2.3	48	2	0	0	46
NEW LONDON NSB	56.5	23.9	29	4	6	2	17
NEW ORLEANS NSA	0.2	0.0	5	0	0	0	5
NEWPORT CHEM DEPOT	NA	1.2	18	1	2	0	15
NIAGARA FALLS INTERNATIONAL AIRPORT APS	9.2	1.4	14	0	0	0	14
OHIOKA AIR FORCE BASE	0.0	0.0	5	0	0	0	5
PITTSBURGH INTERNATIONAL AIRPORT	NA	NA	3	0	0	0	3
PORTSMOUTH NSY	46.8	47.1	35	3	8	0	24
RED RIVER ARMY DEPOT	17.9	49.1	54	0	13	1	40
RIVERBANK AAP	50.2	10.5	13	1	0	0	12
US ARMY GARRISON SELFRIEGE	NA	13.3	12	8	0	0	4
WILLOW GROVE HAS	6.3	10.3	13	0	4	0	9
WV KELLOGG REGIONAL AIRPORT	7.9	35.2	10	0	0	0	10
Total	576	1,000	843	73	90	20	660

* Historical Costs for MMR include both Army and Air Force funding
 **Includes only \$146.8 for Otis AFB (provided separately by the Air Force)

As with most of the Department's installations proposed for closure, the Services have identified the requirements and costs, involved the community and regulators, and set a target date to complete the cleanup. Once the local redevelopment authority produces a redevelopment plan, this could change slightly. Nevertheless, the Department has a mature plan that it can adjust to address new requirements.

In addition to the restoration requirements, 12 of the 33 major installations have Resource Conservation and Recovery Act Treatment, Storage, or Disposal Facility permits that must be closed out. And four of the 33 installations have threatened or endangered species that may impact land transfer. These requirements when added to the cost for conducting environmental conditions of the property and NEPA studies, taking care of hazardous wastes, and other environmental issues, will increase the cost of environmental actions by \$28 million to \$123 million.

The Department's approach for this BRAC round is to take lessons learned from past efforts and focus on getting the property transferred expeditiously by using the full range of tools available to us in the public and private sectors. The lessons learned from prior rounds include: conduct a more rigorous process for transferring property within the Federal Government; use a wide variety of existing disposal methods authorized to transfer property; integrate cleanup and redevelopment more closely; share full information on the condition of property early in the process; and involve all interested parties earlier in the process. Out of these lessons, the Department has developed an environmental strategy for 2005 consisting of the following elements:

- Streamline the process, consistent with existing laws and regulations;
- Make the process market-oriented, using the full range of tools available for transfer;
- Leverage the mature environmental assessments available for each installation to provide critical environmental information, early, to all parties for planning purposes; and
- Involve the DoD Components and all interested parties in early planning

The Department has taken a robust approach to factoring environmental concerns into the development of the BRAC 2005 recommendations and is committed to ensuring transferred property is protective of human health and the

environment. Concurrently, the Department will work expeditiously to provide the taxpayer and local communities with early return of productive property to the tax base. I will be glad to take your questions.



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PREPARED STATEMENT OF

JAMES E. WOOLFORD

**DIRECTOR,
FEDERAL FACILITIES RESTORATION AND REUSE OFFICE
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

BEFORE THE

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

AUGUST 11, 2005

Good morning Mr. Chairman, distinguished members of this Commission, and staff. I am pleased to represent the U.S. Environmental Protection Agency (EPA) before the 2005 Defense Base Closure and Realignment Commission, and thank you for this opportunity to discuss EPA's role at closing and realigning military facilities. EPA's Headquarters and Regional offices have been working alongside the Department of Defense (DoD), other Federal Agencies, tribes, tribal governments, state environmental agencies and affected communities since the first Base Realignment and Closure (BRAC) round in 1988 to ensure that DoD's excess property is sufficiently cleaned and put into productive reuse in a manner protective of human health and the environment. I will be addressing EPA's cleanup and property transfer requirements at BRAC properties, provide a historical perspective on EPA participation at BRAC 1-4 installations, and discuss anticipated differences between this BRAC and prior rounds.

I serve as Director of the Federal Facilities Restoration and Reuse Office (FFRRO) located in EPA's Office of Solid Waste and Emergency Response. This office was created in 1994 with two main responsibilities: oversee the cleanup of federal facilities on the Superfund National Priorities List (NPL), and work with DoD, the military services, other Federal Agencies, tribes, tribal governments, state environmental agencies and affected communities to expedite the cleanup of BRAC installations and support related property transfer activities. FFRRO is EPA's national program policy office for these functions and I have been its Director since its creation.

To date, EPA has had minimal involvement in the BRAC 2005 process. EPA has no role in estimating the costs of environmental cleanups at BRAC facilities, as that duty falls under DoD. Nor have we done any independent review of their estimates, so we are not in a position to

comment on their environmental cost estimates for this round of BRAC. Nonetheless, as in the prior rounds of BRAC, EPA expects to fully support the closing and realigning of military facilities on the finalized BRAC 2005 list, and we plan to build upon the successes achieved for base cleanup and/or property transfer and reuse at the BRAC 1-4 installations.

EPA'S CLEANUP and PROPERTY TRANSFER REPONSIBILITIES

In July 1993, President Clinton announced a base closure program, commonly referred to as the "Five Point Plan". Part of this plan addressed the environmental requirements at BRAC bases, and DoD followed with an environmental policy memorandum in September 1993 describing DoD's planned approach. Additional policy and guidance followed. EPA issued its own BRAC cleanup and property transfer policy in 1996, known as the "Fast Track Guidance". The policy is appended to this testimony, for your information. Our focus was to accelerate the regulatory processes, address regulatory issues related to cleanup with the ultimate aim to expedite the transfer of the bases to the affected communities. Despite criticisms, EPA believes that overall the programs put in place in the 1990's have served the nation and the communities well. However, we believe that bases affected by this round of closures and realignments must draw on lessons learned from the prior rounds of BRAC.

There are many federal environmental statutory authorities that may be involved at a BRAC base, just the same as at an active base. Relevant environmental federal statutes include but are not limited to: the National Environmental Policy Act (NEPA), the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended by the Superfund Amendments and Reauthorization Act (SARA) of 1986, the Toxic Substances Control Act (TSCA), the Safe Drinking Water Act (SDWA), and the Clean Water Act (CWA). In some cases, states have been

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authorized or delegated EPA's authorities under some of these statutes (e.g., RCRA, CWA, SDWA). Additionally, many states have enacted their own laws regarding environmental contamination that also may be relevant.

The Superfund statute is the federal law that is most commonly applied to environmental cleanups at BRAC installations. It governs most cleanup activities undertaken by federal agencies, as well as the transfer of contaminated and uncontaminated federal property. (The notable exception to this is that petroleum contamination must be addressed under RCRA, as it is exempted from CERCLA.) Federal agencies with facilities on the Superfund National Priorities List (NPL) must conduct environmental investigation, cleanup, and property transfer of those facilities according to CERCLA and its implementing regulation, commonly referred to as the National Contingency Plan (NCP). Section 120 of CERCLA specifically pertains to the cleanup of federal facilities on the NPL. Sub-section (h) of Section 120 specifically addresses federal responsibilities pertaining to the transfer of federal properties.

While EPA is considered to be the lead agency for cleanup of privately-owned NPL sites, Executive Order 12580, signed in 1987 by President Reagan, delegated this lead agency cleanup authority under CERCLA to the federal agency conducting the cleanup actions on the facility. At federal facility NPL sites, EPA serves as the "lead regulator" and, among its primary oversight responsibilities, concurs on cleanup decisions made and actions performed by the lead agency. EPA is also responsible for the regulatory process that adds and deletes facilities to the NPL.

The Superfund NPL consists of the hazardous waste sites that pose the greatest threats in the United States and its territories, as determined through EPA's Hazard Ranking System (HRS) or as identified by the State as their top priority site. Sites on the NPL may be in proposed, final,

or deleted status. A proposed site is a facility that EPA has announced it intends to place on the NPL. This action is conducted as a regulatory rule-making process. The regulatory rule-making process requires public notice and comment.

A final NPL site is one where EPA has made a final regulatory decision, after receiving public comments, to place it on the NPL. In the context of federal facilities, this means that additional requirements now come in to play, such as EPA approval of remedies and the establishment of an interagency cleanup agreement commonly referred to as a Federal Facilities Agreement (FFA) or Interagency Agreement (IAG). To facilitate the cleanup process, in 1988 EPA and DoD agreed to use a "model" federal facilities agreement which is the basis for all our cleanup agreements at both active and closed DoD installations. Each of the 34 BRAC 1-4 installations that are on the NPL has an FFA in place.

A deleted NPL site is one that has met of all the cleanup objectives specified in remedy selection documents. EPA may delete or partially delete sections of a site from final status on the NPL. To delete a site from the NPL requires that the State concur with EPA that cleanup actions have met the cleanup objectives specified in the remedy decision document and no further response is required to protect human health and the environment. This is also a federal rule-making and requires public notice and comment. Of the 172 federal facilities that have been designated as final on the NPL, 14 have been deleted.

Two of the 34 BRAC NPL bases have 2 separate NPL listings, making a total of 36 NPL sites. Of these 36 NPL sites, 7 have all their environmental remedies constructed and in place. One site that was on the NPL has been removed from the list. Overall, extensive environmental investigation and cleanup progress has been made. EPA has conducted several partial deletions

at installations realigned or closed under BRAC Rounds 1-4, such as Fort George Meade in Maryland.

There has been some confusion regarding what it means when a private site or federal facility such as a DoD installation is placed on the NPL. The confusion stems from misunderstanding whether a facility is listed from “fenceline-to-fenceline” or whether only the contaminated parcels that were scored under the HRS process constitute “the site”. In fact, neither perception is true. As EPA typically describes the NPL facility or site in terms of geographic location or site ownership, DoD properties are generally described by the installation’s name. So people naturally think an entire installation is on the NPL. Technically, only those portions of an installation where environmental contamination may be found or has been released into the environment and has come to be located constitute the NPL. The NPL is not limited to those portions that were scored under the HRS. After a “base” is placed on the NPL, EPA works with DoD and the State or Tribal regulatory agency to evaluate and add, as appropriate, areas to the overall base cleanup approach typically described as a “site management plan” or “base cleanup plan” that are not part of the original NPL scoring package.

All federal facilities that are listed on the NPL pose actual or potential exposures to hazardous substances, pollutants, or contaminants and actual or potential human health or environmental risks posed by contamination at the facility. Whether an installation remains an active facility, or is closed or realigned under this round of BRAC, a designation as a NPL facility will not change until actual or potential risks to human health and the environment have been addressed. The BRAC list has no bearing on the hazards of the contamination present at the time of a base’s NPL designation. Likewise, the states’ environmental authorities and responsibilities are not affected by the BRAC designation.

CERCLA Section 120(a) requires that state laws and regulations apply to federal facilities just the same as they would at a privately-owned site. This is true whether a facility is listed on the NPL or not. State environmental programs are usually active partners with EPA at NPL sites and sometimes are parties to FFAs. EPA's involvement at most non-NPL federal facility sites is typically minimal; state environmental regulatory agencies generally oversee the cleanup of these federal facilities. Contamination at military facilities not on the NPL is usually addressed either through the state's own cleanup program, or through the state-delegated RCRA program that oversees active hazardous waste facilities. For the 12 states and 5 territories that have not been delegated RCRA authority, EPA has oversight responsibility to ensure that these cleanups or corrective actions are conducted in accordance with RCRA.

While EPA is not typically involved at most non-NPL federal facilities, this has not been the case at the BRAC installations. EPA has been involved at many of the non-NPL facilities selected for realignment or closure under BRAC Rounds 1-4. Overall, since we created our BRAC program, EPA has participated in the cleanup and transfer of property at 107 BRAC installations. EPA continues to have a role at more than 70 installations closed or realigned under the previous BRAC rounds.

At the 107 installations where EPA has been involved, we principally participated through the BRAC Cleanup Team (BCT). The BCT is comprised of the Base or Service Environmental Coordinator (BEC), and his or her counterparts from EPA and the host state. The idea behind the BCT was to bring together the environmental managers from EPA, the Service and the State to work through environmental issues, make real-time decisions and expedite work. EPA believes that the BCT approach has been instrumental in speeding up the environmental cleanup and property transfer processes. To support the BCTs, EPA also made available

extensive technical assistance through staff such as risk assessors, toxicologists, EPA attorneys and hydro-geologists.

EPA has responsibilities related to BRAC that are not affected by NPL status.

Regardless of whether an installation is an NPL or non-NPL base, EPA must review National Environmental Policy Act (NEPA) documents and provide written comments, as required under Section 309 of the Clean Air Act, as well as perform its responsibilities as a cooperating agency in the NEPA process. EPA must also be consulted on leases entered into by other federal agencies regarding the suitability of a facility to be leased prior to cleanup completion. EPA must provide determinations that cleanup remedies are operating properly and successfully prior to a federal agency transferring a property by deed as described under CERCLA Section 120 (h).

EPA has particular responsibilities at federal facility sites on the NPL. These responsibilities naturally carry over to BRAC sites on the NPL. EPA must enter into interagency agreements regarding cleanup with other federal agencies. (State environmental agencies also may be a party to these agreements.) CERCLA provides that EPA must approve the cleanup decision made by other federal agencies about how to address the hazardous contamination and exposure pathways at the site. Relative to contaminated property transfer, EPA must concur on clean parcel determinations, which are parcels on the BRAC installation where there have been no environmental releases (see CERCLA 120(h)(4)). EPA must give approval for the transfer of all BRAC property on the NPL that occurs prior to the completion of all environmental cleanup activities (i.e., "early transfers"). (States, through their Governors' offices, must concur on early transfers at both NPL and non-NPL bases.)

With DoD as the primary responsible party for contamination at BRAC facilities, CERCLA provides numerous assurances to new owners taking possession of former DoD

property that they will not be held responsible for contamination that is the result of DoD activities. Under the property transfer provisions of CERCLA, DoD must provide a covenant in the deed to the BRAC property that all remedial action necessary has been taken at the facility. Through a second covenant provided through the deed, DoD must also provide an assurance that the federal government will remain liable for contamination found after the transfer of property that is the result of government activities, and the federal government will conduct the cleanup of that contamination. In addition, Section 330 of the FY 1993 National Defense Authorization Act provides indemnifications for future owners of BRAC property from liability associated with contamination found at BRAC property after transfer has occurred, meaning they bear no responsibility for the cleanup of contamination caused by DoD activities, as long as they have not contributed to the contamination. Recipients of BRAC property can also be afforded the liability protections found under CERCLA Section 107 so long as they meet the required criteria for such protections.

EPA does not pay for any of the cleanup costs associated with base closures or realignments. Rather, the DoD, as the primary responsible party for contamination at BRAC sites and other military facilities, retains the responsibility and liability for cleanup of the contamination caused by their activities.

Extensive site cleanup work has been and is being conducted at each BRAC 1-4 installation and progress continues to be made. Many areas of contamination at these installations are the result of decades of DoD use and operation. Principal types of contaminants include heavy metals, solvents, petroleum product spills, volatile organic compounds, and military munitions and related constituents. Many installations have contaminated groundwater that is extremely difficult to clean up, especially to meet safe drinking water standards.

Despite everyone's best efforts, unexpected environmental contamination sometimes is discovered, adding time and cost to anticipated schedules. At the former Moffett Naval Air Station in California, for example, a historic hanger used to house dirigibles since 1932 has been recently found to be contaminated with polychlorinated biphenyls (PCBs), asbestos and lead-based paint. Hangar 1 is over 1100 feet long, 300 feet wide and almost 200 feet tall. It covers approximately eight acres. Many in the community would like to see it preserved. When the base was closed no one suspected the Hangar to be a source of contamination. The Navy is now working with the National Aeronautics and Space Administration (NASA), the new owner, EPA, the State of California and the local community in exploring options to address the contamination and perhaps preserve the building. Current estimates range up to almost \$30 million to address the contamination.

