

# Department of Defense

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Report Required by Section 2912 of  
the Defense Base Closure and  
Realignment Act of 1990, as  
amended through the National  
Defense Authorization Act for  
Fiscal Year 2003

March 2004





THE SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

MAR 23 2004

## SECRETARY'S CERTIFICATION

On the basis of the force-structure plan and infrastructure inventory prepared in accordance with subsection (a) of Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended and the descriptions and economic analysis prepared under such subsection, I hereby certify that the need exists for the closure or realignment of additional military installations, and that the additional round of closures and realignments that was authorized by Public Law 101-510, as amended, would result in annual net savings for each of the military departments beginning not later than fiscal year 2011.

A handwritten signature in black ink, appearing to read "Donald Rumsfeld", written in a cursive style.







CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
WASHINGTON, D.C. 20318-9999

MAR 22 2004

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Report to Congress on Base Realignment and Closure 2005

1. In accordance with Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, the Force Structure Plan at Section 2, Appendix D, was developed by the Joint Staff.
2. The Joint Chiefs unanimously agree that additional base realignments and closures are necessary if the Department of Defense is to transform the Armed Forces to meet the threats to our national security and execute our national strategy.
3. The overall estimate of excess capacity in this report is based on the infrastructure needs of the forces that the Joint Chiefs approved for Fiscal Year 2009 in its long-range force structure plan and on the base capacity assessments made by each Military Department and the Defense Logistics Agency. These approximations are by their nature conservative and do not reflect the additional infrastructure that may be surplus if the Department can achieve the increase in joint utilization and efficiencies in common business-oriented support functions to which the Joint Chiefs are committed.
4. This evaluation is underpinned by military requirements identified in Section 2. During this period of transition, we are fundamentally reconfiguring our forces to meet new security challenges. The military value requirements that flow from future force structure and future strategy needs will differ in character and shape from those of today. BRAC offers a critical tool to turn transformational goals into reality.

  
RICHARD B. MYERS  
Chairman  
of the Joint Chiefs of Staff



# Executive Summary

## **Background**

Beginning in 1988, just before the end of the Cold War, Congress authorized and the Department of Defense conducted four rounds of Base Realignments and Closures (BRAC) in 1988, 1991, 1993, and 1995. These actions were ultimately reviewed by an independent commission and approved by both the President and the Congress. In aggregate, these prior BRAC actions closed 97 major installations within the United States. While resizing its base structure to the changing needs of a smaller force, reorganizing military functions to reduce redundant and overlapping capabilities, and addressing a persistent excess of physical capacity, the Department achieved an aggregate net savings of \$17 billion through Fiscal Year 2001 and annual recurring savings thereafter of about \$7 billion (even after funding associated with environmental restoration).

Despite these achievements in infrastructure downsizing, the Department and numerous independent groups continued to identify the need for further reductions in the Department's installation structure. Over the intervening decade since BRAC 1995, the national security threat has changed dramatically and the Department's operational doctrine and business practices have evolved. In response to the Department's request, the Congress, in late 2001, authorized one additional BRAC round in 2005. In so doing, it mandated that the Secretary of Defense provide a report and certification of the need for this round.

The Department began the BRAC 2005 process in November 2002 by establishing a BRAC policy and process framework. It also published draft selection criteria in December 2003, circulated a request for baseline data from military installations in January 2004, and published and submitted the final selection criteria to the Congress in February 2004. This report and its certification of need represent the completion of a critical milestone in the process as the Department proceeds towards presenting BRAC recommendations to an independent commission in May 2005.

## **Reporting Requirements**

As part of the budget justification documents submitted to Congress to support the Defense Department's Fiscal Year 2005 budget request, the Secretary must submit a detailed report regarding the need for a further BRAC round. Based upon the report, the Secretary must certify that additional closures and realignments are needed and that each military department will achieve annual net savings from such actions no later than Fiscal Year 2011. The specific requirements of the report are set out in Section 1.

## Response to Report Requirements

The Department, through the Joint Chiefs of Staff, developed a long-range force structure plan based on the probable threats to national security from 2005 to 2025. An unclassified description of the force structure through Fiscal Year 2009 is provided within the body of the report. A classified version of this plan, which covers the entire 2005 to 2025 time period, is provided as a separate appendix.

The Department also developed a comprehensive installation inventory, arrayed by military department and by active and reserve component installations (Appendix B). A summary of the inventory is included in the body of the report.

To assess the amount of excess infrastructure anticipated in Fiscal Year 2009,<sup>1</sup> the Department used the parametric analytical approach that it used in a similar 1998 assessment. Its report on the 1998 assessment (*The Report of the Department of Defense on Base Realignment and Closure, April 1998*) addressed similar issues of excess infrastructure capacity, using a baseline of forces and facilities available in 1989, before the post-Cold War reductions, and the force requirements projected for Fiscal Year 2003.

For this report, the Department focused on major U.S. installations representing broad categories, rather than the entire inventory discussed above, which includes myriad smaller sites. The selected installations represent a significant sample of the entire inventory. The Department also considered the anticipated continuing need for and availability of installations outside the United States and any efficiencies that might be gained from joint tenancy.

The Department used its experience with prior rounds of base closures and realignments to assess the economic impact of closures and realignments of military installations. During this assessment, the Department looked not only at the economic effect on the Department of Defense but also at the economic effect of base closures and realignments on communities in the vicinity of affected installations.

Finally, the Department reviewed its experience in previous BRAC rounds to determine whether each military department can anticipate annual net savings no later than Fiscal Year 2011. On the basis of an assessment of the cost and savings accrued from the actions of BRACs 93 and 95, the Department believes that it has an analytical template to anticipate the timing of net savings from prospective BRAC 2005 actions. Hence, this assessment supports the certification that each military department can anticipate annual net savings no later than Fiscal Year 2011.

