

BRAC 2005 Briefing to the Secretary of Defense Briefing Minutes of May 10, 2005

Mr. Michael W. Wynne, Under Secretary of Defense (AT&L), briefed the Secretary. The list of attendees is attached.

Mr. Wynne used the attached slides to brief the Secretary on the closure and realignment recommendations of the Infrastructure Executive Council (IEC). The briefing included a status and breakdown (statistics, Quantifying Results, comparison with past BRAC rounds, etc.) of the 222 Base Realignment and Closure (BRAC) candidate recommendations and to request his approval. The following are highlights of the briefing as well as comments and questions posed by the Secretary.

Mr. Wynne noted that while there are 222 recommendations, because many of the recommendations involve closures or realignments of multiple locations, these recommendations in fact close or realign 842 installations. The Secretary wanted to make sure we were clear about this fact in our press release and briefing.

Mr. Wynne noted one caveat to the 222 number – National Geospatial-Intelligence Agency (NGA). This recommendation is pending a decision from the Director of National Intelligence (DNI) to commit NCIP funds to the implementation of the recommendation. In the absence of such a commitment, the proposal is not affordable. The Secretary agreed that this funding commitment was necessary and noted that his decision would accommodate including or not including this recommendation, based on the decision from DNI.

The Secretary inquired about the transformational concept behind realignment of the National Guard units. General Myers, Chairman of the Joint Chiefs of Staff, explained that for the Air Force the goal was to situate the squadrons in operationally cohesive locations so that they could be utilized more optimally. General Myers added that the Guard Chiefs support our efforts in this regard. Mr. Wynne noted that there had been a high degree of support from the Adjutants General for the Army guard realignments and he was pleased with the overall cooperation that led to the Army guard recommendations.

The Secretary took positive note of the closure of leased locations, indicating that such actions should offer improvements in force protection and long-term savings to the Department.

Regarding the realignment of Walter Reed, the Secretary indicated that it is important for the Department to clearly explain the real value and benefit of this recommendation – the establishment of a world class National Military Medical Center

from the assets of both Walter Reed and Bethesda. With this action, the Department will be in a much better position to provide the highest level of care to its military members.

The Secretary noted that the briefing slides, in addition to being useful for presentation to him, are a good way to summarize our results to the press, the public, and the Commission. Regarding the 14 Joint Centers of Excellence (Slide 7), the Secretary asked whether they were listed in any particular order of importance or value. Mr. Wynne indicated that they were not. The Secretary suggested we cluster them by subject so that the slide more clearly conveys our overall approach and how the actions are related. Regarding the two slides that quantify the results (Slides 8 and 9), the Secretary noted that the Department should be sure to explain the whole picture – both BRAC and the Integrated Global Posture and Basing Strategy – since they are interconnected. As he reviewed the results information, the Secretary was particularly interested in discerning how the totality of the actions related to the whole in that regard (i.e., what percentage of our installations are affected by these recommendations, how do the job changes relate to our total employment, etc.). He was also interested in how the magnitude of this round stacked up against prior BRAC rounds. Mr. Wynne noted that while this BRAC is not as big as all other rounds combined in terms of savings, it is more than twice as big as any previous round and through it, the Department will be saving three dollars for every one dollar invested for a net effect of two for one.

The Secretary expressed appreciation to all who have been involved in the BRAC process, noting that he could tell from the information and briefings he has received throughout the process that thousands of hours had been spent working to produce the candidate recommendations presented for his approval. He emphasized that for more than two years, everyone involved in the process has been steadily working to achieve important goals in an analytical process that can only be described as hard, complicated, and stressful. The results of this effort will make a huge difference to the taxpayers, the Department, and the Armed Services, and overall, improving conditions for the total force in achieving jointness. He added that the fact that Department was ahead of the curve in terms of its overseas basing posture has proven to be an enormous advantage to this BRAC round. It is clear that the recommendations benefited from knowledge of the overseas posture and, as a result, produce a better end state for the Department.

The Secretary asked General Myers whether he was satisfied with the role of the uniformed leadership and of military value in the development of these recommendations. General Myers indicated that the Military Services have been involved at every stage and level of the BRAC process, from the analysts to the Chiefs of Staff (including Reserve Component Chiefs of Staff) to the Combatant Commanders, emphasizing that their input has been key to military value determinations. Cumulatively, they reviewed more than 1,000 scenarios and provided invaluable input to the process. He concluded by saying that he is very comfortable with the final recommendations and the improved posture that they will give the Department.

The Secretary inquired about whether the process and these recommendations ensure the Department has sufficient capability to surge. Mr. Wynne explained that each functional area considered its own surge metric and then proceeded to meet or exceed it. He added that the JCSGs and Military Departments had actually been conservative to ensure they retained more than sufficient surge capability. In sum, Mr. Wynne said, the Department will not close anything it cannot reconstitute.