THE NPL AND THE PROPOSED 2005 BRAC RECOMMENDATIONS LIST

DoD proposes to close 33 major bases through the 2005 round of BRAC. Nine of these installations are on the NPL. One of the minor bases proposed for closure is also on the NPL. In total, 68 bases that are currently on the NPL are being considered for a recommended action under this 2005 BRAC round. By EPA's analysis of DoD's recommendations, we believe that 10 NPL facilities may be proposed for closure, 27 NPL facilities may be realigned and 31 NPL facilities may receive personnel gains.

EXPECTED DIFFERENCES: BRAC 1-4 and BRAC 2005

While the environmental cleanup and transfer processes for BRAC installations will follow the same laws and regulations, we expect to see some differences, as indicated to us through discussions with DoD and based on the cleanup progress that has occurred since previous BRAC rounds. Installations that will be on the final BRAC 2005 list already have

cleanup activities well underway or completed. This means facilities are or should be much better characterized, and in some cases cleanup remedies will already be in place. This also means that we do not anticipate any BRAC 2005 base to be added to the NPL in the future.

Given that cleanup programs at DoD installations are further along than in the previous four BRAC rounds, the need for BCTs across the board is less clear. For non-NPL facilities, we anticipate that we will be working at the individual base level with the respective Service and with the state regulatory agency to decide whether a BCT will be needed. At NPL sites, we typically have our state counterparts already engaged, so we are not anticipating substantive changes here other than those new duties required by property transfer. Overall, we expect there will be fewer BCTs put in place than previously.

In the prior rounds of BRAC, the cleanup programs were just beginning. However, for the bases proposed on the current BRAC list, cleanup activities at many installations have already occurred and have been completed. At the time remedies were selected, cleanup decisions were made when the installation was an active facility, so the cleanup decisions likely reflect the current uses of the property. Now that these properties may be closing and the reuse may be different, some of these cleanup remedies may need to be revisited.

In contrast to prior BRAC rounds, DoD may choose to dispose of more parcels through the public sale of BRAC properties and DoD may strive to conduct the sale of that property prior to the completion of all cleanup activities. In these scenarios, DoD will use the early transfer authority provided under Section 120 of CERCLA. The early transfer provisions were provided under CERCLA through an amendment passed in 1996. The Services have used the authority at a limited number of NPL and non-NPL bases. We have seen only 10 early transfers of parcels at BRAC 1-4 facilities on the NPL to date. For a facility to be transferred prior to cleanup

completion, EPA must approve the transfer of a property listed on the NPL based on a set of criteria established in the early transfer authorities under CERCLA. The State must also approve the early transfer, regardless of NPL status. The criteria for approval includes that all cleanup will not be delayed because the new party assumes ownership, any interim use of the property will be protective of human health and the environment, if the new owner conducts the cleanup they are financially sound and technically able to conduct the cleanup, and resource requests will continue to be made by DoD to the Office of Management and Budget if DoD will continue conducting the cleanup.

To complement the increased use of early transfer authorities, the Services will strongly consider "privatizing" site cleanup. This means that the Service will seek a third party to assume ownership of the property prior to completion of cleanup, and this third party will also assume responsibility for the remaining cleanup. At facilities on the NPL, EPA will retain the enforceable Federal Facilities Agreement with the military service responsible for the cleanup, and will enter into an enforceable agreement with the third party assuming responsibility for the cleanup to ensure that cleanup milestones are met and not delayed under a privatization scenario. DoD will always remain liable for contamination resulting from government activities, even in the event that the third party cannot complete the cleanup of the property.

Another aspect of early transfer is that a Service may seek to transfer a base that has an active RCRA permit or corrective action order. Under this approach, a Service may want to divide the base into parcels, transferring them to different parties. To make this work, EPA or a state delegated RCRA authority will have to close out and issue new RCRA permits or orders to the transferees. This approach is currently being tested by the Navy and EPA at a non-NPL,

non-BRAC site, where one RCRA permit issued to the Navy is being replaced with several new RCRA orders to be entered into by transferees.

Another difference that may occur is that the Services will prepare Environmental Condition of Property (ECP) reports for each BRAC installation rather than an Environmental Baseline Survey (EBS). These ECP reports will compile all the environmental investigations completed at an installation to date and assess the condition of the property. In previous BRAC rounds, the Services conducted an EBS that surveyed all the property at the installation, determined its condition, and then placed the property in to one of seven categories. EPA used the information contained in the EBS to make property transfer assessments and clean parcel determinations. From the regulator perspective, there are two potential areas of concerns with the ECP reports: first, the environmental information relied on in the ECP may not be up to date, and secondly, there is potential for gaps of data that may be unintentionally overlooked.

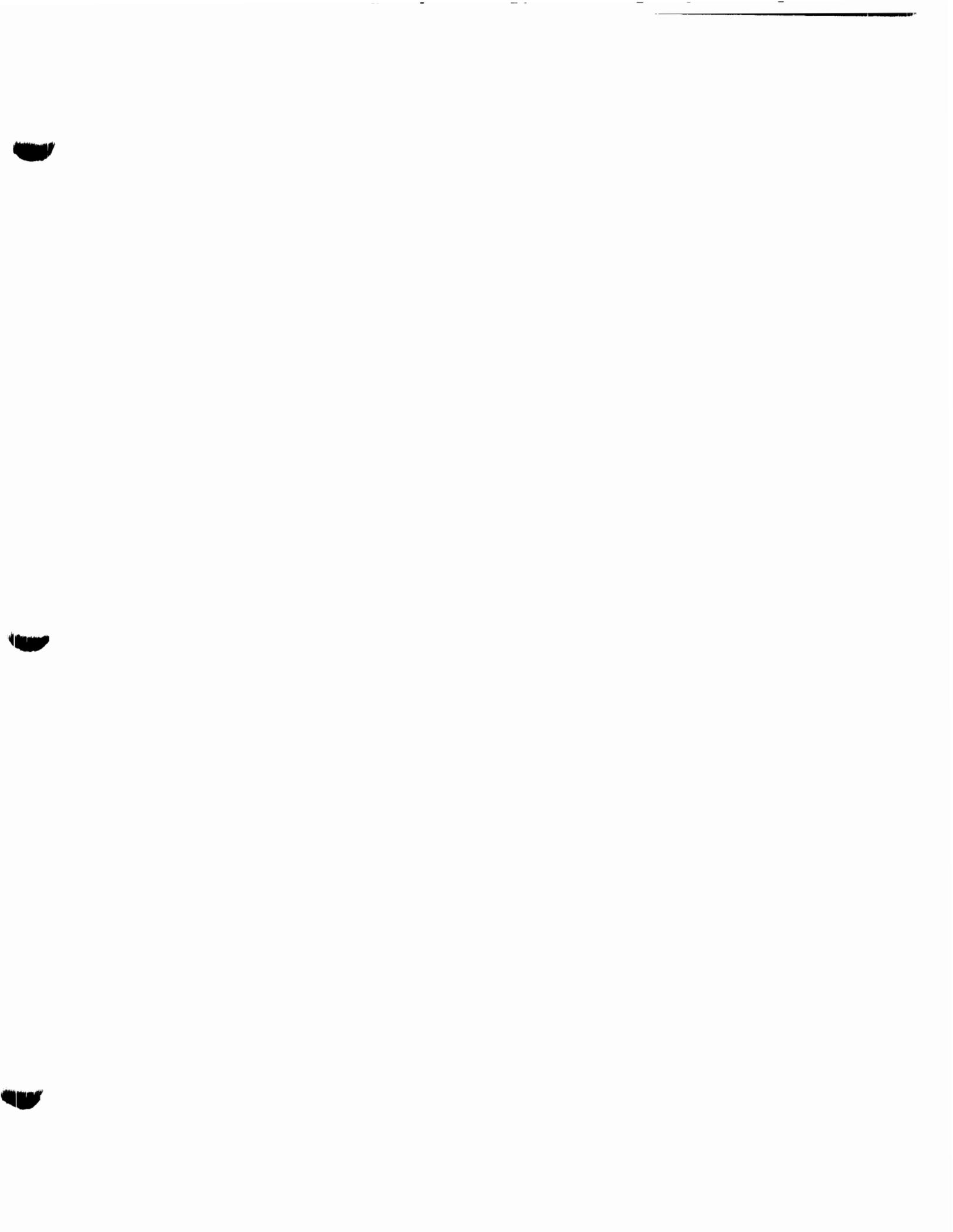
Another concern is the extent that public involvement will be carried out where cleanups are privatized. RABs are comprised of members of the community who have an interest in the cleanup of an active or closed military facility. RABs generally have been very successful and helpful to the cleanup process. Cleanup activities are discussed with RAB members who are given the opportunity to provide input. EPA views the public engagement process as a critical element of BRAC because it fosters a local understanding of environmental conditions and challenges on the property. Even when under a privatization scenario, the public participation requirements of CERCLA Section 117 are still applicable.

CONCLUSION

Regardless of the changes to come, we anticipate there will be the same high level of commitment from the DoD and Services to work with EPA, other federal agencies, tribes, tribal

governments, state regulators and the public from the beginning of the BRAC process on cleanup and property transfer, as was evident in BRAC 1-4. We have seen many successes in the cleanup and reuse of BRAC 1-4 installations, and like DoD, EPA has learned from the bumps in the road we have all encountered while getting to those successes. The history and experiences of the past four rounds can set the foundation for a successful BRAC 2005 process and bring additional opportunities along with new beginnings. EPA looks forward to working closer with communities, DoD, tribes and state environmental regulators as we together implement this new round of BRAC.

I thank you for this opportunity to comment and would like to now address any additional questions you may have.



STATEMENT OF

**PATRICK J. O'BRIEN
DIRECTOR
OFFICE OF ECONOMIC ADJUSTMENT**

**2005 DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
AUGUST 11, 2005**

**IN CONNECTION WITH ASSISTING COMMUNITIES IN RESPONSE TO
BASE CLOSURES AND REALIGNMENTS**

**Statement of
Patrick J. O'Brien
Director, Office of Economic Adjustment
to the
Defense Base Closure and Realignment Commission
11 August 2005**

Mr. Chairman, distinguished Members of this Commission, and staff, thank you for the opportunity to appear before you today to discuss the Office of Economic Adjustment's program to assist community economic adjustment efforts in response to base closures and realignments.

The Office of Economic Adjustment (OEA)

The Office of Economic Adjustment (OEA) works to assist affected State and local governments to "help themselves" respond to Defense program changes, such as base closures and realignments. Given the fundamental national security mission of DoD, OEA is a unique DoD Field Activity which exists solely to develop, maintain, and apply the expertise, experience and tools necessary to assist affected communities in concert with the expertise and resources other Federal Agencies.

It is clear that successful adjustment does not occur without a genuine partnership between the Military Departments and the affected communities. Likewise, it is important to recognize that this necessary Military-community partnership needs to be flexible to adapt to the specific market forces and private sector circumstances found at each location. OEA must offer a flexible program that can adapt to these circumstances to ensure that an affected community can: 1) plan and carry out local adjustment strategies; 2) engage the private sector in ventures to plan and/or undertake economic development and base redevelopment; and 3) partner with the Military Departments as they implement BRAC actions in support of the DoD mission.

Key to OEA effectiveness is collaboration between an affected community and the assigned OEA Project Manager as we seek to understand the local perspective and work with the community through the closure or realignment process. In working together, OEA's job is to

gauge the true effects of the closure and realignment actions, which can be influenced by several factors, including location, timing, and magnitude. Simply stated, this is a community-based program that must respond to local needs. With this approach in mind, over the previous four rounds of base closure, OEA assisted 78 significantly impacted communities with multi-year grants through organizational support; detailed land-use planning studies; operational plans; business plans; base reuse plans and other activities designed to carry out the local plans. OEA also assisted 29 minimally impacted communities with single-year grants to complete a base reuse plan.

All communities impacted by BRAC 05 can expect OEA to offer a responsive package of assistance consisting of: 1) financial resources in the form of need-based grants to support communities to develop and carry out strategies and base reuse plans when appropriate; and 2) technical resources through a multi-disciplinary staff providing information and advice to develop and to implement projects that promote economic adjustment, and bringing public agencies and Military Departments together to work as a team.

The OEA technical resources presently available to assist BRAC 05 communities (which are also obtainable at www.oea.gov) include:

- “Responding to Change: Communities & BRAC”—a primer on the overall community experience through the closure and realignment process.
- “Economic Transition of BRAC Sites, Major Base Closures and Realignment 1988 – 2004”—job gains, success stories, and a list of communities and the local points of contact from previous BRAC rounds who can share their experiences.
- “Office of Economic Adjustment, Feedback from the Field: Community Experience With BRAC”—a summary of OEA-convened focus groups with state, local, and private sector stakeholders who had a role in base redevelopment from prior BRAC rounds.
- “Communities Responding to Change”—a DVD featuring local leaders who share experiences and advice from previous base closures and realignments.

Many additional resources are currently under development, including publications on local organization, planning for civilian reuse, growth management planning, and military airfield conversions, and will be released to assist local adjustment efforts as they are finalized. These resources are further supplemented by other Federal programs which I will elaborate on shortly.

The Context

In the case of downsizing through base closure or realignment, civilian reuse of a former installation is often one of the greatest challenges a community will face. Communities seeking to convert a former military installation routinely address common challenges which include:

- replacing the jobs lost through the DoD action.
- creating local capacity to plan and possibly carry out redevelopment of the former installation.
- addressing buildings that are unsuitable for redevelopment.
- partnering with the private sector to optimize civilian reuse.
- financing redevelopment to the extent the public sector chooses.
- understanding and effectively addressing complex environmental circumstances.
- dealing with extremely variable implementation horizons.
- offsetting negative regional economic impacts that may include declining DoD contract expenditures and housing purchases.

No two communities are alike. For some communities, former military property presents unique opportunities for the civilian redevelopment of advantageously-situated property located on waterfront sites, at the confluence of various transportation modes, with strong prospects for higher level redevelopment uses due to their location near, or in the midst of, rapidly growing, prosperous communities. For other communities, the redevelopment opportunity may be much more difficult to recognize due to factors such as a stagnant or declining local economy, few competitive advantages of the local labor supply, an isolated location, or limited resources to address these problems.

There may be situations where an installation will realign with a large reduction in personnel, but no property will be made available for civilian reuse. In these instances, the economic adjustment focus will be on expansion of business development in the community and region to increase job opportunities for affected workers and offset impacts.

Where there is an increase in military activity, the challenge will likely focus on the capacity of the community to absorb an influx of personnel and may place excessive demands on off-base community services and facilities. Previous experience suggests off-base housing scarcity and school over-crowding are areas of shared community and military concern. Experience shows that the affected community and military alike will strive to maintain and improve upon the quality of life for local residents, including the new military personnel and their dependents.

Regardless of whether the action results in the growth or drawdown of local personnel and/or property, OEA is prepared to assist communities through the three general phases of adjustment:

1. *Organization*: The affected community must organize itself to speak with one voice, and to ensure that the organization has the political and financial backing, or “ownership,” of the locale. In the case of a downsizing action where property will be available for civilian reuse, a “Local Redevelopment Authority (LRA)” is prescribed under statute as the entity responsible for preparing the redevelopment plan or for directing implementation of the plan. The LRA must be: designated by the affected state and/or locale; comprised of the communities in the vicinity of the installation; tied to the local zoning authorities; and recognized by the Secretary of Defense, through OEA. The LRA provides leadership, builds consensus for base reuse, and, under statute, must balance homeless and local community and economic development needs. While not mandated in statute, in situations of growth, the community might establish a task force or some other entity to coordinate with the local installation, assess and respond to the impacts of growth on the community. Where multiple jurisdictions are affected the organizational process is more challenging.

2. *Planning:* In the case of downsizing, a redevelopment plan is to be prepared under the direction of the LRA as a blueprint for redevelopment of the former installation if property is made available for reuse. The redevelopment plan must reflect the current economic context and physical, including environmental, conditions of the installation for the community to make sound decisions for sustainable future reuse. In preparing a record of decision or other decision document under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for disposal of available surplus property, the Secretary is to give substantial deference to the redevelopment plan submitted by the Local Redevelopment Authority. This plan also typically serves as a baseline for the local zoning authority since most military property is not presently zoned.