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<sup>1</sup> The Department used the Fiscal Year 2009 date because it was the end of the Future Years Defense Plan (FYDP).

## Conclusions

Recent world events have not altered the need to transform the military infrastructure to meet future needs. In fact, these recent events have exacerbated the need to rapidly accomplish transformation and reshaping. This report highlights that excess infrastructure does exist and is available for reshaping or needs to be eliminated. This report estimates that the Department possesses, in aggregate, 24 percent excess installation capacity. Only a comprehensive BRAC analysis can determine the exact nature or location of potential excess. In preparing a list of realignment and closure recommendations in May 2005, the Department will conduct a thorough review of its existing infrastructure in accordance with the law and Department of Defense BRAC 2005 guiding procedures, ensuring that all military installations are treated equally and evaluated on their continuing military value to our nation.

Table 1 shows the Department's current estimated percentages of excess capacity for each military department, the Defense Logistics Agency (DLA), and DoD overall.

*Table 1. Estimated Percentage of Excess Capacity*

<b>Department</b>	<b>Estimated Percentage of Excess Capacity (above 1989 baseline)</b>
Army	29
Navy	21
Air Force	24
DLA	17
<b>Total</b>	<b>24</b>

In assessing excess capacity, the Department recognizes the continuing need for and availability of a worldwide network of installations, operating locations, and access arrangements as a vital component of the United States' ability to protect its national interests, while taking into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions. Furthermore, through execution of prior BRAC rounds, the Department has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States.

The Department's estimated excess capacity illustrated in this report may be even greater after the further functional and operational efficiencies likely to emerge from joint basing options. Transformation both within individual services and among services through

joint initiatives is critical to supporting our national security strategy. BRAC is a key enabling tool in this challenging task.

Based upon the Department's experience in executing the BRAC decisions of 1993 and 1995, it concludes that whatever the specific BRAC recommendations might be in BRAC 2005, each military department will generate annual net savings no later than Fiscal Year 2011.

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# Section 1: Introduction

## History of BRAC (1988-1995)

The roots of the Defense Department's Base Realignment and Closure (BRAC) process go back to the latter years of the Cold War. In the 1980s, as now, the Department found itself with an inventory of facilities, a legacy from an earlier time, that was mismatched to its force structure and strategic environment. However, legal and political obstacles hindered the Department's ability to adjust its U.S. base structure. The dysfunctional installation structure inhibited force reorganization and realignment, encouraged duplicative capabilities within and among the military services, and caused the inefficient expenditure of resources that could have been redirected to force readiness and modernization. Today, despite four BRAC rounds since 1988, the Department faces similar challenges even as it faces a rapidly changing strategic threat.

While the Department adjusted its overseas base structure during the Cold War, its U.S. bases proved much more difficult to change. The Department's U.S. base structure in the 1970s and 1980s was designed to support a huge mobilization similar to World War II, augmented by the addition of nuclear deterrent forces in the 1950s and 1960s.

Each Administration attempted to change this network of military installations, but these attempts were generally marginal endeavors that never flowed from a top-to-bottom analysis of defense installation needs. The last significant U.S. base closures in the 1970s were directed at more efficiently accommodating the post-Vietnam era force structure. Unfortunately, some base closures were seen as having partisan political motivations, sparking significant opposition from Congress and local communities.

By the late 1970s, Congress had enacted legislation (10 U.S.C. 2687) that made it very difficult for the Department to close or significantly realign U.S. military installations. The net result of this development was that there were no further significant base closures or realignments. During the first 7 years of the Reagan Administration, both the Congress and Administration agreed that the status quo was inefficient and dysfunctional, but neither took action to reduce the base structure.

In May 1988, Secretary of Defense Frank Carlucci chartered the Commission on Base Closure and Realignment to recommend the realignment and closure of military bases within the United States and its commonwealths, territories, and possessions. Subsequently, in October 1988, the Congress passed and the President signed legislation that endorsed the commission approach and provided relief from certain statutory provisions considered impediments to the completion of base closures.

The BRAC provisions in the National Defense Authorization Act for Fiscal Year 1989, Public Law 100-526, as amended, were a breakthrough in the impasse regarding the closure of military bases. Through a process of shared oversight, both the Executive and Legislative branches recognized that improvement in the military basing structure could be a means of realizing savings in the defense budget, but would not impair the ability of

the Armed Forces to carry out their missions. Empowering an independent commission to make closure and realignment selections and limiting both the President's and the Congress's ability to alter these recommendations, by either approving or rejecting the entire slate, were the means to avoid potential political roadblocks.

The 1988 BRAC process, conducted in the midst of the Cold War while the Department supported a military force exceeding two million uniformed personnel, produced recommendations for the closure of 16 major installations and the realignment of 4 others. Both the President and the Congress approved these recommendations.

Attempts to execute an additional Defense Secretary's Commission in 1990 failed. Instead, the Congress approved the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510), which authorized three additional BRAC rounds in 1991, 1993, and 1995. This statute built upon the 1988 BRAC experience but made the following important changes:

- Tasked the Secretary of Defense to develop BRAC recommendations, rather than have an independent commission perform this task.
- Created an independent BRAC commission that would review the Secretary's recommendations. The commission was empowered to alter these recommendations if it determined that the Secretary "deviated substantially" from the force structure plan and final selection criteria upon which all recommendations were to be based and justified.
- Required a formal review of both the process and recommendations by the Comptroller General of the United States.

While the Congress made minor amendments to the BRAC statute after each BRAC round, the basic principles and features of the selection and implementation process remained intact from 1990 until the final actions were approved in 1995.

Table 1-1 summarizes the results of each of the four BRAC rounds.