The Secretary asked the attendees whether they believed the Selection Criteria had been applied in a thorough and thoughtful manner by the Department's senior leadership. Mr. Wynne responded in the affirmative, emphasizing that all proponents made military value the primary consideration, and then considered the remaining four criteria. Everyone agreed with Mr. Wynne's assessment.

The Secretary asked if any installation closure recommendations that involved negative economic impact to local communities were removed from the BRAC list. He also asked if any negative economic impact recommendations were left on the list because their potential savings to DoD were of such a magnitude that they outweighed community impact concerns. Mr. Wynne explained that the economic impact for all closures and realignments was closely scrutinized and evaluated against the military value of the action proposed.

The Secretary asked if the Department was prepared to assist communities with economic recovery. Mr. Philip Grone, Deputy Under Secretary of Defense for Installations and Environment, explained that the Office of Economic Adjustment (OEA) and other federal agencies are positioning themselves to assist local communities with reuse of military installations. Additionally, the federal law governing the Interagency Economic Adjustment Committee was recently amended to make the Secretary of Defense the permanent Chairman.

The Secretary stated that he felt, based on today's briefing and numerous information briefings he has been given in the past several weeks, that the recommendations presented for his approval are inter-linked in what could be described as complex woven fabric. As such, he is very cautious about reaching into that fabric and overturning any one recommendation, without fully understanding how that action could disrupt the entire package and alter the Department's stated priorities. He went on to indicate that we need to ensure that the Commission is also aware of the related nature of these recommendations.

The Secretary indicated that he believed BRAC 2005 had proceeded within a well-defined process and organizational structure, which has served to create a positive aura of things being quantified logically so that the public can see clearly that the Department's decisions are based on careful analysis and logical formulas. Regardless of how logical

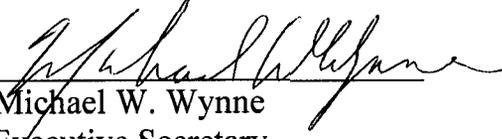
our processes, however, the impact of our decisions could be perceived as cold and harsh to a community that is actually affected by a closure, particularly one that involves major job losses. The Department should be appreciative of our citizens' sacrifices, and strive to communicate clearly the military value advantages of our recommendations. The Secretary concluded by saying that it would be important to share the success stories from prior BRAC rounds and the economic redevelopment actions that the Department sponsored and facilitated.

Mr. Wynne agreed with the Secretary's assessment. He went on to explain that the ISG and IEC were also concerned about having an overly quantified process that did not take into account military judgment and expertise. It was this concern that drove the ISG to define military value as having two components: quantitative rankings of facilities based on attributes, metrics, and measures; and qualitative military judgment. Mr. Wynne assured the Secretary that the Department would put forth tremendous effort to reach out to affected communities. To that end, under the direction of Mr. Grone, the Department is conducting a comprehensive review of its BRAC implementation authorities and processes. This review will include input from local communities as well.

The Secretary indicated he had been told that in prior BRAC rounds the BRAC Commission modified approximately 15 percent of the Department's recommendations. Considering their charge, and their ability to receive additional information, especially direct testimony about community impacts, it seems reasonable and appropriate that the Commission may come to different judgments. Considering the inter-linked nature of our recommendations, the Secretary further indicated that we need to ensure we give them all the information they need to fully understand the ripple effect of their modifications.

The Secretary then asked all in attendance whether they had any issues with or concerns about the recommendations. Attendees were unanimous in their support of the recommendations.

The Secretary ended the briefing by concluding that he was satisfied that the process the Department established to develop its recommendations was sound and followed meticulously. He believed he had the best people in the Department working these recommendations and based on his trust in them and the established process, he can make his decision regarding these recommendations. The Secretary accepted the recommendations of the IEC without modification, and will forward them to the Commission and Congress as the Department's 2005 recommendations for the closure and realignment of military installations in the United States and territories.

Approved: 
Michael W. Wynne
Executive Secretary
Infrastructure Executive Council

Attachments:

1. List of Attendees
2. Briefing slides entitled "Briefing to the Secretary of Defense" dated May 10, 2005

**BRAC 2005 Briefing to the Secretary of Defense
Briefing Minutes of May 10, 2005**

Attendees

- Hon Donald Rumsfeld, Secretary of Defense
- Gen Richard B. Myers, Joint Chiefs of Staff
- Hon Gordon R. England, Secretary of the Navy
- Mr. Michael Wynne, Under Secretary of Defense (AT&L)
- Mr. Daniel Stanley, Under Secretary of Defense, Legislative Affairs
- Mr. William J. Haynes, DoD General Counsel
- Mr. Larry DiRita, Special Assistant to the Secretary of Defense (Public Affairs)
- Mr. Paul Butler, Special Assistant to the Secretary of Defense
- Mr. Raymond DuBois, Director, Administration & Management
- Mr. Philip Grone, Deputy Under Secretary of Defense (Installations & Environment)
- Mr. Peter Potochney, Director, OSD BRAC
- Mr. Daniel Dell'Orto, Office of DoD General Counsel
- Mrs. Nicole Bayert, Associate General Counsel, Environment and Installations
- Mr. Matthew Latimer, OSD Public Affairs