Where no property is made available despite the loss of missions and personnel, plans are developed to offset job loss and other economic impacts elsewhere in the community.

In the case of growth, a management plan may be necessary to gauge the impacts on local services and develop appropriate responses.

3. *Implementation:* The extent to which the affected community is engaged in the implementation of reuse of a former installation is determined by how it chooses to respond to local factors. For instance, some communities in “ready markets” may elect to assume their existing land development roles with an emphasis on zoning and impact fees for public infrastructure. Other communities with more challenging redevelopment circumstances may choose to operate as public redevelopment authorities to ensure that reuse is initiated, accelerated, and sustained.

Intergovernmental Response

The effort to assist local adjustment goes well beyond OEA to the other Federal Agencies. Beginning in the mid-1960’s, several Presidential actions enhanced the “Defense Economic Adjustment Program,” including an Executive Order that created a Federal inter-agency organization called the President’s Economic Adjustment Committee (EAC), to directly support the community assistance efforts of the Secretary of Defense. I serve as the Executive

Director of the EAC. The Executive Order that established the EAC was recently updated to designate the Secretaries of Labor and Commerce as co-vice chairs and reflect the current Federal agencies and Departments that are to be responsive to the BRAC 2005 requirements. The updated Order renews our partnership with the other Federal Agencies to prioritize assistance programs for affected communities and to establish a forum for the resolution of regulatory and property disposal conflicts.

Interagency coordination ensures that an optimal level of assistance is provided to support local adjustment efforts. At the Washington level, OEA works with each of the major Federal agencies on the availability of responsive assistance. At the community level, OEA project managers work as ombudsmen who know the appropriate assistance programs and can facilitate interaction among local officials and representatives of these programs. Often, as the “first responder,” OEA funding is provided to prepare a local economic recovery strategy, including a base redevelopment plan that serves as a blueprint for other Federal funding. During the last four rounds of the BRAC, OEA provided \$280 million to affected communities. Our Federal agency partners provided an additional \$1.6 billion in coordinated grant assistance as follows:

- Federal Aviation Administration (\$760 million).
- Economic Development Administration (\$611 million).
- Department of Labor (\$223 million).

Interagency coordination has also facilitated the civilian reuse of former military property to benefit the public through Fed-to-Fed transfers and sponsored public benefit conveyances, including:

- Federal Aviation Administration (*public airports at 24 installations*).
- Interior (*parks, historic monuments or conservation land at 46 installations*).
- Education (*primary, secondary or graduate schools at 27 installations*).
- Justice (*prisons or law enforcement facilities at 14 installations*).
- Health and Human Services (*homeless or health-related facilities at 14 installations*).
- Transportation (*highways or intermodal facilities at 16 installations*).

- Maritime Administration (*seaport facilities at 4 installations*).

In preparation for BRAC 05, OEA supported the Department of Labor on the recent award of nearly \$30 million across 37 states, the District of Columbia, and Guam for early workforce transition planning. These awards, under Labor's National Emergency Grant program, will help states to develop responsive programs to assist affected workers and complement an extensive program of assistance offered through the Military Departments' Human Resource components.

Beyond grant assistance and property transfers, close OEA intergovernmental coordination will continue to assist these local adjustment issues:

- school impact aid draw down.
- environmental regulatory approvals.
- Federal agency leaseback procedures.
- surplus property screening.
- property transfers to other Federal entities.
- historic resource agreements.
- joint-use agreements.

Keys to Success

Communities have responded capably to the redevelopment challenges posed by the previous four rounds of BRAC. In fact, for the more than 70 local redevelopment efforts that report on their progress annually, redevelopment activity through October 31, 2004 resulted in the creation of 115,000 jobs, or 88 percent of the nearly 130,000 civilian jobs lost as a result of the BRAC actions. Our experience, combined with feedback obtained through focus group sessions with communities with which we have previously worked, suggests community adjustment is successful if the affected community:

- has strong leadership to provide vision and direction to "speak with one voice."

- has political and financial resources to support the LRA as the community's response vehicle.
- takes advantage of existing resources.
- starts its organization and planning as soon as possible following the Secretary's recommendations.
- includes public and private sector resources.
- represents the affected area and its demographics.
- seeks strategies that are both financially and environmentally feasible.
- coordinates with other community development activities.
- zones to implement planned uses.
- understands environmental parameters.
- involves OEA early in their effort.
- paces itself throughout the redevelopment process.
- understands the BRAC regulatory process.

These concepts are the necessary building blocks for each program we undertake under BRAC 05. To accommodate communities that had a Defense dependency prior to an announced closure or realignment recommendation, OEA offered advance planning assistance to lessen local economic dependencies and even engage in some conceptual base reuse planning. This assistance was available up to the Secretary's May announcement. OEA is now working with affected communities on a "Plan B" approach, or what the community will do if this Commission votes to close or realign the local installation. Once the Commission concludes its review of the Secretary's recommendations and a final list is approved for closures and realignments, OEA will offer the full menu of assistance. OEA has responded immediately before and is ready to respond again for BRAC 2005.

Thank you for the opportunity to come before you to describe our program of adjustment assistance for impacted communities and some of the lessons learned.





ASSOCIATION OF DEFENSE COMMUNITIES

**STATEMENT
OF
MIKI MAHAN SCHNEIDER
DIRECTOR OF PLANNING, MCCLELLAN JOINT POWERS AUTHORITY
REPRESENTING THE
ASSOCIATION OF DEFENSE COMMUNITIES
BEFORE THE
BASE REALIGNMENT AND CLOSURE COMMISSION**

AUGUST 11, 2005

Chairman Principi, and distinguished members of this Commission, thank you for the opportunity to appear before you today. My name is Miki Mahan Schneider, and I am the Director of Planning for the McClellan Joint Powers Authority in Anniston, Alabama – the agency tasked with redeveloping the former Fort McClellan. I appear before you today representing the Association of Defense Communities or ADC, formerly the National Association of Installation Developers. I have served on the board of directors for five years, and currently serve as an officer of the organization.

Tom Markham, ADC's president and executive director of the Lowry Redevelopment Authority in Denver, could not be here today and extends his appreciation for the opportunity we have been given. Tom enjoyed the opportunity to meet Commissioner Coyle last week during his visit to Denver.

For nearly 30 years, the Association of Defense Communities has been the voice of communities impacted by BRAC. We are the nation's leading membership organization supporting over 250 communities with active, closed and closing defense installations. Our 1,000 members unite the diverse interests of communities, the private sector and the military on issues such as base closure and redevelopment, as well as emerging issues such as mission growth, community-base partnerships, and privatization.

It is my privilege to be joined on the panel this morning by two leading experts in the field of base redevelopment. David Knisely and Dan Schnepf represent the wealth of knowledge found in ADC's members. I would also like to thank the members of the previous panel for their support and commitment to defense communities. While we may not always agree, we appreciate your willingness to

listen to the needs of communities. I would also like to recognize the Office of Economic Adjustment for their exceptional efforts in supporting communities after BRAC. OEA is the lifeline for communities affected by base closure. In many ways, we owe our success to OEA.

The members of ADC value the Commission's service and recognize the difficult choices you must make in the weeks to come. While some of our members may not agree with the choices you make, they are grateful for the respect and dignity you have shown them throughout the last three months.

As an organization, we don't get involved with issues of whether a base should or should not close. Our greatest concern is to ensure that impacted communities are given every opportunity to achieve their recovery efforts. I know you share this commitment and we look forward to working with you to support communities.

This morning's speakers have talked a great deal about process, policies, and procedures. While this is important, when BRAC hits home, it's about people, jobs, and a way of life - it's a community issue. Communities are the ones left with the ultimate responsibility to make something happen. In a few weeks, the passion focused on saving the base will shift to a duty to save the community.

Communities must be in charge when planning for life after closure. Just as ADC would never try to tell DoD how to fight a war, DoD should not tell impacted communities how they should redevelop a base. Federal policies must focus on economic recovery first and not the financial return to DoD.

When the focus is on economic recovery, great things can happen. There is life after base closure, but it is not an easy process. There are many obstacles to

redevelopment, but dealing with environmental issues remains the primary impediment to speedy economic recovery after BRAC. While innovations like early transfer and environmental insurance have been valuable tools for communities, many barriers still exist.

My experience with base closure involves the former Fort McClellan in Anniston, Alabama, which was closed as part of the 1995 BRAC round. When the flag was lowered at Fort McClellan in September 2000, the future of this vast property was uncertain. Almost overnight, the "Showplace of the South" became dark, empty and home to deer and turkey instead of soldiers. The McClellan Joint Powers Authority (JPA) was created to redevelop the property and return it as an active part of the community. Now recognized as one of Alabama's premier economic redevelopment projects, McClellan slowly is being transformed.

We have made a great deal of progress over the last five years, most notably creating 2,800 jobs, but environmental contamination left behind from heavy military use since World War I — and the Army's attempt to address it — has hampered our efforts to redevelop the post. We did not learn the full extent to which the property was impacted with unexploded ordnance, or UXO, until 1999 - four years after McClellan was slated for closure. That was also when we discovered there were 10 landfills and 38 underground storage tanks on the site.

Until recently, buried munitions hindered our recovery. Our community lost two large industrial clients — and the promise of over 200 local jobs — because the Army could not move quickly enough to clean up a parcel for the companies to locate new facilities. Now that the JPA has privatized the cleanup — handed off the responsibility to private companies — we are able to respond much quicker to the needs of prospective tenants. If a firm needs 50 acres for a warehouse, the JPA can arrange for the cleanup contractor to make that a priority. Redeveloping

a former base is a dynamic process and communities have to be able to adapt to changes.

The Anniston community received the former McClellan property at no cost from the Army under an economic development conveyance, but as the mayor of Anniston, Chip Howell, has said, "Free ain't cheap." Without adequate funding to remove UXO and replace the dilapidated infrastructure, the redevelopment authority's ability to implement our reuse plan is severely constrained.

While every base is unique, my experience echoes the stories of hundreds of communities who have faced the same issues.

This morning, I would like to share with you four ways the environmental cleanup process could be improved. These recommendations are based on the experiences of communities who have dedicated themselves to creating a successful life after closure:

- Community redevelopment plans must be the mandatory standard for cleanup
- Policies that encourage the timely release of environmental information are essential to expediting property transfer and supporting economic recovery
- Redevelopment plans must deal with the reality of environmental conditions
- Private sector involvement in environmental cleanup is an innovation that helps communities.

Community Redevelopment Plans Must be the Mandatory Standard for Cleanup

One of the first steps in the long road toward economic recovery for communities grappling with a base closure is preparing a redevelopment plan — a document that lays out the community's vision for converting a site that is no longer needed by the military into a vital economic resource. Redevelopment plans are created through broad consensus among local, state and federal stakeholders, and represent a robust strategy for revitalizing the region into the future.

For a redevelopment plan to succeed, you have to know what environmental contamination exists and make sure it is cleaned up to allow new development. In many cases this has just not happened. Extended negotiations, legal fights, and battles over cleanup standards have forced some communities to start from scratch. These delays are an impediment to economic recovery.

While there is a general DOD policy that the property will be cleaned to a level necessary to support the reuse plan, this policy is not a legal requirement and is not judicially enforceable. That policy must change and we must empower communities, working in collaboration with the military, to come up with plans that work from the beginning.

Communities often are left out of the process for making decisions about a closed installation's cleanup. An example is the Base Cleanup Team or BCT. This is the organization established to coordinate cleanup activities between DoD, the EPA and state regulators. Missing from this group are the people doing the actual redevelopment; therefore, the LRA must be party to the BCT. In my own

experience, if the JPA had been an equal member of the cleanup team, we could have crafted a reuse plan that took the property's actual conditions into account.

Redevelopment plans must have power, communities need to be at the table and we need to do a better job linking redevelopment planning to environmental cleanup.

Policies that Encourage the Timely Release of Environmental Information are Essential to Expediting Property Transfer and Supporting Economic Recovery.

Creating an appropriate reuse plan for a former installation is only possible if communities possess all of the information regarding the environmental conditions of the property. In the previous base closure rounds, this information often was missing as communities worked to develop realistic, market-driven plans for redevelopment. This lack of coordination between environmental and redevelopment planning has resulted in delays and the unnecessary expenditure of substantial sums of money. Not only do communities need all available environmental information, but they must receive that information in a timely manner -- early in the reuse process.

In the last several years, DoD has started collecting data on the environmental conditions of bases that may close. It is our hope that the information gathered from these bases will be of sufficient quality and depth to aid and expedite cleanup. Until the military services share the data collected, through communities will remain in the dark as to the environmental condition of their base.

Environmental site characterization needs to be thorough and conducted in accordance with commercial practices and standards. If sites are more thoroughly characterized earlier in the reuse process, surprises can be avoided. At the former Lowry Air Force Base in Denver, unexpected environmental issues have cost the community \$15 million dollars because of a dispute involving the Air Force. That unanticipated liability stemmed from a fight between the Air Force and the state health department over standards for asbestos in soils that has left the community caught between the two agencies.

Plans Must Deal with the Reality of Environmental Conditions

While community redevelopment plans must be the standard for environmental cleanup, community plans must also deal with the reality of environmental conditions. If DoD does its part by releasing complete and accurate information in a timely manner, then communities must do their part as well. Communities must take a common sense approach to planning and realize that some redevelopment projects are not appropriate because of what is in the ground. This approach though must be balanced with the need for full economic recovery while not mitigating DoD's responsibility for environmental cleanup.

Private Sector Involvement in Environmental Cleanup is an Innovation that Helps Communities.

Our next two speakers will discuss this issue in more detail, but I want to emphasize the importance of private sector involvement in environmental cleanup. Ten years ago, communities trying to redevelop a former military base had limited options when it came to cleanup. The military was in charge. As I witnessed at McClellan, this often meant a slow cleanup process, unresponsive to the dynamic

nature of redevelopment. New approaches such as early transfer and privatization allow communities to get clean property back into productive use as quickly as possible. Where it is feasible, we encourage DoD and communities to use these innovations to support economic recovery.

A second innovation that supports community recovery is environmental insurance. This new tool has opened the door for significant private investment in base redevelopment projects. It works because of the protections provided by the federal government, primarily environmental indemnification. Congress included indemnification as an enduring protection at former bases to support economic recovery. Recent attempts to evade this responsibility have been a troubling issue for communities. Without this protection, the significant private sector involvement in financing and redeveloping closed installations would be jeopardized.

These innovations are important, but they will not change the fact that environmental cleanup will be expensive for DoD. There is no way around that responsibility. For communities, this responsibility is a necessary investment for economic recovery.

While the focus is on newly impacted communities, we can't forget the communities from previous rounds. These bases must be cleaned first and transferred first. This can be achieved by honoring all prior commitments and providing a stable source of federal funding for environmental remediation.

Conclusion

This commission will cease to exist next year, but your choices will have a lasting impact. You have been to the communities, met with the leaders, and know the issues they will face after closure. You have learned a lot about community issues and have a unique perspective to share. As the commission did in 1995, we encourage you to make recommendations to the President for improving the Federal government's performance in promoting economic recovery after base closure. Now more than ever, communities need your support. Help us ensure every community is given the chance to succeed.



STATEMENT
OF
DANIEL J. SCHNEPF
BASE REALIGNMENT AND CLOSURE COMMISSION
AUGUST 11, 2005

Chairman Principi and honored members of the Commission, I too would like to express my thanks for the opportunity to speak to you today. I am the Chairman and CEO of Matrix Design Group, Inc. a private consulting engineering firm providing remediation and redevelopment services at former military installations and other major redevelopment and Brownfield sites nationwide. I have been providing a variety of BRAC related services since 1984 when Norton Air Force Base was closed and realigned to March Air Force base in Southern California. Over the past twenty years, I have worked on the detailed redevelopment planning, engineering, cost modeling, environmental analysis and remediation of numerous Department of Defense facilities for affected communities in all parts of the Country where base closure or realignment has occurred. I am excited by the opportunity to support another BRAC round and look forward to helping the government achieve its goals for early redevelopment, replacement of jobs and rehabilitation of the installations for community use.