*Table 1-1. Results of BRACs 1988, 1991, 1993, 1995*

<b>BRAC a</b>	<b>Major Base Closures</b>	<b>One-time Costs (\$B) b</b>	<b>Annual Recurring Savings (\$B) c</b>
1988	16	2.7	0.8
1991	26	5.2	1.9
1993	28	7.5	2.3
1995	27	6.5	1.6

a. A complete summary of the results of these BRAC rounds is in Appendix C.

b. As of the FY 2005 President's Budget (Feb. 2004) through FY 2001.

c. Annual recurring savings begin in the year following each round's 6-year implementation period: FY 1996 for BRAC 1988; FY 1998 for BRAC 1991; FY 2000 for BRAC 1993; and FY 2002 for BRAC 1995. These numbers reflect the annual recurring savings for each round starting in 2002.

## **The Need for Further BRAC Rounds**

In the intervening years since the conclusion of BRAC 1995, a variety of reports have emphasized the need for further adjustment to the Department's base infrastructure. Some were generated from within the Defense Department, while others came from independent sources.

**a. 1997 and 2001 Quadrennial Defense Reviews.** Both of these reviews highlight the 20 to 25 percent of excess infrastructure that the Department has maintained. These reports estimate that the excess infrastructure annually drained between \$3 billion and \$4 billion in resources that should be captured through BRAC and applied to the Department's underfunded modernization of weapons systems and recapitalization of the force.

**b. 1997 Report of the National Defense Panel.** The National Defense Panel was mandated by the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) as part of the Quadrennial Defense Review process. Key findings from the panel include: "Fundamental reform of the Defense Department's support infrastructure is key to an effective transformation strategy for the years 2010–2020. Today, the Department of Defense is burdened by a far-flung support infrastructure that is ponderous, bureaucratic, and unaffordable. Unless its costs are cut sharply, the Department will be unable to invest adequately for the future. The Panel supports the initiatives put forward by the recent Defense Reform Initiative. However, the Panel believes even more can and should be done. The Panel strongly endorses the infrastructure recommendations within the Defense Reform Initiative, which stated that there is sufficient surplus capacity for two additional BRAC rounds. Indeed, we

believe there may be even more excess capacity that could be identified, should a review be done from a joint-base perspective. Therefore, the Panel strongly recommends that two BRAC rounds be conducted earlier than the current 2001/ 2005 Department proposal. The object is to transform the base structure from an impediment to a cost-effective enabler of readiness and modernization.”

**c. The Report of the Department of Defense on Base Realignment and Closure, April 1998.** In response to the Department’s 1997 request for further BRAC authority, the Congress mandated a detailed report regarding past BRAC actions and the need for additional BRAC rounds. In April 1998, Secretary of Defense William J. Cohen and Chairman of the Joint Chiefs of Staff General Henry H. Shelton provided this report to the Congress. The Secretary highlighted five points from this report:

- **Excess base structure.** Despite four BRAC rounds since 1988, the Department still had significant excess physical capacity that justified two additional BRAC rounds.
- **Real savings.** Previous BRAC actions had generated significant net savings, \$3.7 billion in Fiscal Year 1999, and an estimated \$25 billion through Fiscal Year 2003, with \$5.6 billion each year thereafter. Additional BRAC rounds (requested for 2001 and 2003) were expected to yield an additional \$21 billion by 2015 and \$3 billion annually thereafter.
- **Sound strategy.** The projected savings from past and future BRAC actions were critical to maintaining readiness and funding the modernization of the force.
- **Economic growth and development.** In aggregate, communities that experienced BRAC actions saw 75 percent of the civilian jobs replaced within 2 years of closure.
- **An urgent imperative.** The economies and efficiencies achieved through further BRAC rounds will be important in maintaining the United States’ decisive edge in military capabilities.

**d. Joint Staff assessment of the effects of previous BRAC rounds on military capability.** The Joint Staff supports the need for additional base adjustments through BRAC. In addition to the statements in this report, in the *Report of the Department of Defense on Base Realignment and Closure*, discussed above, the Chairman of the Joint Chiefs of Staff stated that (1) “The Joint Chiefs of Staff are of the unanimous view that additional base closures are a necessity if we are to transform the Armed Forces ...”; (2) “We must convey both the need and urgency for two additional base closure rounds to Congress...”; and (3) “Further base closures are necessary to posture our force to best meet future challenges.”

**e. Comptroller General review of the Department’s April 1998 report.** The Congress also directed the Comptroller General to review the Defense Department’s report on the results of its four BRAC rounds. The General Accounting Office (GAO) was in a particularly good position to do so inasmuch as it had monitored the

BRAC process throughout this period and had assessed the Department's specific recommendations during each of the last three BRAC rounds.

In his report to the Congress, the Assistant Comptroller General made the following observations regarding the Department's April 1998 report:

- The Department's conclusions regarding excess facility capacity after the four BRAC rounds were "a rough indication." These conclusions were consistent with the GAO's prior work in this area. "Our work has shown this [excess capacity] to be the case, particularly in maintenance depots and in research, development, test, and evaluation facilities."
- The Department's data regarding the costs and savings from previous BRAC rounds should be viewed as "a rough approximation of costs and savings rather than a precise accounting." Nevertheless, despite the lack of precision, these estimates were consistent with previous GAO analyses of these data.
- The Department's conclusion that no long-term problems affected military capabilities from previous BRAC actions was likewise consistent with previous GAO work.
- The Department's characterization of the economic recovery of BRAC-affected communities was true, although the degree of recovery varied among the involved communities.