BRAC 2005

Briefing to the
Secretary of Defense

May 10, 2005



Purpose

- SECDEF established the Infrastructure Executive Council (IEC) as the policy making and oversight body for the BRAC 2005 process.
- IEC has developed closure and realignment recommendations for SECDEF approval

Recommendation

Approve the 222 Candidate Recommendations presented by the IEC



Statistics

- 222 Candidate Recommendations (CR)
 - 842 Installations closed or realigned
 - 539 Installations closed
 - 33 Major closures (>\$100M PRV)
 - 506 Minor closures (12% leased)
 - 303 Installations realigned
 - 29 Major realignments (400 or more net reduction in mil/civ personnel)
 - 274 Minor realignments (26% leased)



Major Closures: Installations Recommended for Closure with Plant Replacement Value Exceeding \$100M (33 Total)

Army (14)

- Riverbank Army Ammunition Plant, CA
- Fort Gillem, GA
- Fort McPherson, GA
- Newport Chemical Depot, IN
- Kansas Army Ammunition Plant, KS
- Selfridge Army Activity, MI
- Mississippi Army Ammunition Plant, MS
- Fort Monmouth, NJ
- Hawthorne Army Depot, NV
- Umatilla Chemical Depot, OR
- Lone Star Army Ammunition Plant, TX
- Red River Army Depot, TX
- Deseret Chemical Depot, UT
- Fort Monroe, VA

Department of Navy (9)

- Naval Support Activity, Corona, CA
- Naval Weapons Station Seal Beach
Concord Detachment, CA

- Submarine Base New London, CT
- Naval Air Station Atlanta, GA
- Naval Support Activity New Orleans, LA
- Naval Shipyard Portsmouth, ME
- Naval Station Pascagoula, MS
- Naval Air Station Willow Grove, PA
- Naval Station Ingleside, TX

Air Force (10)

- Kulis Air Guard Station, AK
- Onizuka Air Force Station, CA
- Otis Air National Guard Base, MA
- W. K. Kellogg Airport Air Guard Station, MI
- Cannon AFB, NM
- Niagara Falls International Airport Air Guard Station, NY
- Pittsburgh International Airport Air Reserve Station, PA
- Ellsworth AFB, SD
- Brooks City Base, TX
- General Mitchell ARS, WI



Other Closures: Installations Recommended for Closure with Plant Replacement Value less than \$100M (506)

Army Installations (388)

- 4 Active
- 384 Guard/Reserve in 39 states and territories

DoN Installations (51)

- 14 Active
- 37 Reserve in 26 states

Air Force Installations (2)

- 1 Active
- 1 Guard/Reserve in 1 state

Defense Agencies/Multiple Services (65)

- 65 Leased locations in 19 states



Major Realignment: Installations losing 400 + Net Total Military and Civilian Personnel (29 Total)

Army (5) *

- Walter Reed National Military Medical Center (at Bethesda), DC
- Rock Island Arsenal , IL
- Ft Knox, KY
- Army Reserve Personnel Center, St Louis, MO
- Ft Eustis, VA

Department of Navy (11)

- MCLB Barstow, CA
- Naval Base Ventura City, CA
- Naval Base Coronado, CA
- Naval Medical Center San Diego, CA
- Naval District Washington, DC
- NAS Pensacola, FL
- NS Great Lakes, IL
- NSA Crane, IN
- NAS Brunswick, ME
- NAS Corpus Christi, TX
- Naval Medical Center Portsmouth, VA

Air Force (10)

- Eielson AFB, AK
- Elmendorf AFB, AK
- Maxwell AFB, AL
- Mountain Home AFB, ID
- Pope AFB, NC
- Grand Forks AFB, ND
- Portland IAP AGS, OR
- Lackland AFB, TX
- Sheppard AFB, TX
- McChord AFB, WA

Defense Agencies / Multiple Services (3)

- NCR Leased locations, DC
- DFAS Cleveland, OH
- DFAS Arlington, VA

* Does not include the realignment of 9K Military personnel temporary assigned at Ft Hood, TX to Ft Carson, CO