I would like to comment on the specific challenges I have experienced in the areas of environmental analysis and restoration and its relationship to redevelopment at closed and realigned sites. In addition to what you have already heard from Mr. Knisely and Ms. Schneider I would like to focus on some specific issues that relate to the cost of environmental restoration and the interrelationship of these costs to the process for transfer and redevelopment of the installations.

The process we follow in analyzing sites for restoration and reuse involves a testing of the baseline environmental studies performed by the defense contractors. This process is a paper exercise where the community relies on historical site analysis and data prepared by others from field work performed in the past to estimate the cost to remediate environmental constraints to redevelopment. The environmental data is generated either with respect to a reuse scenario envisioning like use or without regard to a market based reuse plan. In either case the clean up challenge is exacerbated because the cost to remediate and the environmental process for regulatory approval for redevelopment mandated by the state agencies requires that the standard for cleanup match the intended use. We have experienced many successes through the application of a privatized cleanup approach where developers and private sector companies have worked with the community and the state regulators to facilitate a market based approach to remediation that takes advantage of leading edge technologies, risk based cleanup contracts and remediation based on financial returns for the redeveloped property leveraged with federally sponsored cleanup funds. Putting the analysis of the restoration costs in the hands of the party responsible for the actual cleanup and redevelopment and allowing them to facilitate the approval processes through the regulators is a fundamentally sound approach that results in more accurate remediation costs and a quicker reuse of the property.

We are currently managing the remediation of three landfills in conjunction with the construction of a major arterial parkway that runs through the former

Fitzsimons Army Medical Center in Aurora, Colorado. We employed a technique on this project that allowed for leveraging federal cleanup funds with development objectives to achieve the cleanup in a shorter period of time and at less cost. We combined contracting for the construction of the parkway with the cleanup of the landfills to achieve economies in the handling of materials, to provide for a source of fill close to the construction site and to take advantage of single haul operations to the disposal site. These simple construction techniques that typically are not used in the remediation of landfills by the Department of Defense without the redevelopment of a parkway resulted in significant remediation costs savings of approximately 20% on a landfill project cost of \$13.4 million dollars for the landfill cleanup. Using a program management approach to the redevelopment and cleanup also enabled us to use pollution insurance to indemnify the Army while achieving redevelopment objectives immediately. This early transfer privatization of cleanup is viewed by both the DOD and the local community as a tremendous success and is emblematic of what can be achieved with public-private partnerships.

Another example of a successful privatized remediation was the cleanup of trichloroethylene (TCE) contaminated groundwater at the former Lowry Air Force Base in Colorado. The contaminated plume was approximately 3 miles long and had traveled offsite beneath residential neighborhoods. A contract was recently let to a cleanup contractor for a guaranteed fixed price remediation (GFPR) for destruction of the TCE plume. The LRA is allowing advanced cleanup methodologies approved by the State based on in-situ injection of

potassium permanganate through a series of direct push borings (not permanent wells) throughout the impacted groundwater column. In order to reduce remediation times, contractors chose a concentration of potassium permanganate that was 10 times more potent than what they anticipated was required for complete destruction of TCE and its byproducts. The LRA also placed insurance to mitigate the risks associated with the quality of the cleanup and the cost of the process. The overall effect was to achieve cleanup in a shorter period of time at less cost that allowed for more immediate development and reduced risk to the community. This small project shows how privatization can be a win-win for the federal government and the community.

At Fort McClellan in Anniston Alabama we are in the process of applying \$48.5 million dollars in federal cleanup funds to a privatized site cleanup that combines the remediation of both hazardous and toxic wastes with the analysis and remediation of munitions and explosives of concern (MEC). The fundamental approach involves a partnering agreement between the local redevelopment authority, the privatization contractor and the Department of the Army to expedite the redevelopment and generate economic activity, reduce the overall cost to remediate the site, manage the risks involved in remediation and facilitate the regulatory requirements of a new use for the property. As Ms. Schneider has eloquently expressed this process has been arduous and at times contentious, but in the long run it has been essential to the success of the redevelopment. The original government estimate provided by the federal contractor for the same cleanup at McClellan was between \$80 million and \$120

million and was to take place over about a 20 year period. We used an early transfer process, ESCA and a coordinated environmental cost study (CECS) in association with a state approved cleanup agreement to facilitate a less costly cleanup in a privatized fashion in a period of time that coincides directly with redevelopment.

At McClellan one potential way that we have been able to control risk and increase funds available for cleanup while remediating the hazards on site has been to apply a unique approach involving environmental cleanup in bands of development adjacent to existing infrastructure where immediate land value may be captured and partially used to fund additional cleanup. Once again this process seeks to leverage cleanup funds from the federal government with private sector contributions required by the community. If we apply cleanup funds to a rigorous standard of cleanup required by the properties reuse for the first band of say 400 feet of development adjacent to the road and then provide for physical barriers and land use controls in the next band of property and then finally use deed restrictions for any use in the remaining area beyond the first two, we have set the stage for the private sector development value to be used to cleanup more contaminated property in these bands as the demand for the property increases over time. The approach also requires the appropriate insurance to be placed to mitigate the risk of cleanup and potential cost overruns in the remediation process. It also dovetails nicely with existing state voluntary cleanup programs allowing for regulatory approvals. This approach is being

managed through the early transfer and ESCA documentation that Mr. Knisely spoke of earlier.

In general we have found that the differences in cleanup standards between the state regulators and the federal government can be mitigated if land use plans can be coordinated with the cost to cleanup in the context of a mutually agreed to property disposition strategy that allows for direct sale of parcels, public benefit transfers, conservation transfers and community development through master developers and Local Redevelopment Authorities. This strategy must be adjusted to meet state regulatory constraints and privatization of cleanup and public private partnerships must be employed to take advantage of the private sectors profit driven motivations for development along with the application of advanced characterization and remediation technology in a way that saves time. The next round of BRAC will continue to evolve in a positive fashion if the tools for processing the excess property as we have discussed here continue to be used and an even bigger focus is placed on private sector involvement in the remediation and redevelopment of BRAC sites. There have been many lessons learned from the years of work that have gone on toward the cleanup and redevelopment of former military installations. The following list represents some of the more important lessons:

- Use of the GFPR approach ensures that budgeted dollar amounts are adhered to, and remediation achieved for the price negotiated.

- Understanding the existing environmental conditions of a property through the thorough technical review of existing environmental documentation
- Performing adequate site characterization
- Development of an appropriate reuse plan that accounts for environmental condition of property
- Obtaining appropriate funding for environmental remediation, including contingencies to cover the minor unknowns
- Defining clear and legal responsibility, along with response timelines, for those major unknowns that are encountered
- Place appropriate insurance products to reduce and manage risk, proceed with timely remediation and redevelopment, and assist in improving the marketability of a potentially contaminated site. A good environmental insurance policy provides for any business interruption due to the presence of encountered contamination, third party liability claims, and project cost overruns due to the discovery of new contamination, more contamination than originally anticipated, or changes in regulatory cleanup requirements.
- Obtaining cleanup dollars from the sale of property to developers. By realizing the value of property, cleanup dollars can be generated from sources other than the federal budget.
- Conducting redevelopment construction activities concurrently with remediation (cleanup by development)

- Negotiating streamlined regulatory Consent Agreements that allow for minimizing study and reporting requirements, thus focusing the bulk of the dollars on cleanup

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Mr. Chairman and members of the commission I appreciate the time you have allowed for these important discussions on BRAC. Thank you for allowing me to relate some of my relevant experiences.



STATEMENT
OF
DAVID S. KNISELY BEFORE THE
BASE REALIGNMENT AND CLOSURE COMMISSION
AUGUST 11, 2005

Chairman Principi and distinguished members of the Commission, I would like to extend my thanks for the opportunity to appear before you today. I am a private attorney with the law firm of Garrity & Knisely based in Boston, Massachusetts. Over the past ten years, I have represented communities in all parts of the country where base closure or realignment has occurred.

I would like to take a few minutes to elaborate on the comments of Miki Schneider. It has been my experience that local redevelopment authorities or "LRAs", the primary community representative in the base closure process, and the Military Departments typically share a common and over-riding objective in the closure process. That objective is the expeditious transfer of the former installation to the LRA or other eligible property recipients. Delays in property transfer add significant caretaker and other carrying costs to the cost of closure, and stifle the job restoration efforts of base closure communities. The primary issue that has seriously hindered the accomplishment of this common objective has been the length of time it has generally taken to complete the environmental cleanup of closing installations.

Under the Federal "Superfund Statute", commonly referred to as "CERCLA", the Military Departments have an affirmative obligation to complete the environmental cleanup of closing bases prior to transfer. This obligation is absolutely critical to the successful redevelopment of closing installations. The manner in which this obligation is fulfilled, however, makes a real difference in the time it takes to complete property transfers at closing installations.

Under the "standard" process utilized in early base closure rounds, the Military Departments retained control of the cleanup process, and when the cleanup was completed, proceeded with property transfer. While exceptions exist, this process proved to be extremely cumbersome, time consuming and unsatisfactory to all parties concerned. Redevelopment took years longer than anticipated, further penalizing base closure communities, and surplus property remained in federal hands years longer than anticipated, reducing the savings predicted to result from base closure.

An alternative model for transfer has evolved slowly over the last seven years that, in my view, should be strongly encouraged by the Commission as one of the most effective mechanisms to expedite the transfer and cleanup of property, enabling prompt redevelopment and mitigating the often devastating effects of base closure. This model combines "early" transfer authority under CERCLA, which authorizes Military Departments to transfer property prior to the completion of the environmental cleanup (with the requirement that the cleanup be completed post-transfer), with (i) authorities the Military Departments may utilize to fund LRAs or other property recipients to complete the environmental cleanup at closing installations, or alternatively to deduct the price of the cleanup from the sale price under a public sale scenario, and (ii) the placement of environmental insurance, which mitigates cleanup risk to property recipients, developers, lenders and the Military Departments.

Commonly known as "early transfer" or "cleanup privatization", use of this model, in essence, allocates responsibilities to the parties in a very effective way:

- The Military Department fulfills its legal obligation to complete the cleanup of the closing installation by funding the LRA or other property recipient for completion of the cleanup, and thereafter disposes of the property via “early transfer” relatively early in the process, removing the property from its books and assuming an oversight role with regard to completion of the cleanup.
- The LRA or other property recipient who will ultimately redevelop or negotiate the redevelopment of the property receives title to the property early in the closure process, and at the same time receives funding to complete the cleanup. This synergy allows the LRA to combine the cleanup process with the redevelopment process, reaping significant advantages in terms of cost savings, development sequencing and numerous other benefits on which my colleague, Dan Schnepf will elaborate.
- The environmental regulator, a key player in the cleanup of closing installations, and the LRA or property recipient are typically given the freedom to negotiate cleanup standards based on state standards and specific development plans, as opposed to having to worry about setting precedents for other installations, and the vagaries of funding cycles, that often significantly delay the cleanup and transfer process.
- Finally, the LRA or property recipient include in their cost to complete figure negotiated with the Military Department the cost of environmental

insurance, the placement of which mitigates the risks for all parties, and contributes significantly to the ultimate financeability of the property.

While there are numerous variations to the manner in which “early transfer” or “cleanup privatization” may be implemented, the basic principles remain the same:

- Transfer the property to the private sector as early in the process as possible, relieving the Department of Defense of expensive carrying costs and allowing redevelopment be initiated;
- Get the Military Departments out of the business of performing cleanups;
- Allow the ultimate user of the property to negotiate cleanup standards and protocols with the regulatory community, and combine the cleanup with redevelopment; and
- Mitigate cleanup risks through the prudent placement of environmental insurance.

Variations of this early transfer model have been utilized successfully at numerous Army, Air Force and Navy installations over the past seven years, including the Fleet Industrial Supply Center Oakland, Oakland, California, Mare Island, Vallejo, California, Fitzsimons Army Hospital, Aurora, Colorado, Lowry Air Force Base, Denver and Aurora, Colorado, Savanna Army Depot, Savanna, Illinois, and Fort McClellan, Anniston, Alabama. While each of these closing installations faced unique cleanup, regulatory and development challenges, it is fair to say that at all of these installations both the Military Department and the

local community benefited tremendously from an expedited cleanup and property transfer process.

In order to build on these successes and allow this early transfer model to continue to evolve and be utilized even more effectively in the upcoming round of base closures, I believe the following observations or recommendations are worthy of consideration.

- The use of early transfer authority under CERCLA, combined, where possible, with privatization of the cleanup, should be the first option put on the table by the Military Departments as they engage with communities following final closure decisions. In order for this option to be implemented quickly (i) early funding priority should be given to assembling existing environmental data at the installations, and performing time sensitive and thorough environmental baseline surveys, so that as much data is available to the LRA, potential property recipients, and the regulatory community as possible, and (ii) LRA staff and the regulators should be immediately engaged by the Military Department as the “team” who will perform and regulate the cleanup. I cannot emphasize enough how critical this is.
- Cleanup standards, combined with selected reuse scenarios, are key drivers in determining the ultimate cost of cleanup. As Miki Schneider pointed out, redevelopment plans that promote “robust” redevelopment, while thoughtfully taking into consideration past and existing uses should be the reuse template around which the cleanup is designed. Although

the determination of appropriate cleanup standards is often complicated due to sometimes varying state and federal standards, in my experience, the best way to handle this issue is to allow the LRA or other property recipient, in consultation with the Military Department, to negotiate the cleanup standards and administrative requirements with the state regulatory agency, with U.S. EPA involvement where appropriate. While compromises sometimes have to be made by the Military Department, the time savings involved in getting to a standard or standards and proceeding with the cleanup on an expedited basis far out-weigh the time spent fighting a standard.

- Privatized cleanups are typically funded through the use of environmental services cooperative agreements or "ESCA's", that are entered into between LRAs and the Military Departments. Recent legislation limited the terms of ESCA's to two years. This two year limitation serves no useful purpose in the context of cleanups that often take many years to complete. This arbitrary time limitation should be eliminated.
- The redevelopment of former military installations is complicated by the risks inherent in the cleanup issues that often must be dealt with, not the least of which is unexploded ordnance. All other issues aside, the statutory protections afforded to new owners of former base property under CERCLA (Military Departments have the affirmative obligation to complete the initial cleanup and to complete cleanup post-transfer for additional contamination found) and Section 330 of the National Defense

Authorization Act for Fiscal Year 1993 (third party indemnification), have made former installations “financeable” assets. Without the ability to secure financing for redevelopment, redevelopment will not occur. These statutory protections are also an important factor in the ability of owners and developers to secure environmental insurance, which has also proven to be critical to the ability of LRA and developers to attract private capital to these sites. These statutory protections must remain in place without compromise.

- Notwithstanding the innovations discussed above, even in the context of privatized cleanups that often result in cost savings due to private sector innovations and combining the redevelopment process with the cleanup process, the cleanup of former military installations is expensive. While the Military Departments have a responsibility to be good stewards of public funds, short-changing cleanups, especially early on, generally results in the requirement to spend more dollars later, and delays the cleanup and transfer process. It is critical that the real cost of cleanup be recognized early in the process, and be funded appropriately.
- Finally, post-transfer contamination has been and will continue to be found at closed installations, as the redevelopment process proceeds. In my experience, the Military Departments have taken these discoveries seriously, and have generally responded very well in emergency situations. The problem, however, is the time it takes the Departments to respond in non-emergency situations which, although not “life-

threatening”, may have devastating effects on redevelopment programs. LRAs or private developers are often faced with the difficult choice of “do we wait for a response for the Military Department or do we just proceed and assume the cost”. There is no easy answer here. Environmental insurance has proven to be very effective in many situations where “unknown” conditions are encountered post-transfer, and this coverage is funded by the Military Departments in the context of privatized cleanups. In other cases, the Military Departments must be strongly encouraged to respond quickly to discovery of unknown conditions, and work proactively with property owners to resolve the issues. The privatization of the cleanup of “unknown” conditions found post-transfer is also an alternative that Military Departments should be encouraged to utilize. Failure to be responsive to the discovery of these conditions on a time-sensitive basis will have a negative impact on the financeability of closing installations in this upcoming round of closures.