**f. Report on the Effect of Base Closures on Future Mobilization Options.**

Responding to a request of the Congress (Sec. 2815 of the National Defense Authorization Act of 1995), the Defense Department assessed "the ability of the Armed Forces to remobilize to the end strength levels authorized for Fiscal Year 1987." *The Report on the Effects of Base Closures on Future Mobilization Options*, which was published in December 1999, included an assessment of the task of providing facilities to support the 1987 Cold War force by considering the infrastructure needs of this force against the base structure remaining after BRAC 1995. In estimating the requirement for facilities, the study examined a worst-case scenario in which the entire force would be stationed within the United States. Additionally, this study examined the impacts on and capabilities to build up the force to 1987 levels post-BRAC 1995.

In some mission areas, the base infrastructure had not been substantially reduced in its capability to support the 1987 force. Where there were shortfalls, the study categorized the needed facility assets as either "reconstitutable," that is, easily replaced through construction, or "difficult-to-reconstitute." Assets in this latter category, including large land maneuver areas, deep-water ports, and airspace for aviation training, were much more difficult to obtain.

In assessing the aggregate actions of the four BRAC rounds, the study concluded that the Department had intentionally retained control over most "difficult-to-reconstitute" assets either by retaining installations that had such assets or, when installations were closed, by retaining effective control over key parts of such bases through transfers to

Reserve components or other arrangements. Because of this strategy, the study concluded that remobilization would not be constrained by these “difficult-to-reconstitute” assets.

While reconstitution vice a short term “surge” requirement (for a short, limited duration contingency) would require substantial investment in new facilities on existing installations, the cost would be only a small percentage of the net savings already realized and continually accruing to the Department from the BRAC actions.

In summary, the remobilization study concluded that the U.S. installation structure remaining after four BRAC rounds had enough capacity or expansion flexibility to meet virtually any foreseeable mobilization need within a timeframe that would support national security requirements.

## **The BRAC 2005 Process**

The National Defense Authorization Act for Fiscal Year 2002 authorized the Department of Defense to conduct a BRAC round that would culminate in Department recommendations to an independent commission in May 2005. Known as BRAC 2005, this process generally follows the procedures for BRAC 1995. The following highlight the significant changes:

- The Secretary must provide a detailed report regarding the need for BRAC 2005 with the Fiscal Year 2005 budget justification documents.
- The Force Structure Plan must include a 20-year threat assessment rather than the 6-year threat assessment required in previous BRAC rounds.
- The authority to proceed with BRAC 2005 is contingent on the Secretary of Defense’s certifying that further base closures and realignments are needed and that such closures and realignments will result in annual net savings for each of the military departments beginning not later than Fiscal Year 2011. The Comptroller General is to evaluate the certification and the associated report.
- The legislation: (1) specifies that military value must be the primary consideration in making realignment and closure recommendations and (2) delineates factors that military value must include and other considerations that the selection criteria must address. In prior rounds the Department made military value the primary consideration as a matter of policy.
- The Commission will have one additional member, totaling nine.
- The Commission can *add* an installation to the Secretary of Defense’s list of recommended closures and realignments only if:
  - Seven of the nine Commissioners support the addition;
  - The added installations are visited by at least two Commissioners; and
  - The Commission provides the Secretary 15 days to explain why the installation was not included in a BRAC recommendation.

- The Commission must invite the Secretary to testify at a public hearing, or a closed hearing if classified information is involved, on any proposed change by the Commission to the Secretary's recommendations.
- Because the authority envisions that the Department will make recommendations in mid-May, 2005 (vs. mid-March for BRACs 1993 and 1995), other dates such as the nomination of members for the Defense Base Closure and Realignment Commission, were also adjusted.
- During the implementation of prior rounds, congressional authority was granted in 1998 to utilize economic development conveyances at no cost to the local redevelopment authority when conditions warranted; current BRAC authority authorizes no-cost conveyances as well, but the Department is directed to seek fair market value.
- The act expressly authorizes the Secretary to close an installation and retain it in inactive status. Although not expressly provided for in prior BRAC statutes, the Department has always had this authority.
- The act specifies that the Secretary may implement a closure through privatization in place only if that method of realignment or closure is specifically authorized in the Commission's recommendations and is the most cost-effective method of implementation.

## **Report Requirements**

Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, directed the Secretary of Defense to provide the Congress with a report regarding BRAC, together with the Fiscal Year 2005 Budget Justification Documents (see Appendix A). The report must contain the following elements:

- A force-structure plan<sup>2</sup> for the Armed Forces based on:
  - An assessment by the Secretary of the probable threats to national security during the 20-year period beginning with Fiscal Year 2005;
  - The probable end-strength levels and major military force units (including land force divisions, carrier and other major combatant vessels, air wings, and other comparable units) needed to meet these threats; and
  - The anticipated levels of funding that will be available for national defense purposes during such period.
- A "comprehensive inventory of military installations worldwide for each military department, with specifications of the number and type of facilities in the active and reserve forces of each military department."

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<sup>2</sup> It should be noted that this plan does not reflect temporary adjustments to the force structure of one or another military service that the Secretary of Defense may make from time to time in response to unique, but transient, conditions.

- A "description of infrastructure necessary to support the force structure described in the force structure plan."
- A "discussion of categories of excess infrastructure and infrastructure capacity."
- An "economic analysis of the effect of the closure or realignment of military installations to reduce excess infrastructure."
- On the basis of the force structure plan and the infrastructure inventory, a "certification regarding whether the need exists for the closure or realignment of additional military installations; and if such need exists, a certification that the additional round of closures and realignments would result in annual net savings for each of the military departments beginning not later than Fiscal Year 2011."

When considering the level of necessary versus excess infrastructure, this report must consider the anticipated continuing need for and availability of military installations outside the United States and any efficiency that might be gained from the joint tenancy by more than one branch of the Armed Forces at a military installation.