Joint Centers of Excellence - 14

- Walter Reed National Military Medical Center at NMC Bethesda, MD
- Joint Strike Fighter Training at Eglin AFB, FL
- Extramural Research Program Managers at NMC Bethesda, MD
- Single San Antonio Med Center at Ft Sam Houston, TX
- Consolidate Defense Labs at Naval Research Lab, Washington, DC, Wright-Patterson AFB, OH and Aberdeen Proving Ground, MD
- Rotary Wing RDAT&E at NAS Patuxent River, MD and Redstone Arsenal, AL
- Fixed Wing RDAT&E at NAS Patuxent River, MD and Wright-Patterson AFB, OH
- Joint Transportation Management Training at Ft Lee, VA
- Joint Culinary Training at Ft Lee, VA
- Joint Religious Training at Ft Jackson, SC
- Joint Agency for Media and Publications at Ft Meade, MD
- Joint Battlefield Health & Trauma Research Center at Ft Sam Houston, TX
- Joint Chemical & Biological Defense R&D at Aberdeen Proving Ground, MD
- Joint Biological Defense R&D at Ft Detrick, MD



Quantifying Results – Cost and Savings (\$M)

(As of 7 May 05)

	Gross Savings*	One-Time (Costs)	Net Implementation Savings/(Costs)	Annual Recurring Savings/(Costs)	NPV Savings/(Costs)
Army BRAC	6,957.7	(9,969.4)	(8,212.2)	500.9	(3,011.7)
<i>Overseas</i>	15,696.2	(242.2)	4,373.5	1,214.4	15,454.0
<i>BRAC + Overseas</i>	22,653.9	(10,211.6)	(3,838.7)	1,715.4	12,442.3
DoN	9,815.3	(2,097.3)	408.7	753.5	7,718.0
Air Force	16,443.1	(1,882.9)	2,635.3	1,248.6	14,560.2
JCSGs	40,167.7	(10,959.0)	246.8	2,989.9	29,208.7
E&T	2,999.1	(1,777.1)	(1,020.5)	228.0	1,222.1
H&SA	12,077.5	(2,546.1)	716.3	914.3	9,531.5
Industrial	8,390.8	(780.5)	1,775.3	613.3	7,610.4
Intelligence	2,035.7	(1,699.3)	(1,271.0)	150.8	336.4
Medical	5,189.5	(2,442.8)	(1,336.8)	411.7	2,746.7
S&S	5,877.4	(326.2)	1,750.9	406.3	5,551.2
Technical	3,597.6	(1,387.2)	(367.4)	265.5	2,210.4
Total	73,383.8	(24,908.7)	(4,921.3)	5,492.9	48,475.2
Total W/Overseas	89,080.0	(25,150.9)	(547.8)	6,707.4	63,929.1

* Gross savings is the sum of Net Present Value and the 1-time costs



Quantifying Results – Other Measures

(As of 7 May 05)

	Plant Replacement Value (\$M)	% change in DoD Plant Replacement Value	Military Job Changes	Civilian Job Changes	Total Job Changes
Army*	(10,803)	(2.0%)	9,878	(1,619)	8,259
DoN	(4,126)	(0.8%)	(4,294)	(3,049)	(7,343)
Air Force	(6,637)	(1.2%)	(8,498)	(2,946)	(11,444)
JCSGs	(5,531)	(1.0%)	(8,170)	(10,910)	(19,080)
E&T	854	0.16%	(2,216)	(384)	(2,600)
H&SA	727	0.14%	(2,572)	(3,725)	(6,297)
Industrial	(795)	(0.1%)	(1,112)	(1,909)	(3,021)
Intelligence	(288)	(0.1%)	Classified		
Medical	(992)	(0.2%)	(1,887)	(2,231)	(4,118)
S&S	(4,536)	(0.8%)	(21)	(1,063)	(1,084)
Technical	(501)	(0.1%)	(362)	(1,598)	(1,960)
Total	(27,097)	(5.1%)	(11,084)	(18,524)	(29,608)

* Does not include addition of \$2.2 B of PRV for Global Posture actions



Comparing BRAC Rounds

(TY \$B)	Major Base Closures	Major Base Realignments	Minor Closures and Realignments	Costs ¹ (\$B)	Annual Recurring Savings ² (\$B)
BRAC 88	16	4	23	2.7	0.9
BRAC 91	26	17	32	5.2	2.0
BRAC 93	28	12	123	7.6	2.6
BRAC 95	27	22	57	6.5	1.7
Total	97	55	235	22.0	7.3 ³
BRAC 05	33	29	780	24.9	5.5

Note 1: As of the FY 2006 President's Budget (February 2005) through FY 2001.

Note 2: Annual recurring savings (ARS) begin in the year following each round's 6-year implementation period: FY96 for BRAC 88; FY98 for BRAC 91; FY00 for BRAC 93; and FY02 for BRAC 95. These numbers reflect the ARS for each round starting in 2002 and are expressed in FY 05 dollars.

Note 3: Does not add due to rounding.