The impact of base closure on local economies is often devastating. The most effective way to get communities on the “road to recovery” is to expedite the transfer of property at closing and realigning installations.

Thank you for allowing me to appear before you today.



6



Environmental Stewardship of Installations Recommended for Closure or Realignment

PANEL ONE:

**The Honorable Philip W. Grone, Deputy Under Secretary of Defense,
Installations and Environment**

**Mr. Jim Woolford, Director, Federal Facilities Restoration and Reuse
Office Environmental Protection Agency**

Mr. Patrick O'Brien, Director, Office of Economic Adjustment

August 11, 2005

QUESTIONS FOR DOD: (Three parts)

1. BACKGROUND ON COST ISSUES: During the development of closure recommendations, DoD obtained the cost to complete environmental restoration from the Defense Environmental Restoration Program, Annual Report to Congress for Fiscal Year 2003 (DERP FY03 Report). The DERP FY03 Report identifies the costs to complete installation remediation and identifies those facilities with potential Military Munitions Response Program costs. These costs were not considered in the payback calculations since DoD was responsible for them even if the facility stays open.

The DERP FY03 Report does not identify all of the potential environmental costs if DoD transfers an installation. For example the costs associated with closing underground storage tanks, aboveground storage tanks, oil/water separators, wash racks and operational ranges would not normally be shown in the DERP report.

QUESTIONS:

- 1. The GAO report indicates the estimated environmental restoration costs for the 33 major closures are \$949.1M. What is your current cost to complete the environmental restoration for the 33 major closures?**
- 2. If the facilities are closed under this BRAC round, how will the acceleration of clean-up impact your cost to complete the environmental restoration?**
- 3. How were the costs to complete environmental restoration developed?**

- 4. What is included in the costs to complete environmental restoration? What costs are excluded?**
- 5. The estimate to close the currently operational ranges, at the 33 major closing facilities, varies from \$69.52M to \$1,075.48M. The upper end of this estimate would more than double the currently estimated cost to complete environmental restoration. Why are these costs not included in your estimates, to obtain a true cost to close and remediate these facilities?**
- 6. How will other types of environmental restoration costs be identified and budgeted? (At some of the ammunition plants, costs for decontamination of buildings contaminated with explosives are not captured in COBRA or the Defense Environmental Restoration Program, Annual Report to Congress for Fiscal Year 2003).**
- 7. Historical projection of costs versus actual cost:
 - a. What was the projected environmental restoration cost in prior BRAC rounds? (A Congressional Research Service Report for Congress, dated February 23, 2005, lists the environmental cleanup costs from previous base closure rounds to total approximately \$11B.)**
 - b. What was the actual environmental restoration cost?**
 - c. Have these differences been factored into the estimates for this round?****
- 8. We understand that the environmental restoration costs only include the cost to clean to current use standards. If, during redevelopment, the decision is made to reuse a facility for residential use, will DoD cleanup and pay to cleanup to the higher standard?**
- 9. Does DoD maintain liability for cleanup of BRAC properties?**
- 10. Do you feel this round will be different than past BRAC rounds? If so, in what way? Are the DoD facilities in better shape or further along in the environmental restoration program?**

11. What alternatives are available in lieu of complete restoration?

2. BACKGROUND ON COBRA ENVIRONMENTAL COST ISSUES:

As we understand it the COBRA model only captured cost associated with environmental compliance and waste management activities. It does not capture any costs associated with environmental restoration.

QUESTIONS:

12. What costs, related to environmental, are captured in the COBRA model? What costs are not captured?

13. Why were cost to complete environmental restoration not included in the payback calculations?

14. Don't you think it would provide a better picture of the true costs to close an installation by including environmental restoration costs in COBRA?

3. BACKGROUND ON PROPERTY TRANSFER AND REUSE: Once a decision to close a facility is made, there is a process DoD goes through to determine who (other military services, other Federal Agencies, state and local governments or sell to private developers) will obtain the property.

QUESTIONS:

15. If closure recommendations are approved, how is the decision on who obtains the property made?

16. How is the property transferred?

17. What is "early transfer"?

18. What is privatization of the cleanup?

19. Will DOD put properties up for sale?

20. Does DOD provide assistance to local communities with redevelopment efforts?

21.If DOD sells the property is the money put into the BRAC cleanup account?

QUESTIONS FOR EPA:

GENERAL EPA BACKGROUND: Environmental restoration at closing military installations is conducted under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) authority and under the Resource Conservation and Recover Act (RCRA) authority. The cleanup programs at most federal facilities are well under way and would best be described as mature.

In 1980, CERCLA was passed. CERCLA created a trust fund, known as the Superfund, to address the nation's most significant hazardous waste sites. Congress passed CERCLA in response to such dramatic contamination problems as Love Canal, NY and Times Beach, MO. The Environmental Protection Agency (EPA) was given authority to respond to hazardous waste problems using Superfund. A list of the most serious sites, the National Priorities List (NPL) was established.

As passed in 1980, CERCLA did not specifically address the federal government's property. In the late 1970's the Department of Defense (DOD) began discovering that it had the same impacts from historical mismanagement of chemical and other waste as private industry. Investigatory work was initiated by DOD in the late 1970's and early 1980's, without formal involvement by regulatory agencies such as EPA.

In 1986 CERCLA was amended by the Superfund Amendments and Reauthorization Act (SARA). Importantly for DOD, Section 120 was added, which states that federal agencies must comply with CERCLA in the same manner as everybody else. EPA was required to list federal facilities on the NPL, if there was no other cleanup authority being used at the facility. At the time the authority for the selection of cleanup actions for federal facilities on the NPL was given to EPA, and interagency Agreements between EPA and federal facilities on the NPL were required. In January, 1987, the President issued Executive Order 12580, which gave the Secretary of Defense the authority to respond to contamination of DOD property.

QUESTIONS:

- 1. Based on EPA's experience with BRAC closures and environmental clean-up, does the approximately \$950M cost to complete environmental restoration appear to be realistic?**
- 2. What is EPA's involvement in the BRAC process?**
- 3. How does being on the National Priorities List (NPL) affect the BRAC process?**

- 4. How many of the major sites recommended for the BRAC round of closures are on the NPL? Which are the most serious?**
- 5. How many past BRAC closures were on the NPL? What is the progress on those? Any sites removed from the NPL?**
- 6. Does DoD maintain liability for cleanup of BRAC properties?**
- 7. Does DoD provide indemnification from Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability, so that future owners will bear no responsibility for cleanup of contamination caused by DOD?**
- 8. How do you feel this round will be different then past rounds? Are the DoD facilities in better shape or further along in the environmental restoration program?**
- 9. What is the State's involvement in the BRAC process?**
- 10. How does Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Section 120(h)(3) affect DoD's ability to transfer property?**

QUESTIONS FOR OEA:

GENERAL OEA BACKGROUND: When communities do not plan early for the reuse of a facility, a vacuum of leadership often emerges in the community. Some people may look to the installation for assistance, but once an installation is designated for closure, the mission is to phase-down operations, to “turn out the light, and lock the gate” as fast as possible. Some communities look to the Office of Economic Adjustment (OEA) — the primary agency within DOD responsible for providing adjustment assistance to communities, regions and states adversely affected by significant DOD programs changes, such as BRAC.

While OEA offers planning assistance grant funds to local communities, it is not realistic to expect that it can fill the void of leadership in the community. To develop a successful reuse plan, local leadership is critical. If no one is in charge, then no decision can be arrived at without extensive debate and maneuvering. Delays associated with community leadership selection will ultimately postpone reuse. And for each year of delay, there is the risk of losing federal funding.

QUESTIONS:

- 1. What type of funding can the communities obtain? Is the funding a grant?**
- 2. Does OEA provide assistance to communities during redevelopment?**
- 3. For small town America with a limited employment base outside of the former military facility and a limited redevelopment potential, how would OEA provide assistance?**
- 4. Can you provide us a basic timeline on how a community responds to the news that a military facility is closing?**
- 5. What lessons, if any, have we learned from previous BRAC Rounds? Are we doing anything different this round?**

PANEL TWO:

Miki Schneider, Association of Defense Communities

Daniel Schnepf, Matrix Design Group

David Knisely, Garrity and Knisely Law Firm

QUESTIONS FOR THE REDEVELOPMENT AUTHORITY, ENVIRONMENTAL CONTRACTOR AND ATTORNEY:

BACKGROUND ON REDEVELOPMENT: Redevelopment authority's, environmental cleanup contractors and law firms who have dealt and are currently dealing with environmental restoration and redevelopment issues at past BRAC facilities. This panel represents the end user of the former military facilities from a publicly managed redevelop authority view point. This panel should also be able to provide input on engineering issues associated with redevelopment and environmental remediation issues from a public or private company view. As part of this discussion the panel should be able to discuss how environmental contamination unknowns, changes in planned redevelopment and land use controls impact the redevelopment. The panel will also be able to provide input into a normal transfer of military property to private ownership or to a city or state agency, how privatization and early transfer impacts this process. Also what are the legal implications to these types of transfer and other legal issues such as cleanup liability, land use controls and newly discovered contamination from past DoD operations. These issues can be discussed with examples to better illustrate how they impact redevelopment.

QUESTIONS:

- 1. The GAO report indicates the estimated environmental restoration costs for DoD recommended 33 major base closures is \$949.1 Million. Based upon your experience and/or knowledge, of the 33 major closures, can you give us a feel for how much of an increase or decrease versus the actual cost we can expect? If not, can you provide us some examples of historical percent increases or decreases from past rounds?**
- 2. What is your experience with environmental restoration unknowns?**
- 3. What is your experience with starting a redevelopment and later finding additional contamination? Is this a common experience?**
- 4. How has DoD responded when additional contamination is found?**

- 5. How do you ensure that the liability for completing the cleanup if new contamination is found is handled properly?**
- 6. How does funding for environmental cleanup impact your ability to plan for the redevelopment of a parcel?**
- 7. How does the funding process work from a contractor perspective?**
- 8. What is the biggest impediment to redevelopment from an environmental restoration view?**
- 9. How does changing the planned type of reuse impact completed environmental remediation?**
- 10. If the ultimate use of a closure facility is changed to a higher standard, how does that impact your work on the ground and with DoD?**
- 11. How do you feel this round will be different than past rounds? Are the DOD facilities in better shape or further along in the environmental restoration program?**
- 12. What type of documentation is required to have a smooth early transfer? What happens if the cleanup is privatized?**
- 13. Do you have any recommendations on ways to make it easier for the DoD/Contractor partnership to work better?**
- 14. What is your perception of how the different services handle or administer property transfer?**
- 15. Mr. Knisely in your opinion, does DOD maintain liability for cleanup of BRAC properties?**



BRAC 2005 Closure and Realignment Impacts by State

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Alabama									
Abbott U.S. Army Reserve Center Tuskegee	Close	(2)	(1)	0	0	(2)	(1)	0	(3)
Anderson U.S. Army Reserve Center Troy	Close	(15)	0	0	0	(15)	0	0	(15)
Armed Forces Reserve Center Mobile	Close	(27)	0	22	0	(5)	0	0	(5)
BG William P. Screws U.S. Army Reserve Center Montgomery	Close	(15)	(3)	0	0	(15)	(3)	0	(18)
Fort Ganey Army National Guard Reserve Center Mobile	Close	(13)	0	0	0	(13)	0	0	(13)
Fort Hanna Army National Guard Reserve Center Birmingham	Close	(28)	0	0	0	(28)	0	0	(28)
Gary U.S. Army Reserve Center Enterprise	Close	(9)	(1)	0	0	(9)	(1)	0	(10)
Navy Recruiting District Headquarters Montgomery	Close	(31)	(5)	0	0	(31)	(5)	(5)	(41)
Navy Reserve Center Tuscaloosa AL	Close	(7)	0	0	0	(7)	0	0	(7)
The Adjutant General Bldg, AL Army National Guard Montgomery	Close	(85)	0	0	0	(85)	0	0	(85)
Wright U.S. Army Reserve Center	Close	(8)	(1)	0	0	(8)	(1)	0	(9)
Anniston Army Depot	Gain	0	(87)	0	1,121	0	1,034	0	1,034
Dannelly Field Air Guard Station	Gain	0	0	18	42	18	42	0	60
Fort Rucker	Gain	(423)	(80)	2,157	234	1,734	154	0	1,888
Redstone Arsenal	Gain	(1,322)	(288)	336	1,874	(986)	1,586	1,055	1,655
Birmingham Armed Forces Reserve Center	Realign	(146)	(159)	0	0	(146)	(159)	0	(305)
Birmingham International Airport Air Guard Station	Realign	(66)	(117)	0	0	(66)	(117)	0	(183)
Maxwell Air Force Base	Realign	(740)	(511)	0	0	(740)	(511)	0	(1,251)
Alabama Total		(2,937)	(1,253)	2,533	3,271	(404)	2,018	1,050	2,664

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Alaska									
Kulis Air Guard Station	Close	(218)	(241)	0	0	(218)	(241)	0	(459)
Eielson Air Force Base	Realign	(2,821)	(319)	0	0	(2,821)	(319)	200	(2,940)
Elmendorf Air Force Base	Realign	(1,499)	(65)	397	233	(1,102)	168	0	(934)
Fort Richardson	Realign	(86)	(199)	0	0	(86)	(199)	(1)	(286)
Alaska Total		(4,624)	(824)	397	233	(4,227)	(591)	199	(4,619)
Arizona									
Air Force Research Lab, Mesa City	Close	(42)	(46)	0	0	(42)	(46)	0	(88)
Allen Hall Armed Forces Reserve Center, Tucson	Close	(60)	0	0	0	(60)	0	0	(60)
Leased Space - AZ	Close/Realign	0	(1)	0	0	0	(1)	0	(1)
Marine Corps Air Station Yuma	Gain	0	0	0	5	0	5	0	5
Phoenix Sky Harbor I	Gain	0	0	10	29	10	29	0	39
Fort Huachuca	Realign	0	(212)	0	44	0	(168)	1	(167)
Luke Air Force Base	Realign	(101)	(177)	0	0	(101)	(177)	0	(278)
Arizona Total		(203)	(436)	10	78	(193)	(358)	1	(550)
Arkansas									
El Dorado Armed Forces Reserve Center	Close	(24)	0	0	0	(24)	0	0	(24)
Stone U.S. Army Reserve Center, Pine Bluff	Close	(30)	(4)	0	0	(30)	(4)	0	(34)
Little Rock Air Force Base	Gain	(16)	0	3,595	319	3,579	319	0	3,898
Camp Pike (90th)	Realign	(86)	(91)	0	0	(86)	(91)	0	(177)
Fort Smith Regional	Realign	(19)	(59)	0	0	(19)	(59)	0	(78)
Arkansas Total		(175)	(154)	3,595	319	3,420	165	0	3,585