## **Differences Between This Report and BRAC 2005**

For this report, the process used to identify excess installation capacity within each military service provides only an indication of the amount and type of excess infrastructure capacity within the Defense Department. The parametric analytical approach used is helpful in making a broad assessment to support a judgment that an additional BRAC round is justified. However, this approach lacks the precision to identify specific installations or functional configurations for realignment or closure.

In the actual BRAC analytical process, three central considerations underpin the analysis that leads to specific base realignment and closure recommendations: defense installation infrastructure supported by the FYDP, long-term force structure, and selection criteria. The programmed installation infrastructure of the Department represents its physical capacity to support military forces and functions. Details of that capacity will be provided through extensive data calls, the accuracy of which will be certified by appropriate command authorities. The long-term force structure represents a statement of need or requirement that is based on an assessment of the national security threats to the United States. Finally, the selection criteria that were vetted through a public and congressional review process provide a consistent means of assessing BRAC candidates from among all DoD installations within a functional grouping. While the criteria cover a range of considerations, the highest priority is given to the military value of each installation.

In addition to these central considerations, which have not varied among previous BRAC rounds, analysts will be looking at ways to use the BRAC 2005 authority to advance the Department's transformation goals. BRAC realignments will provide the flexibility to reconfigure forces to meet new and emerging threats and to capitalize on emerging technologies. Further, recognizing that military operations almost invariably involve multiple services, BRAC 2005 will focus on opportunities to collocate forces from

multiple services in ways that enhance training and operational readiness. Similarly, BRAC 2005 will look for ways to streamline support functions to increase effectiveness and efficiency and reduce unnecessary redundancy. We anticipate that the strong emphasis on transformation and jointness may reveal even more excess capacity than the simple comparison of requirements to capacity that is the focus of this report.

The analysis that follows in this report should not be viewed as a comprehensive examination of how to eliminate excess infrastructure capacity or advance transformation goals. Rather, its broad, parametric assessment of capacity and requirements supports the Secretary's certification that another round of Base Realignment and Closure is necessary to achieve efficiencies and enhance national security.

The following sections of this report provide the analysis and specific elements required by Section 2912.



## **Section 2: The Force Structure Plan**

The Joint Chiefs of Staff provided a long-term force structure plan for the Defense Department based on their analysis of current and future threats, challenges, and opportunities and on the President's national strategy to meet such circumstances. In accordance with Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, the force structure plan for BRAC 2005 is based on the probable threats to national security for a 20-year period, from 2005 to 2025. In previous BRAC rounds, this projection ran only six years into the future. It is important to note that this report focuses on a snapshot of force structure and infrastructure for Fiscal Year 2009 due to security classifications and programming. However, this snapshot is a realistic representation of future force structure and infrastructure requirements.

An unclassified portion of the force structure plan is included in this section. The entire plan is classified and available through restricted distribution (see Appendix D). The force structure plan does not reflect temporary adjustments to the force structure of one or another military service that the Secretary of Defense may make from time to time in response to unique but transient conditions. The Secretary of Defense has approved a temporary increase of 30,000 spaces for Fiscal Year 2004 through Fiscal Year 2007 in the Active Army's operating strength to provide sufficient headroom to accelerate the Army transformation process while remaining fully engaged in worldwide operations including Operation Iraqi Freedom and Operation Enduring Freedom. Should the long-term force structure plan require changes before the BRAC 2005 recommendations are submitted in May 2005, the Secretary will provide a revised force structure plan as part of the budget justification documents for Fiscal Year 2006 as authorized by law.

### **Strategy and Force Development**

The President's National Security Strategy and the Secretary of Defense's U.S. Defense Strategy provide a new focus for U.S. military forces. The defense strategy requires that U.S. forces, by their presence and activities, assure friends and allies of the U.S. resolve and ability to fulfill commitments. Military forces must dissuade adversaries from developing dangerous capabilities or pursuing courses of action that threaten global security. In addition, forces must provide the President with a wide range of options to deter aggression and coercion, and if deterrence fails, forces must have the ability to defeat any adversary at the time, place, and in the manner of U.S. choosing.

Based on a detailed analysis in the Secretary's latest Quadrennial Defense Review (2001), the Department of Defense adopted a new defense strategy to fulfill the President's strategic directives. The new strategy describes a broad range of military requirements and defines a new force development construct that takes into account the number, scope, and concurrence of tasks assigned to U.S. armed forces, to include ongoing operations. Rather than focusing on the two major theater war force structure, the new strategy sizes the force for defense of the U.S. homeland; forward deterrence;

overlapping war-fighting missions in more than one region; and multiple, lesser contingencies. In addition, the strategy requires a force generation capability.

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

## **Transformation to a Capabilities-Based Approach**

To execute the defense strategy, U.S. forces will need flexible, adaptive, and decisive joint capabilities that can operate across the full spectrum of military contingencies. In the past, force development was requirements driven, based on specific threats. However, in today's security environment, it is impossible to predict, with any confidence, which nations, combinations of nations, or non-state actors may threaten U.S. interests at home or abroad. To mitigate this risk, the United States must anticipate a broad range of capabilities that an adversary might employ and the necessary capabilities that the United States must field to dissuade, deter, or defeat the adversary.

To counter new challenges to national security, the Department of Defense has adopted an approach to force development based on a set of desired capabilities. This new approach will lead to a transformation of U.S. military forces and extend U.S. military superiority well into the future by making our forces proactive in anticipating threats before they emerge and creating a fundamentally joint, network-centric, distributed force capable of rapid decision-making. The new capabilities-based approach will provide the means to align future force requirements with strategy. Realizing these capabilities will require transforming our people, processes, and the military force.

**Transformation.** Transformation is a process through which the Department of Defense can change the nature of military competition and cooperation through new combinations of concepts, capabilities, people, and organizations to exploit our nation's advantages and protect against our asymmetric vulnerabilities. The goal of transformation is to create an ongoing process that allows the military to balance future force management, operational, and institutional risks and to compare and assess new operating concepts that employ new organizational constructs, capabilities and doctrine for achieving military objectives. Through the process, the Department can determine whether these concepts are worth major investments. While transformation may call for significant infrastructure and force structure realignment, it must be integral to the BRAC process.

**Why Transformation.** Transformation is necessary to ensure that U.S. forces continue to operate from a position of overwhelming military advantage in support of strategic objectives. Our strategy requires transformed forces that can take action from a forward position or from the United States and, rapidly reinforced from other areas, defeat adversaries swiftly and decisively while actively defending U.S. territory. Transformed forces are also essential for deterring conflict, dissuading adversaries, and assuring others of our commitment to a peaceful world. Over the long term, our security and the prospects for peace and stability for much of the rest of the world depend on the success of transformation.

An element of transforming how we fight is force transformation. This hinges on joint war-fighting concepts and is tied directly to supporting military capability areas such as doctrine, organization, training, materiel, leadership and education, personnel, and facilities. Force transformation will account for the full spectrum of military operations, to include stability and support operations. It will involve adaptive planning through a future-oriented, capabilities-based resource allocation planning process and accelerated acquisition cycle. To ensure that force transformation is effective, this concept will integrate military power with other instruments of national power.

**Addressing Capabilities Through Force Transformation.** The new transformation strategy will balance near-term operational risk with future risk in investment decisions. The Department will invest now in specific technologies and concepts that are transformational yet remain open to other paths towards transformation. Capabilities will be developed, supported by force transformation that will allow the Department to fulfill the defense strategy yet remain open to exploring new and essential capabilities. This force transformation will permit the creation of a future capabilities-based and network-centric force structure that can address the full spectrum of conflict. It will allow the U.S. military to create conditions for increased speed of command and opportunities for self-coordination across the battlespace.

## **Probable Threats to National Security**

**Range of Challenges.** The strategic environment has undergone fundamental change. In spite of our unique position as a global power with worldwide interests and unmatched military capabilities, this change has redefined the range of challenges we must confront. Uncertainty is inherent in assessing future threats. Therefore, the potential for surprise should inform all planning efforts.

In general, opponents understand they cannot match U.S. military power. Therefore, they will take the time to identify U.S. strengths and vulnerabilities, and act accordingly. We expect that current and likely future adversaries—both state and non-state—will adopt a host of asymmetric capabilities and methods intended to circumvent our military advantages. Future opponents will seek to avoid decisive engagements by acting indirectly against us, hoping to exact prohibitive costs and present us with unique military or security challenges.

Our principal challenges are represented by an array of *traditional*, *irregular*, *catastrophic*, and disruptive methods and capabilities employed both by states and non-state actors. Combined, these reflect the four persistent and emerging challenges we must prevail against in a new, more uncertain era. There are often no hard boundaries distinguishing one of these categories from another. While the capabilities and methods within each differ, the most dangerous circumstances are those where we are facing, or will face, multiple challenges simultaneously.

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

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

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

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

***Catastrophic challenges*** involve terrorist or rogue employment of weapons of mass destruction (WMD). A number of state and non-state actors are vigorously seeking to acquire dangerous and destabilizing *catastrophic* capabilities. States seek these capabilities to offset perceived regional imbalances or to hedge against U.S. military superiority. Terrorists seek them because of the resident potential they hold for greater physical and psychological impact on targeted audiences.

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

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

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

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

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

## **The Unclassified Force Structure Plan**

The following table (Table 2-1) shows the programmed force structure, manning, and funding for the Army, Navy, Marine Corps, and Air Force for Fiscal Years 2005, 2007, and 2009. When reviewing this plan, it should be noted that it depicts only service force units; that is, not all of the force structure is identified. For example, the unclassified version does not account for Army nondivisional units including their associated assets like aviation and special operations; Navy noncarrier-based aircraft and construction battalions; and Air Force airlift, special operations, tankers, and missiles.

Table 2-1. Unclassified Force Structure Plan

**Service Force Units**

	<u>FY05</u>	<u>FY07</u>	<u>FY09</u>
<b>Army Divisions</b>			
Active	10	10	10
Reserve	8	8	8
<b>Aircraft Carriers</b>	12	12	12
<b>Carrier Air Wings</b>			
Active	10	10	10
Reserve	1	1	1
<b>Battle Force Ships</b>	332	338	347
<b>Air Force</b>			
Air and Space Expeditionary Forces	10	10	10
<b>Marine Corps Divisions</b>			
Active	3	3	3
Reserve	1	1	1

**End Strength (in thousands)**

	<u>FY05</u>	<u>FY07</u>	<u>FY09</u>
<b>USA</b>			
Active	482*	482*	482
Reserve	555	555	555
<b>USN</b>			
Active	366	361	357
Reserve	83	78	76
<b>USMC</b>			
Active	175	175	175
Reserve	40	40	40
<b>USAF</b>			
Active	360	360	360
Reserve	183	184	184

**Anticipated Level of Funding (\$B)  
(as submitted in the FY 2005 President's Budget)**

	<u>FY05</u>	<u>FY07</u>	<u>FY09</u>
<b>USA</b>	98.6	109.4	117.7
<b>USN</b>	104.2	113.0	129.6
<b>USMC</b>	15.3	17.2	18.5
<b>USAF</b>	120.5	132.6	142.7

\* The Secretary of Defense has approved a temporary increase of 30,000 spaces for Fiscal Year 2004 through Fiscal Year 2007 in the Active Army operating strength to provide sufficient headroom to accelerate the Army transformation process while remaining fully engaged in worldwide operations including Operation Iraqi Freedom and Operation Enduring Freedom.