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct	
		Mil	Civ	Mil	Civ	Mil	Civ			
California										
Armed Forces Reserve Center Bell	Close	(72)	0	48	0	(24)	0	0	(24)	
Defense Finance and Accounting Service, Oakland	Close	0	(50)	0	0	0	(50)	0	(50)	
Defense Finance and Accounting Service, San Bernardino	Close	0	(120)	0	0	0	(120)	0	(120)	
Defense Finance and Accounting Service, San Diego	Close	(3)	(237)	0	0	(3)	(237)	0	(240)	
Defense Finance and Accounting Service, Seaside	Close	(10)	(51)	0	0	(10)	(51)	0	(61)	
Naval Support Activity Corona	Close	(6)	(886)	0	0	(6)	(886)	0	(892)	
Naval Weapons Station Seal Beach Det Concord	Close	0	(71)	0	0	0	(71)	0	(71)	
Navy-Marine Corps Reserve Center, Encino	Close	(33)	0	0	0	(33)	0	0	(33)	
Navy-Marine Corps Reserve Center, Los Angeles	Close	(48)	0	0	0	(48)	0	0	(48)	
Onizuka Air Force Station	Close	(107)	(171)	0	0	(107)	(171)	0	(278)	
Riverbank Army Ammunition Plant	Close	0	(4)	0	0	0	(4)	(85)	(89)	
Leased Space - CA	Close/Realign	(2)	(14)	0	0	(2)	(14)	0	(16)	
AFRC Moffett Field	Gain	0	0	87	166	87	166	0	253	
Channel Islands Air Guard Station	Gain	0	0	4	15	4	15	0	19	
Edwards Air Force Base	Gain	(14)	0	23	42	9	42	0	51	
Fort Hunter Liggett	Gain	0	0	25	18	25	18	0	43	
Fresno Air Terminal	Gain	0	0	57	254	57	254	0	311	
Marine Corps Base Miramar	Gain	(46)	(3)	87	34	41	31	0	72	
Marine Corps Reserve Center Pasadena CA	Gain	0	0	25	0	25	0	0	25	
Naval Air Station Lemore	Gain	(39)	0	44	35	5	35	0	40	
Naval Air Weapons Station China Lake	Gain	(44)	(14)	198	2,329	154	2,315	0	2,469	
Naval Base Point Loma	Gain	(12)	(341)	312	350	300	9	0	309	
Naval Station San Diego	Gain	(1)	(2)	1,085	86	1,084	84	2	1,170	

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Vandenberg Air Force Base	Gain	0	0	44	101	44	101	0	145
Beale Air Force Base	Realign	(8)	(171)	0	0	(8)	(171)	0	(179)
Camp Parks (91st)	Realign	(25)	(18)	0	0	(25)	(18)	0	(43)
Defense Distribution Depot San Joaquin	Realign	0	(31)	0	0	0	(31)	0	(31)
Human Resources Support Center Southwest	Realign	0	(164)	0	0	0	(164)	0	(164)
Los Alamitos (63rd)	Realign	(92)	(78)	0	0	(92)	(78)	0	(170)
March Air Reserve Base	Realign	(71)	(44)	0	4	(71)	(40)	0	(111)
Marine Corps Base Camp Pendleton	Realign	(145)	(6)	0	7	(145)	1	0	(144)
Marine Corps Logistics Base Barstow	Realign	(140)	(330)	0	0	(140)	(330)	51	(419)
Naval Base Coronado	Realign	(71)	(587)	0	198	(71)	(389)	0	(460)
Naval Base Ventura City	Realign	(244)	(2,149)	5	854	(239)	(1,295)	0	(1,534)
Naval Medical Center San Diego	Realign	(1,596)	(33)	0	0	(1,596)	(33)	(1)	(1,630)
Naval Weapons Station Fallbrook	Realign	0	(118)	0	0	0	(118)	0	(118)
California Total		(2,829)	(5,693)	2,044	4,493	(785)	(1,200)	(33)	(2,018)
Colorado									
Leased Space - CO	Close/Realign	0	(11)	0	0	0	(11)	0	(11)
Buckley Air Force Base	Gain	0	0	13	81	13	81	0	94
Fort Carson	Gain	0	0	4,178	199	4,178	199	0	4,377
Peterson Air Force Base	Gain	0	(27)	482	19	482	(8)	36	510
Schriever Air Force Base	Gain	0	0	44	51	44	51	0	95
Air Reserve Personnel Center	Realign	(159)	(1,447)	57	1,500	(102)	53	(59)	(108)
United States Air Force Academy	Realign	(30)	(9)	0	0	(30)	(9)	(1)	(40)
Colorado Total		(189)	(1,494)	4,774	1,850	4,585	356	(24)	4,917

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Connecticut									
SGT Libby U.S. Army Reserve Center, New Haven	Close	(14)	(7)	0	0	(14)	(7)	0	(21)
Submarine Base New London	Close	(7,096)	(952)	0	0	(7,096)	(952)	(412)	(8,460)
Turner U.S. Army Reserve Center, Fairfield	Close	(13)	(4)	0	0	(13)	(4)	0	(17)
U.S. Army Reserve Center Area Maintenance Support Facility Middletown	Close	(13)	(5)	0	0	(13)	(5)	0	(18)
Bradley International Airport Air Guard Station	Realign	(23)	(88)	26	15	3	(73)	0	(70)
Connecticut Total		(7,159)	(1,056)	26	15	(7,133)	(1,041)	(412)	(8,586)
Delaware									
Kirkwood U.S. Army Reserve Center, Newark	Close	(7)	(2)	0	0	(7)	(2)	0	(9)
Dover Air Force Base	Gain	0	0	115	133	115	133	0	248
New Castle County Airport Air Guard Station	Realign	(47)	(101)	0	0	(47)	(101)	0	(148)
Delaware Total		(54)	(103)	115	133	61	30	0	91
District of Columbia									
Leased Space - DC	Close/Realign	(103)	(68)	0	79	(103)	11	0	(92)
Bolling Air Force Base	Realign	(96)	(242)	0	0	(96)	(242)	(61)	(399)
Naval District Washington	Realign	(108)	(845)	28	522	(80)	(323)	40	(363)
Potomac Annex	Realign	(4)	(5)	0	0	(4)	(5)	(3)	(12)
Walter Reed Army Medical Center	Realign	(2,679)	(2,388)	28	31	(2,651)	(2,357)	(622)	(5,630)
District of Columbia Total		(2,990)	(3,548)	56	632	(2,934)	(2,916)	(646)	(6,496)

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Florida									
Defense Finance and Accounting Service, Orlando	Close	(9)	(200)	0	0	(9)	(200)	0	(209)
Navy Reserve Center ST Petersburg	Close	(12)	0	0	0	(12)	0	0	(12)
Eglin Air Force Base	Gain	(28)	(42)	2,168	120	2,140	78	0	2,218
Homestead Air Reserve Station	Gain	0	(12)	0	83	0	71	0	71
Jacksonville International Airport Air Guard Station	Gain	0	(6)	45	22	45	16	0	61
MacDill Air Force Base	Gain	(292)	0	162	231	(130)	231	0	101
Naval Air Station Jacksonville	Gain	(72)	(245)	1,974	310	1,902	65	58	2,025
Naval Station Mayport	Gain	(6)	0	403	13	397	13	0	410
Hurlburt Field	Realign	(48)	(6)	0	0	(48)	(6)	0	(54)
Naval Air Station Pensacola	Realign	(857)	(1,304)	555	124	(302)	(1,180)	(97)	(1,579)
Naval Support Activity Panama City	Realign	(12)	(12)	0	0	(12)	(12)	0	(24)
Patrick Air Force Base	Realign	(136)	(59)	0	0	(136)	(59)	0	(195)
Tyndall Air Force Base	Realign	(48)	(19)	11	0	(37)	(19)	0	(56)
Florida Total		(1,520)	(1,905)	5,318	903	3,798	(1,002)	(39)	2,757

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Georgia									
Fort Gillem	Close	(517)	(570)	6	0	(511)	(570)	0	(1,081)
Fort McPherson	Close	(2,260)	(1,881)	0	0	(2,260)	(1,881)	0	(4,141)
Inspector/Instructor Rome GA	Close	(9)	0	0	0	(9)	0	0	(9)
Naval Air Station Atlanta	Close	(1,274)	(156)	0	0	(1,274)	(156)	(68)	(1,498)
Naval Supply Corps School Athens	Close	(393)	(108)	4	0	(389)	(108)	(16)	(513)
Peachtree Leases Atlanta	Close	(65)	(97)	0	0	(65)	(97)	0	(162)
U.S. Army Reserve Center Columbus	Close	(9)	0	0	0	(9)	0	0	(9)
Dobbins Air Reserve Base	Gain	0	0	73	45	73	45	0	118
Fort Benning	Gain	(842)	(69)	10,063	687	9,221	618	0	9,839
Marine Corps Logistics Base Albany	Gain	(2)	(42)	1	193	(1)	151	0	150
Moody Air Force Base	Gain	(604)	(145)	1,274	50	670	(95)	0	575
Robins Air Force Base	Gain	(484)	(225)	453	224	(31)	(1)	781	749
Savannah International Airport Air Guard Station	Gain	0	0	17	21	17	21	0	38
Submarine Base Kings Bay	Gain	0	0	3,245	102	3,245	102	20	3,367
Georgia Total		(6,459)	(3,293)	15,136	1,322	8,677	(1,971)	717	7,423
Guam									
Andersen Air Force Base	Realign	(64)	(31)	0	0	(64)	(31)	0	(95)
Guam Total		(64)	(31)	0	0	(64)	(31)	0	(95)
Hawaii									
Army National Guard Reserve Center Honokaa	Close	(118)	0	0	0	(118)	0	0	(118)
Naval Station Pearl Harbor	Gain	(29)	(213)	0	324	(29)	111	0	82
Hickam Air Force Base	Realign	(311)	(117)	159	7	(152)	(110)	0	(262)
Hawaii Total		(458)	(330)	159	331	(299)	1	0	(298)

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Idaho									
Navy Reserve Center Pocatello	Close	(7)	0	0	0	(7)	0	0	(7)
Boise Air Terminal Air Guard Station	Realign	(22)	(62)	0	1	(22)	(61)	0	(83)
Mountain Home Air Force Base	Realign	(1,235)	(54)	697	23	(538)	(31)	0	(569)
Idaho Total		(1,264)	(116)	697	24	(567)	(92)	0	(659)
Illinois									
Armed Forces Reserve Center Carbondale	Close	(32)	0	0	0	(32)	0	0	(32)
Navy Reserve Center Forest Park	Close	(15)	0	0	0	(15)	0	0	(15)
Greater Peoria Regio	Gain	0	0	13	21	13	21	0	34
Scott Air Force Base	Gain	(252)	0	131	832	(121)	832	86	797
Capital Airport Air Guard Station	Realign	(52)	(133)	22	0	(30)	(133)	0	(163)
Fort Sheridan	Realign	(17)	(17)	0	0	(17)	(17)	0	(34)
Naval Station Great Lakes	Realign	(2,005)	(124)	16	101	(1,989)	(23)	(10)	(2,022)
Rock Island Arsenal	Realign	(3)	(1,537)	157	120	154	(1,417)	0	(1,263)
Illinois Total		(2,376)	(1,811)	339	1,074	(2,037)	(737)	76	(2,698)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Indiana									
Navy Marine Corps Reserve Center Grissom Air Reserve Base, Bunker Hill	Close	(7)	0	0	0	(7)	0	0	(7)
Navy Recruiting District Headquarters Indianapolis	Close	(27)	(5)	0	0	(27)	(5)	(6)	(38)
Navy Reserve Center Evansville	Close	(7)	0	0	0	(7)	0	0	(7)
Newport Chemical Depot	Close	(210)	(81)	0	0	(210)	(81)	(280)	(571)
U.S. Army Reserve Center Lafayette	Close	(21)	0	0	0	(21)	0	0	(21)
U.S. Army Reserve Center Seston	Close	(12)	0	0	0	(12)	0	0	(12)
Leased Space - IN	Close/Realign	(25)	(111)	0	0	(25)	(111)	0	(136)
Defense Finance and Accounting Service, Indianapolis	Gain	0	(100)	114	3,478	114	3,378	3	3,495
Fort Wayne International Airport Air Guard Station	Gain	(5)	0	62	256	57	256	0	313
Hulman Regional Airport Air Guard Station	Realign	(12)	(124)	0	0	(12)	(124)	0	(136)
Naval Support Activity Crane	Realign	0	(672)	0	0	0	(672)	(11)	(683)
Indiana Total		(326)	(1,093)	176	3,734	(150)	2,641	(294)	2,197
Iowa									
Navy Reserve Center Cedar Rapids	Close	(7)	0	0	0	(7)	0	0	(7)
Navy Reserve Center Sioux City	Close	(7)	0	0	0	(7)	0	0	(7)
Navy-Marine Corps Reserve Center Dubuque	Close	(19)	(5)	0	0	(19)	(5)	0	(24)
Des Moines International Airport Air Guard Station	Gain	(31)	(172)	54	196	23	24	0	47
Sioux Gateway Airport Air Guard	Gain	0	0	33	170	33	170	0	203
Armed Forces Reserve Center Camp Dodge	Realign	(217)	(1)	0	0	(217)	(1)	0	(218)
Iowa Total		(281)	(178)	87	366	(194)	188	0	(6)

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State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Kansas									
Kansas Army Ammunition Plant	Close	0	(8)	0	0	0	(8)	(159)	(167)
Forbes Field Air Guard Station	Gain	0	0	53	194	53	194	0	247
Fort Leavenworth	Gain	(16)	0	211	8	195	8	0	203
Fort Riley	Gain	0	0	2,415	440	2,415	440	0	2,855
McConnell Air Force Base	Gain	(27)	(183)	704	28	677	(155)	0	522
U.S. Army Reserve Center Wichita	Realign	(22)	(56)	0	0	(22)	(56)	0	(78)
Kansas	Total	(65)	(247)	3,383	670	3,318	423	(159)	3,582
Kentucky									
Army National Guard Reserve Center Paducah	Close	(31)	0	0	0	(31)	0	0	(31)
Defense Finance and Accounting Service, Lexington	Close	(5)	(40)	0	0	(5)	(40)	0	(45)
Navy Reserve Center Lexington	Close	(9)	0	0	0	(9)	0	0	(9)
U.S. Army Reserve Center Louisville	Close	(30)	(13)	0	0	(30)	(13)	0	(43)
U.S. Army Reserve Center Maysville	Close	(16)	(2)	0	0	(16)	(2)	0	(18)
Louisville International Airport Air Guard Station	Gain	0	0	0	6	0	6	0	6
Fort Campbell	Realign	(433)	0	73	9	(360)	9	0	(351)
Fort Knox	Realign	(10,159)	(772)	5,292	2,511	(4,867)	1,739	184	(2,944)
Navy Recruiting Command Louisville	Realign	(6)	(217)	0	0	(6)	(217)	0	(223)
Kentucky	Total	(10,689)	(1,044)	5,365	2,526	(5,324)	1,482	184	(3,658)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Louisiana									
Baton Rouge Army National Guard Reserve Center	Close	(128)	0	11	0	(117)	0	0	(117)
Naval Support Activity New Orleans	Close	(1,997)	(652)	0	0	(1,997)	(652)	(62)	(2,711)
Navy-Marine Corps Reserve Center Baton Rouge	Close	(18)	0	0	0	(18)	0	0	(18)
Roberts U.S. Army Reserve Center, Baton Rouge	Close	(30)	0	0	0	(30)	0	0	(30)
Leased Space - Slidell	Close/Realign	(1)	(102)	0	0	(1)	(102)	(48)	(151)
Barksdale Air Force Base	Gain	0	0	5	60	5	60	0	65
Naval Air Station New Orleans	Gain	0	0	1,407	446	1,407	446	3	1,856
Naval Air Station New Orleans Air Reserve Station	Realign	(4)	(308)	45	76	41	(232)	0	(191)
Louisiana Total		(2,178)	(1,062)	1,468	582	(710)	(480)	(107)	(1,297)
Maine									
Defense Finance and Accounting Service, Limestone	Close	0	(241)	0	0	0	(241)	0	(241)
Naval Reserve Center, Bangor	Close	(7)	0	0	0	(7)	0	0	(7)
Naval Shipyard Portsmouth	Close	(201)	(4,032)	0	0	(201)	(4,032)	(277)	(4,510)
Bangor International Airport Air Guard Station	Gain	0	0	45	195	45	195	0	240
Naval Air Station Brunswick	Realign	(2,317)	(61)	0	0	(2,317)	(61)	(42)	(2,420)
Maine Total		(2,525)	(4,334)	45	195	(2,480)	(4,139)	(319)	(6,938)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Maryland									
Defense Finance and Accounting Service, Patuxent River	Close	0	(53)	0	0	0	(53)	0	(53)
Navy Reserve Center Adelphi	Close	(17)	0	0	0	(17)	0	0	(17)
PFC Flair U.S. Army Reserve Center, Frederick	Close	(20)	(2)	0	0	(20)	(2)	0	(22)
Leased Space - MD	Close/Realign	(19)	(156)	0	0	(19)	(156)	0	(175)
Aberdeen Proving Ground	Gain	(3,862)	(290)	451	5,661	(3,411)	5,371	216	2,176
Andrews Air Force Base	Gain	(416)	(189)	607	489	191	300	(91)	400
Fort Detrick	Gain	0	0	76	43	76	43	(15)	104
Fort Meade	Gain	(2)	0	684	2,915	682	2,915	1,764	5,361
National Naval Medical Center Bethesda	Gain	0	0	982	936	982	936	(29)	1,889
Naval Air Station Patuxent River	Gain	(10)	(142)	7	226	(3)	84	6	87
Naval Surface Weapons Station Carderock	Gain	0	0	0	6	0	6	0	6
Army Research Laboratory, Adelphi	Realign	0	(43)	0	0	0	(43)	0	(43)
Bethesda/Chevy Chase	Realign	(5)	(2)	0	0	(5)	(2)	0	(7)
Fort Lewis	Realign	0	(164)	0	0	0	(164)	0	(164)
Martin State Airport Air Guard Station	Realign	(17)	(106)	0	0	(17)	(106)	0	(123)
Naval Air Facility Washington	Realign	(9)	(9)	0	0	(9)	(9)	0	(18)
Naval Station Annapolis	Realign	0	(13)	0	0	0	(13)	0	(13)
Naval Surface Warfare Center Indian Head	Realign	0	(137)	0	42	0	(95)	0	(95)
Maryland Total		(4,377)	(1,306)	2,807	10,318	(1,570)	9,012	1,851	9,293