## Section 3: Inventory of Installations and Facilities

Section 2912 of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510, as amended, requires the Secretary of Defense to provide in this report a comprehensive inventory of military installations for each military department, including specifications of the number and the types of facilities in its active and reserve forces. The Defense Department's worldwide installation infrastructure inventory is provided at Appendix B. The inventory of owned facilities was derived from the Department's Facilities Assessment Database (FAD), a resource that is updated annually from the military departments' real property records. The data is current as of the end of Fiscal Year 2003. The data for leases was provided separately by the military departments, DLA, and Washington Headquarters Services. Unfortunately, the military departments' databases of their leased facilities do not always include all the information requested for this report. Consequently, not all leases have a clearly identified purpose.

The inventory identifies 522,724 owned facilities; however, the FAD includes a total of 586,962 facilities. The number of facilities not included in the inventory in this report but included in the FAD are: 2,133 (NATO), 33,379 (leased), 15,253 (foreign), 7 (civil works), 79 (state funded), and 13,387 (privately owned).

Facilities include the following ten basic types:

1. Operations and training
2. Maintenance and production
3. Research, development, test, and evaluation
4. Supply
5. Hospital and medical
6. Administrative
7. Family housing
8. Troop housing and mess facilities
9. Community facilities
10. Utilities and grounds improvements

Within each of these facility types, the inventory arrays the facilities by state (or country for non-U.S. locations), Defense Department component, and installation. It also shows whether the facilities are primarily active or reserve facilities and indicates whether the facilities are owned or leased. Sites included on the tables as "Other" do not meet one of the following criteria: for sites located in the United States, the site must be larger than 10 acres and have a Plant Replacement Value (PRV) greater than \$10 million; for sites located in a U.S. territory or non-U.S. country, the site must be larger than 10 acres OR have a PRV greater than \$10 million.

While the comprehensive inventory of worldwide installations summarized in the following tables, and in the detailed data contained on the compact disk at Appendix B provides a perspective of the size and variety of the Department's real property assets, it is less helpful as an aggregate measure of infrastructure capacity. Because the

Department’s major force elements are generally sited on large installations that provide the variety of support functions these forces need, a realistic discussion of excess capacity should focus on these larger installations. For this reason, a working inventory of 276 major installations within the United States was used as the basis for the discussion of excess capacity in Section 6.

Tables 3-1 through 3-10 display a summary of the number of owned facilities for each of the ten basic facility types in the inventory data contained in Appendix B. “Facility” is defined as a building, structure, or utility on real property owned by the Department of Defense.

*Table 3-1. Number of Operations and Training Facilities*

<b>Area</b>	<b>Component</b>	<b>Owned</b>
U.S./U.S. territories	Army - Active	18,590
	Army - Guard	2,503
	Army - Reserve	1,819
	Navy - Active	10,320
	Navy - Reserve	380
	Air Force - Active	12,631
	Air Force - Guard	2,799
	Air Force - Reserve	626
	Marine Corps - Active	2,110
	Marine Corps - Reserve	12
	Defense Logistics Agency	235
	TRICARE Management Agency	117
	Washington Headquarters Services	22
	Other	9,398
U.S./U.S. territories total		61,562
Non-U.S.	Army - Active	4,017
	Navy - Active	1,681
	Air Force - Active	4,123
	Marine Corps - Active	644
	DoD Education Activity	
	TRICARE Management Agency	17
	Other	557
Non-U.S. total		11,039
Grand total		72,601

Table 3-2. Number of Maintenance and Production Facilities

<b>Area</b>	<b>Component</b>	<b>Owned</b>
U.S./U.S. territories	Army - Active	11,154
	Army - Guard	640
	Army - Reserve	584
	Navy - Active	4,389
	Navy - Reserve	187
	Air Force - Active	4,293
	Air Force - Guard	1,125
	Air Force - Reserve	169
	Marine Corps - Active	868
	Marine Corps - Reserve	3
	Defense Logistics Agency	81
	TRICARE Management Agency	38
	Other	3,263
U.S./U.S. territories total		26,794
Non-U.S.	Army - Active	1,161
	Navy - Active	526
	Air Force - Active	773
	Marine Corps - Active	205
	DoD Education Activity	1
	TRICARE Management Agency	2
	Other	41
Non-U.S. total		2,709
Grand total		29,503

Table 3-3. Number of Research, Development, Test, and Evaluation Facilities

<b>Area</b>	<b>Component</b>	<b>Owned</b>
U.S./U.S. territories	Army - Active	2,813
	Army - Guard	3
	Army - Reserve	12
	Navy - Active	2,655
	Navy - Reserve	
	Air Force - Active	1,556
	Air Force - Guard	
	Air Force - Reserve	
	Marine Corps - Active	30
	Marine Corps - Reserve	
	Defense Logistics Agency	
	TRICARE Management Agency	44
	Other	1,191
U.S./U.S. territories total		8,304
Non-U.S.	Army - Active	133
	Navy - Active	35
	Air Force - Active	38
	Marine Corps - Active	
	DoD Education Activity	
	TRICARE Management Agency	8
	Other	27
Non-U.S. total		241
Grand total		8,545