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Massachusetts									
Malony U.S. Army Reserve Center	Close	(100)	(55)	0	0	(100)	(55)	0	(155)
Otis Air Guard Base	Close	(62)	(443)	0	0	(62)	(443)	0	(505)
Westover U.S. Army Reserve Center, Cicopee	Close	(13)	0	0	0	(13)	0	0	(13)
Barnes Municipal Airport Air Guard Station	Gain	0	(5)	23	89	23	84	0	107
Hanscom Air Force Base	Gain	(47)	(223)	546	828	499	605	0	1,104
Westover Air Force Base	Gain	0	0	69	11	69	11	0	80
Natick Soldier Systems Center	Realign	0	(19)	0	0	0	(19)	0	(19)
Naval Shipyard Puget Sound-Boston Detachment	Realign	0	(108)	0	0	0	(108)	0	(108)
Massachusetts Total		(222)	(853)	638	928	416	75	0	491
Michigan									
Navy Reserve Center Marquette	Close	(7)	0	0	0	(7)	0	0	(7)
Parisan U.S. Army Reserve Center, Lansing	Close	(25)	0	0	0	(25)	0	0	(25)
Selfridge Army Activity	Close	(126)	(174)	0	0	(126)	(174)	0	(300)
W. K. Kellogg Airport Air Guard Station	Close	(68)	(206)	0	0	(68)	(206)	0	(274)
Detroit Arsenal	Gain	(4)	(104)	4	751	0	647	0	647
Selfridge Air National Guard Base	Gain	(3)	(76)	72	167	69	91	(76)	84
Michigan Total		(233)	(560)	76	918	(157)	358	(76)	125
Minnesota									
Navy Reserve Center Duluth	Close	(8)	0	0	0	(8)	0	0	(8)
Fort Snelling	Realign	(130)	(124)	0	0	(130)	(124)	0	(254)
Minnesota Total		(138)	(124)	0	0	(138)	(124)	0	(262)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Mississippi									
Mississippi Army Ammunition Plant	Close	0	(4)	0	0	0	(4)	(50)	(54)
Naval Station Pascagoula	Close	(844)	(112)	0	0	(844)	(112)	(7)	(963)
U.S. Army Reserve Center Vicksburg	Close	(26)	(2)	0	0	(26)	(2)	0	(28)
Columbus Air Force Base	Gain	0	0	104	3	104	3	0	107
Jackson International Airport Air Guard Station	Gain	0	0	0	1	0	1	0	1
Human Resources Support Center Southeast	Realign	0	(138)	0	0	0	(138)	(10)	(148)
Keesler Air Force Base	Realign	(181)	(31)	0	0	(181)	(31)	(190)	(402)
Key Field Air Guard Station	Realign	(33)	(142)	0	0	(33)	(142)	0	(175)
Naval Air Station Meridian	Realign	(15)	0	0	0	(15)	0	(1)	(16)
Mississippi Total		(1,099)	(429)	104	4	(995)	(425)	(258)	(1,678)
Missouri									
Army National Guard Reserve Center Jefferson Barracks	Close	(67)	0	0	0	(67)	0	0	(67)
Defense Finance and Accounting Service, Kansas City	Close	(37)	(576)	0	0	(37)	(576)	0	(613)
Defense Finance and Accounting Service, St. Louis	Close	(2)	(291)	0	0	(2)	(291)	0	(293)
Marine Corps Support Center Kansas City	Close	(191)	(139)	0	0	(191)	(139)	(3)	(333)
Navy Recruiting District Headquarters Kansas	Close	(21)	(6)	0	0	(21)	(6)	(6)	(33)
Navy Reserve Center Cape Girardeau	Close	(7)	0	0	0	(7)	0	0	(7)
Leased Space - MO	Close/Realign	(709)	(1,234)	0	0	(709)	(1,234)	(150)	(2,093)
Rosecrans Memorial Airport Air Guard Station	Gain	0	0	8	27	8	27	0	35
Whiteman Air Force Base	Gain	0	0	3	58	3	58	0	61
Fort Leonard Wood	Realign	(181)	(2)	71	25	(110)	23	0	(87)
Lambert International Airport- St Louis	Realign	(34)	(215)	0	0	(34)	(215)	0	(249)
Missouri Total		(1,249)	(2,463)	82	110	(1,167)	(2,353)	(159)	(3,679)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Montana									
Galt Hall U.S. Army Reserve Center, Great Falls	Close	(14)	(3)	0	0	(14)	(3)	0	(17)
Great Falls International Airport Air Guard Station	Realign	(26)	(81)	0	0	(26)	(81)	0	(107)
Montana	Total	(40)	(84)	0	0	(40)	(84)	0	(124)
Nebraska									
Army National Guard Reserve Center Columbus	Close	(31)	0	0	0	(31)	0	0	(31)
Army National Guard Reserve Center Grand Island	Close	(31)	0	0	0	(31)	0	0	(31)
Army National Guard Reserve Center Kearney	Close	(8)	0	0	0	(8)	0	0	(8)
Naval Recruiting District Headquarters Omaha	Close	(19)	(7)	0	0	(19)	(7)	(6)	(32)
Navy Reserve Center Lincoln	Close	(7)	0	0	0	(7)	0	0	(7)
Offutt Air Force Base	Realign	0	(227)	54	69	54	(158)	0	(104)
Nebraska	Total	(96)	(234)	54	69	(42)	(165)	(6)	(213)
Nevada									
Hawthorne Army Depot	Close	(74)	(45)	0	0	(74)	(45)	(80)	(199)
Nellis Air Force Base	Gain	(265)	(5)	1,414	268	1,149	263	0	1,412
Naval Air Station Fallon	Realign	(7)	0	0	0	(7)	0	0	(7)
Reno-Tahoe International Airport Air Guard Station	Realign	(23)	(124)	0	0	(23)	(124)	0	(147)
Nevada	Total	(369)	(174)	1,414	268	1,045	94	(80)	1,059
New Hampshire									
Doble U.S. Army Reserve Center Portsmouth	Close	(39)	(5)	0	0	(39)	(5)	0	(44)
Armed Forces Reserve Center Pease Air Force Base	Gain	0	0	20	28	20	28	0	48
New Hampshire	Total	(39)	(5)	20	28	(19)	23	0	4

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
New Jersey									
Fort Monmouth	Close	(620)	(4,652)	0	0	(620)	(4,652)	0	(5,272)
Inspector/Instructor Center West Trenton	Close	(11)	(1)	0	0	(11)	(1)	0	(12)
Kilmer U.S. Army Reserve Center, Edison	Close	(23)	(21)	0	0	(23)	(21)	0	(44)
SFC Nelson V. Brittin U.S. Army Reserve Center	Close	(34)	(1)	0	0	(34)	(1)	0	(35)
Atlantic City International Airport Air Guard Station	Gain	(3)	(53)	62	263	59	210	0	269
Fort Dix	Gain	0	0	209	144	209	144	0	353
McGuire Air Force Base	Gain	0	0	498	37	498	37	0	535
Picatinny Arsenal	Gain	0	0	5	688	5	688	0	693
Naval Air Engineering Station Lakehurst	Realign	(132)	(54)	0	0	(132)	(54)	0	(186)
Naval Weapons Station Earle	Realign	0	(63)	2	0	2	(63)	0	(61)
New Jersey Total		(823)	(4,845)	776	1,132	(47)	(3,713)	0	(3,760)
New Mexico									
Cannon Air Force Base	Close	(2,385)	(384)	0	0	(2,385)	(384)	(55)	(2,824)
Jenkins Armed Forces Reserve Center Albuquerque	Close	(35)	(1)	0	0	(35)	(1)	0	(36)
Kirtland Air Force Base	Gain	(7)	0	37	176	30	176	0	206
Holloman Air Force Base	Realign	(17)	0	0	0	(17)	0	0	(17)
White Sands Missile Range	Realign	(13)	(165)	0	0	(13)	(165)	0	(178)
New Mexico Total		(2,457)	(550)	37	176	(2,420)	(374)	(55)	(2,849)

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State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
New York									
Armed Forces Reserve Center Amityville	Close	(24)	(4)	0	0	(24)	(4)	0	(28)
Army National Guard Reserve Center Niagara Falls	Close	(1)	0	0	0	(1)	0	0	(1)
Carpenter U.S. Army Reserve Center, Poughkeepsie	Close	(8)	(1)	0	0	(8)	(1)	0	(9)
Defense Finance and Accounting Service, Rome	Close	0	(290)	0	0	0	(290)	0	(290)
Navy Recruiting District Headquarters Buffalo	Close	(25)	(6)	0	0	(25)	(6)	(6)	(37)
Navy Reserve Center Glenn Falls	Close	(7)	0	0	0	(7)	0	0	(7)
Navy Reserve Center Horsehead	Close	(7)	0	0	0	(7)	0	0	(7)
Navy Reserve Center Watertown	Close	(9)	0	0	0	(9)	0	0	(9)
Niagara Falls International Airport Air Guard Station	Close	(115)	(527)	0	0	(115)	(527)	0	(642)
United States Military Academy	Gain	0	0	226	38	226	38	0	264
Fort Totten / Pyle	Realign	(75)	(74)	0	0	(75)	(74)	0	(149)
Rome Laboratory	Realign	(13)	(124)	0	0	(13)	(124)	0	(137)
Schenectady County Air Guard Station	Realign	(10)	(9)	0	0	(10)	(9)	0	(19)
New York	Total	(294)	(1,035)	226	38	(68)	(997)	(6)	(1,071)

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
North Carolina									
Navy Reserve Center Asheville	Close	(7)	0	0	0	(7)	0	0	(7)
Niven U.S. Army Reserve Center, Albermarle	Close	(34)	0	0	5	(34)	5	0	(29)
Charlotte/Douglas International Airport	Gain	0	0	6	0	6	0	0	6
Fort Bragg	Gain	(1,352)	0	5,430	247	4,078	247	0	4,325
Seymore Johnson Air Force Base	Gain	0	0	345	17	345	17	0	362
Army Research Office, Durham	Realign	(1)	(113)	0	0	(1)	(113)	0	(114)
Marine Corps Air Station Cherry Point	Realign	(16)	(664)	64	8	48	(656)	(20)	(628)
Marine Corps Base Camp Lejeune	Realign	(182)	(16)	0	15	(182)	(1)	(9)	(192)
Pope Air Force Base	Realign	(5,969)	(345)	1,148	1,153	(4,821)	808	(132)	(4,145)
North Carolina Total		(7,561)	(1,138)	6,993	1,445	(568)	307	(161)	(422)
North Dakota									
Grand Forks Air Force Base	Realign	(2,290)	(355)	0	0	(2,290)	(355)	0	(2,645)
North Dakota Total		(2,290)	(355)	0	0	(2,290)	(355)	0	(2,645)

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Ohio									
Army National Guard Reserve Center Mansfield	Close	(59)	(2)	0	0	(59)	(2)	0	(61)
Army National Guard Reserve Center Westerville	Close	(12)	0	0	0	(12)	0	0	(12)
Defense Finance and Accounting Service, Dayton	Close	0	(230)	0	0	0	(230)	0	(230)
Mansfield Lahm Municipal Airport Air Guard Station	Close	(63)	(171)	0	0	(63)	(171)	0	(234)
Navy-Marine Corps Reserve Center Akron	Close	(26)	0	0	0	(26)	0	0	(26)
Navy-Marine Corps Reserve Center Cleveland	Close	(24)	(1)	0	0	(24)	(1)	0	(25)
Parrott U.S. Army Reserve Center Kenton	Close	(9)	(1)	0	0	(9)	(1)	0	(10)
U.S. Army Reserve Center Whitehall	Close	(25)	0	0	0	(25)	0	0	(25)
Leased Space - OH	Close/Realign	0	(187)	0	0	0	(187)	0	(187)
Armed Forces Reserve Center Akron	Gain	0	0	37	0	37	0	0	37
Defense Supply Center Columbus	Gain	(2)	(960)	65	2,655	63	1,695	0	1,758
Rickenbacker International Airport Air Guard Station	Gain	0	0	0	1	0	1	0	1
Toledo Express Airport Air Guard Station	Gain	0	0	14	112	14	112	0	126
Wright Patterson Air Force Base	Gain	(69)	(729)	658	559	589	(170)	75	494
Youngstown-Warren Regional Airport	Gain	0	0	0	8	0	8	0	8
Defense Finance and Accounting Service, Cleveland	Realign	(15)	(1,013)	0	0	(15)	(1,013)	0	(1,028)
Glenn Research Center	Realign	0	(50)	0	0	0	(50)	0	(50)
Rickenbacker Army National Guard Bldg 943 Columbus	Realign	(4)	0	0	0	(4)	0	0	(4)
Springfield-Beckley Municipal Airport Air Guard Station	Realign	(66)	(225)	0	0	(66)	(225)	0	(291)
Ohio Total		(374)	(3,569)	774	3,335	400	(234)	75	241

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Oklahoma									
Armed Forces Reserve Center Broken Arrow	Close	(26)	0	32	0	6	0	0	6
Armed Forces Reserve Center Muskogee	Close	(14)	(2)	0	0	(14)	(2)	0	(16)
Army National Guard Reserve Center Tishomingo	Close	(30)	0	0	0	(30)	0	0	(30)
Krowse U.S. Army Reserve Center Oklahoma City	Close	(78)	(6)	0	0	(78)	(6)	0	(84)
Navy-Marine Corps Reserve Center Tulsa	Close	(32)	0	0	0	(32)	0	0	(32)
Oklahoma City (95th)	Close	(31)	(22)	0	0	(31)	(22)	0	(53)
Fort Sill	Gain	(892)	(176)	4,336	337	3,444	161	(3)	3,602
Tinker Air Force Base	Gain	(9)	(197)	9	552	0	355	0	355
Tulsa International Airport Air Guard Station	Gain	0	0	22	81	22	81	0	103
Vance Air Force Base	Gain	0	0	93	6	93	6	0	99
Altus Air Force Base	Realign	(16)	0	0	0	(16)	0	0	(16)
Will Rogers World Airport Air Guard Station	Realign	(19)	(145)	103	46	84	(99)	0	(15)
Oklahoma	Total	(1,147)	(548)	4,595	1,022	3,448	474	(3)	3,919
Oregon									
Navy Reserve Center Central Point	Close	(7)	0	0	0	(7)	0	0	(7)
Umatilla Army Depot	Close	(127)	(385)	0	0	(127)	(385)	0	(512)
Portland International Airport Air Guard Station	Realign	(112)	(452)	0	0	(112)	(452)	0	(564)
Oregon	Total	(246)	(837)	0	0	(246)	(837)	0	(1,083)

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Pennsylvania									
Bristol	Close	(9)	(2)	0	0	(9)	(2)	0	(11)
Engineering Field Activity Northeast	Close	(4)	(188)	0	0	(4)	(188)	0	(192)
Kelly Support Center	Close	(174)	(136)	0	0	(174)	(136)	0	(310)
Naval Air Station Willow Grove	Close	(865)	(362)	0	0	(865)	(362)	(5)	(1,232)
Navy Crane Center Lester	Close	(1)	(54)	0	0	(1)	(54)	0	(55)
Navy-Marine Corps Reserve Center Reading	Close	(18)	0	0	0	(18)	0	0	(18)
North Penn U.S. Army Reserve Center, Norristown	Close	(22)	(1)	0	0	(22)	(1)	0	(23)
Pittsburgh International Airport Air Reserve Station	Close	(44)	(278)	0	0	(44)	(278)	0	(322)
Serrenti U.S. Army Reserve Center, Scranton	Close	(47)	(8)	0	0	(47)	(8)	0	(55)
U.S. Army Reserve Center Bloomsburg	Close	(20)	(2)	0	0	(20)	(2)	0	(22)
U.S. Army Reserve Center Lewisburg	Close	(9)	(2)	0	0	(9)	(2)	0	(11)
U.S. Army Reserve Center Williamsport	Close	(25)	(4)	0	0	(25)	(4)	0	(29)
W. Reese U.S. Army Reserve Center/OMS, Chester	Close	(9)	(1)	0	0	(9)	(1)	0	(10)
Letterkenny Army Depot	Gain	0	0	0	409	0	409	0	409
Naval Support Activity Philadelphia	Gain	0	(10)	0	301	0	291	0	291
Navy-Marine Corps Reserve Center Lehigh	Gain	0	0	8	0	8	0	0	8
Navy-Marine Corps Reserve Center Pittsburgh	Gain	0	0	7	0	7	0	0	7
Tobyhanna Army Depot	Gain	(1)	(82)	3	355	2	273	0	275
Defense Distribution Depot Susquehanna	Realign	0	(15)	0	0	0	(15)	0	(15)
Human Resources Support Center Northeast	Realign	0	(174)	0	0	0	(174)	(9)	(183)
Marine Corps Reserve Center Johnstown	Realign	(86)	0	0	0	(86)	0	0	(86)
Naval Support Activity Mechanicsburg	Realign	0	(11)	0	0	0	(11)	0	(11)
Navy Philadelphia Business Center	Realign	0	(63)	0	0	0	(63)	0	(63)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Pitt U.S. Army Reserve Center, Corapolis	Realign	(119)	(101)	0	0	(119)	(101)	0	(220)
Pennsylvania	Total	(1,453)	(1,494)	18	1,065	(1,435)	(429)	(14)	(1,878)
Puerto Rico									
Army National Guard Reserve Center Humacao	Close	(26)	0	0	0	(26)	0	0	(26)
Lavergne U.S. Army Reserve Center Bayamon	Close	(25)	(1)	0	0	(25)	(1)	0	(26)
Aguadilla-Ramey U.S. Army Reserve Center/BMA-126	Realign	(10)	0	0	0	(10)	0	0	(10)
Camp Euripides Rubio, Puerto Nuevo	Realign	(43)	0	0	0	(43)	0	0	(43)
Fort Buchanan	Realign	(9)	(47)	0	0	(9)	(47)	0	(56)
Puerto Rico	Total	(113)	(48)	0	0	(113)	(48)	0	(161)
Rhode Island									
Harwood U.S. Army Reserve Center, Providence	Close	(20)	(4)	0	0	(20)	(4)	0	(24)
USARC Bristol	Close	(24)	0	0	0	(24)	0	0	(24)
Naval Station Newport	Gain	(122)	(225)	647	309	525	84	(76)	533
Quonset State Airport Air Guard Station	Gain	0	0	17	29	17	29	0	46
Rhode Island	Total	(166)	(229)	664	338	498	109	(76)	531
South Carolina									
Defense Finance and Accounting Service, Charleston	Close	0	(368)	0	0	0	(368)	0	(368)
South Naval Facilities Engineering Command	Close	(6)	(492)	0	0	(6)	(492)	(45)	(543)
Fort Jackson	Gain	0	0	435	180	435	180	0	615
Marine Corps Air Station Beaufort	Gain	0	0	0	12	0	12	0	12
McEntire Air Guard Station	Gain	0	0	418	8	418	8	0	426
Shaw Air Force Base	Gain	(74)	(1)	816	76	742	75	0	817
Naval Weapons Station Charleston	Realign	(170)	(149)	45	24	(125)	(125)	0	(250)
South Carolina	Total	(250)	(1,010)	1,714	300	1,464	(710)	(45)	709

This list does not include locations where there were no changes in military or civilian jobs.
Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
South Dakota									
Ellsworth Air Force Base	Close	(3,315)	(438)	0	0	(3,315)	(438)	(99)	(3,852)
Joe Foss Field Air Guard Station	Gain	(4)	0	32	27	28	27	0	55
South Dakota	Total	(3,319)	(438)	32	27	(3,287)	(411)	(99)	(3,797)
Tennessee									
U.S. Army Reserve Area Maintenance Support Facility Kingsport	Close	(30)	(2)	0	0	(30)	(2)	0	(32)
Leased Space - TN	Close/Realign	0	(6)	0	0	0	(6)	0	(6)
McGee Tyson APT Air Guard Station	Gain	0	0	58	190	58	190	0	248
Memphis International Airport Air Guard Station	Gain	0	0	2	6	2	6	0	8
Naval Support Activity Mid South	Gain	0	0	372	601	372	601	88	1,061
Nashville International Airport Air Guard Station	Realign	(19)	(172)	0	0	(19)	(172)	0	(191)
Tennessee	Total	(49)	(180)	432	797	383	617	88	1,088

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State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct	
		Mil	Civ	Mil	Civ	Mil	Civ			
Texas										
Army National Guard Reserve Center # 2 Dallas	Close	(90)	0	0	0	(90)	0	0	(90)	
Army National Guard Reserve Center (Hondo Pass) El Paso	Close	(106)	0	0	0	(106)	0	0	(106)	
Army National Guard Reserve Center California Crossing	Close	(47)	0	0	0	(47)	0	0	(47)	
Army National Guard Reserve Center Ellington	Close	(14)	(45)	0	0	(14)	(45)	0	(59)	
Army National Guard Reserve Center Lufkin	Close	(10)	0	0	0	(10)	0	0	(10)	
Army National Guard Reserve Center Marshall	Close	(15)	(1)	0	0	(15)	(1)	0	(16)	
Army National Guard Reserve Center New Braunfels	Close	(106)	0	0	0	(106)	0	0	(106)	
Brooks City Base	Close	(1,297)	(1,268)	0	0	(1,297)	(1,268)	(358)	(2,923)	
Defense Finance and Accounting Service, San Antonio	Close	(32)	(303)	0	0	(32)	(303)	0	(335)	
Lone Star Army Ammunition Plant	Close	(2)	(18)	0	0	(2)	(18)	(129)	(149)	
Naval Station Ingleside	Close	(1,901)	(260)	0	0	(1,901)	(260)	(57)	(2,218)	
Navy Reserve Center Lubbock, TX	Close	(7)	0	0	0	(7)	0	0	(7)	
Navy Reserve Center Orange, TX	Close	(11)	0	0	0	(11)	0	0	(11)	
Red River Army Depot	Close	(9)	(2,491)	0	0	(9)	(2,491)	0	(2,500)	
U.S. Army Reserve Center # 2 Houston	Close	(2)	0	0	0	(2)	0	0	(2)	
Leased Space - TX	Close/Realign	(78)	(147)	0	0	(78)	(147)	0	(225)	
Carswell ARS, Naval Air Station Fo	Gain	0	(12)	8	116	8	104	0	112	
Dyess Air Force Base	Gain	(1,615)	(65)	1,925	129	310	64	0	374	
Fort Bliss	Gain	(4,564)	(223)	15,918	370	11,354	147	0	11,501	
Fort Sam Houston	Gain	(117)	0	7,765	1,624	7,648	1,624	92	9,364	
Laughlin Air Force Base	Gain	0	0	102	80	102	80	0	182	
Naval Air Station Joint Reserve Base Ft. Worth	Gain	(54)	(5)	330	41	276	36	2	314	
Randolph Air Force Base	Gain	(576)	(174)	164	705	(412)	531	63	182	

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State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Corpus Christi Army Depot	Realign	0	(92)	0	0	0	(92)	0	(92)
Ellington Field Air Guard Station	Realign	0	(3)	0	0	0	(3)	0	(3)
Fort Hood	Realign	(9,135)	(118)	9,062	0	(73)	(118)	0	(191)
Lackland Air Force Base	Realign	(2,489)	(1,223)	235	453	(2,254)	(770)	(116)	(3,140)
Naval Air Station Corpus Christi	Realign	(926)	(89)	0	0	(926)	(89)	(10)	(1,025)
Sheppard Air Force Base	Realign	(2,519)	(158)	51	2	(2,468)	(156)	0	(2,624)
Texas	Total	(25,722)	(6,695)	35,560	3,520	9,838	(3,175)	(513)	6,150
Utah									
Deseret Chemical Depot	Close	(186)	(62)	0	0	(186)	(62)	0	(248)
Fort Douglas	Realign	(15)	(38)	0	0	(15)	(38)	0	(53)
Hill Air Force Base	Realign	(13)	(447)	291	24	278	(423)	0	(145)
Utah	Total	(214)	(547)	291	24	77	(523)	0	(446)
Vermont									
Burlington International Airport Air Guard Station	Gain	0	0	3	53	3	53	0	56
Vermont	Total	0	0	3	53	3	53	0	56

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct	
		Mil	Civ	Mil	Civ	Mil	Civ			
Virginia										
Fort Monroe	Close	(1,393)	(1,948)	0	0	(1,393)	(1,948)	(223)	(3,564)	
Leased Space - VA	Close/Realign	(6,199)	(15,754)	0	0	(6,199)	(15,754)	(972)	(22,925)	
Defense Supply Center Richmond	Gain	0	(77)	0	83	0	6	0	6	
Fort Belvoir	Gain	(466)	(2,281)	4,537	8,010	4,071	5,729	2,058	11,858	
Fort Lee	Gain	(392)	(2)	6,531	1,151	6,139	1,149	56	7,344	
Headquarters Battalion, Headquarters Marine Corps, Henderson Hall	Gain	(52)	(22)	453	206	401	184	81	666	
Langley Air Force Base	Gain	(53)	(46)	780	68	727	22	0	749	
Marine Corps Base Quantico	Gain	(50)	0	496	1,357	446	1,357	1,210	3,013	
Naval Amphibious Base Little Creek	Gain	0	0	10	27	10	27	0	37	
Naval Shipyard Norfolk	Gain	0	0	177	1,774	177	1,774	85	2,036	
Naval Station Norfolk	Gain	(373)	(1,085)	3,820	356	3,447	(729)	89	2,807	
Naval Support Activity Norfolk	Gain	(6)	0	573	205	567	205	16	788	
Arlington Service Center	Realign	(224)	(516)	435	406	211	(110)	(383)	(282)	
Center for Naval Research	Realign	(25)	(313)	0	0	(25)	(313)	0	(338)	
Defense Finance and Accounting Service, Arlington	Realign	(7)	(401)	0	0	(7)	(401)	0	(408)	
Fort Eustis	Realign	(3,863)	(852)	962	1,432	(2,901)	580	169	(2,152)	
Naval Air Station Oceana	Realign	(110)	(3)	0	53	(110)	50	0	(60)	
Naval Medical Center Portsmouth	Realign	(463)	(25)	28	0	(435)	(25)	(1)	(461)	
Naval Surface Warfare Center Dahlgren	Realign	0	(503)	0	169	0	(334)	(17)	(351)	
Naval Weapons Station Yorktown	Realign	0	(179)	0	0	0	(179)	0	(179)	
Richmond International Airport Air Guard Station	Realign	(25)	(101)	0	0	(25)	(101)	0	(126)	
U. S. Marine Corps Direct Reporting Program Manager Advanced Amphibious Assault	Realign	0	(32)	0	0	0	(32)	0	(32)	

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State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Virginia	Total	(13,701)	(24,140)	18,802	15,297	5,101	(8,843)	2,168	(1,574)
Washington									
1LT Richard H. Walker U.S. Army Reserve Center	Close	(38)	0	0	0	(38)	0	0	(38)
Army National Guard Reserve Center Everett	Close	(57)	0	0	0	(57)	0	0	(57)
Navy-Marine Corps Reserve Center Tacoma	Close	(20)	0	0	0	(20)	0	0	(20)
U.S. Army Reserve Center Fort Lawton	Close	(53)	(54)	0	0	(53)	(54)	0	(107)
Vancouver Barracks	Close	(29)	(16)	0	0	(29)	(16)	0	(45)
Fort Lewis	Gain	(2)	(1)	187	46	185	45	0	230
Human Resources Support Center Northwest	Gain	0	0	0	23	0	23	0	23
Naval Air Station Whidbey Island	Gain	(34)	0	0	173	(34)	173	0	139
Naval Station Bremerton	Gain	0	0	0	1,401	0	1,401	0	1,401
Fairchild Air Force Base	Realign	(26)	(172)	0	0	(26)	(172)	0	(198)
McCord Air Force Base	Realign	(460)	(143)	36	7	(424)	(136)	(7)	(567)
Submanne Base Bangor	Realign	0	(1)	0	0	0	(1)	0	(1)
Washington	Total	(719)	(387)	223	1,650	(496)	1,263	(7)	760
West Virginia									
Bias U.S. Army Reserve Center, Huntington	Close	(1)	0	0	0	(1)	0	0	(1)
Fairmont U.S. Army Reserve Center	Close	(88)	0	0	0	(88)	0	0	(88)
Navy-Marine Corps Reserve Center Moundsville	Close	(16)	0	0	0	(16)	0	0	(16)
Ewra Sheppard Air Guard Station	Gain	0	0	7	3	7	3	0	10
Yeager Airport Air Guard Station	Realign	(27)	(129)	0	0	(27)	(129)	0	(156)
West Virginia	Total	(132)	(129)	7	3	(125)	(126)	0	(251)

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Military figures include student load changes.

State Installation	Action	Out		In		Net Gain/(Loss)		Net Mission Contractor	Total Direct
		Mil	Civ	Mil	Civ	Mil	Civ		
Wisconsin									
Gen Mitchell International Airport ARS	Close	(44)	(302)	24	56	(20)	(246)	0	(266)
Navy Reserve Center La Crosse	Close	(7)	0	0	0	(7)	0	0	(7)
Navy-Marine Corps Reserve Center Madison	Close	(23)	(3)	0	0	(23)	(3)	0	(26)
Olson U.S. Army Reserve Center, Madison	Close	(113)	0	0	0	(113)	0	0	(113)
U.S. Army Reserve Center O'Connell	Close	(11)	(1)	0	0	(11)	(1)	0	(12)
Armed Forces Reserve Center Madison	Gain	0	0	40	8	40	8	0	48
Dane County Airport	Gain	(4)	0	22	37	18	37	0	55
Fort McCoy	Realign	(379)	(82)	97	133	(282)	51	0	(231)
Wisconsin	Total	(581)	(388)	183	234	(398)	(154)	0	(552)
Wyoming									
Army Aviation Support Facility Cheyenne	Close	(23)	0	0	0	(23)	0	0	(23)
Army National Guard Reserve Center Thermopolis	Close	(19)	0	0	0	(19)	0	0	(19)
Cheyenne Airport Air Guard Station	Gain	0	0	21	58	21	58	0	79
Wyoming	Total	(42)	0	21	58	(21)	58	0	37
zz Germany, Korea, and Undistributed									
Undistributed or Overseas Reductions	Realign	(14,889)	(2)	718	670	(14,171)	668	0	(13,503)
zz Germany, Korea, and Undistributed	Total	(14,889)	(2)	718	670	(14,171)	668	0	(13,503)
Grand Total		(133,769)	(84,801)	122,987	66,578	(10,782)	(18,223)	2,818	(26,187)

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