Table 3-4. Number of Supply Facilities

<b>Area</b>	<b>Component</b>	<b>Owned</b>
U.S./U.S. territories	Army - Active	32,877
	Army - Guard	3,050
	Army - Reserve	793
	Navy - Active	9,446
	Navy - Reserve	167
	Air Force - Active	7,754
	Air Force - Guard	1,299
	Air Force - Reserve	259
	Marine Corps - Active	1,380
	Marine Corps - Reserve	7
	Defense Logistics Agency	391
	TRICARE Management Agency	95
	Washington Headquarters Services	1
Other	4,409	
U.S./U.S. territories total		61,928
Non-U.S.	Army - Active	4,782
	Navy - Active	816
	Air Force - Active	2,087
	Marine Corps - Active	266
	DoD Education Activity	
	TRICARE Management Agency	32
	Other	117
Non-U.S. total		8,100
Grand total		70,028

Table 3-5. Number of Hospital and Medical Facilities

Area	Component	Owned
U.S./U.S. territories	Army - Active	534
	Army - Guard	39
	Army - Reserve	20
	Navy - Active	200
	Navy - Reserve	6
	Air Force - Active	486
	Air Force – Guard*	58
	Air Force – Reserve*	11
	Marine Corps - Active	43
	Marine Corps - Reserve	
	Defense Logistics Agency	4
	TRICARE Management Agency	81
	Other	148
U.S./U.S. territories total		1,630
Non-U.S.	Army - Active	107
	Navy - Active	33
	Air Force - Active	92
	Marine Corps - Active	19
	DoD Education Activity	1
	TRICARE Management Agency	63
	Other	3
Non-U.S. total		318
Grand total		1,948

\* These numbers include those medical facilities specifically established for training.

Table 3-6. Number of Administrative Facilities

Area	Component	Owned
U.S./U.S. territories	Army - Active	6,082
	Army - Guard	876
	Army - Reserve	556
	Navy - Active	2,643
	Navy - Reserve	120
	Air Force - Active	2,807
	Air Force - Guard	308
	Air Force - Reserve	65
	Marine Corps - Active	582
	Marine Corps - Reserve	11
	Defense Logistics Agency	96
	TRICARE Management Agency	104
	Washington Headquarters Services	8
	Other	2,387
U.S./U.S. territories total		16,645
Non-U.S.	Army - Active	1,661
	Navy - Active	274
	Air Force - Active	559
	Marine Corps - Active	212
	DoD Education Activity	1
	TRICARE Management Agency	7
		Other
Non-U.S. total		2,749
Grand Total		19,394

Table 3-7. Number of Family Housing Facilities

Area	Component	Owned
U.S./U.S. territories	Army - Active	30,461
	Army - Guard	88
	Army - Reserve	1,038
	Navy - Active	22,901
	Navy - Reserve	108
	Air Force - Active	43,769
	Air Force - Guard*	1
	Air Force - Reserve	
	Marine Corps - Active	6,711
	Marine Corps - Reserve	142
	Defense Logistics Agency	110
	TRICARE Management Agency	156
	Other	20,391
U.S./U.S. territories total		125,876
Non-U.S.	Army - Active	2,343
	Navy - Active	1,336
	Air Force - Active	2,674
	Marine Corps - Active	1,387
	DoD Education Activity	
	TRICARE Management Agency	
	Other	48
	Non-U.S. total	
Grand total		133,664

\*This is not a family housing unit but a mobile home hookup at the Air Guard Station at Gabreski Airport in New York State.

Table 3-8. Number of Troop Housing and Mess Facilities

Area	Component	Owned
U.S./U.S. territories	Army - Active	4,653
	Army - Guard	1,760
	Army - Reserve	628
	Navy - Active	1,655
	Navy - Reserve	47
	Air Force - Active	2,231
	Air Force - Guard	299
	Air Force - Reserve	39
	Marine Corps - Active	638
	Marine Corps - Reserve	
	Defense Logistics Agency	5
	TRICARE Management Agency	42
	Washington Headquarters Services	1
	Other	1,251
U.S./U.S. territories total		13,249
Non-U.S.	Army - Active	1,539
	Navy - Active	898
	Air Force - Active	555
	Marine Corps - Active	88
	DoD Education Activity	
	TRICARE Management Agency	4
		Other
Non-U.S. total		3,153
Grand total		16,402

Table 3-9. Number of Community Facilities

Area	Component	Owned
U.S./U.S. territories	Army - Active	14,302
	Army - Guard	1,019
	Army - Reserve	940
	Navy - Active	7,667
	Navy - Reserve	194
	Air Force - Active	9,330
	Air Force - Guard	402
	Air Force - Reserve	175
	Marine Corps - Active	1,629
	Marine Corps - Reserve	2
	Defense Logistics Agency	153
	TRICARE Management Agency	238
	Washington Headquarters Services	4
	Other	3,997
U.S./U.S. territories total		40,052
Non-U.S.	Army - Active	4,522
	Navy - Active	1,322
	Air Force - Active	2,247
	Marine Corps - Active	556
	DoD Education Activity	15
	TRICARE Management Agency	31
		Other
Non-U.S. total		8,803
Grand total		48,855

Table 3-10. Number of Utilities and Grounds Improvements Facilities

Area	Component	Owned
U.S./U.S. territories	Army – Active	22,641
	Army – Guard	1,639
	Army – Reserve	3,608
	Navy – Active	17,059
	Navy – Reserve	574
	Air Force – Active	18,620
	Air Force – Guard	3,119
	Air Force – Reserve	688
	Marine Corps – Active	3,290
	Marine Corps – Reserve	49
	Defense Logistics Agency	478
	TRICARE Management Agency	466
	Washington Headquarters Services	69
	Other	28,250
U.S./U.S. territories total		100,550
Non-U.S.	Army – Active	10,411
	Navy – Active	2,218
	Air Force – Active	5,928
	Marine Corps – Active	1,185
	DoD Education Activity	38
	TRICARE Management Agency	134
	Other	1,320
Non-U.S. total		21,234
Grand total		121,784

Table 3-11 summarizes the lease information for each of the military departments and DLA. Leases are identified as supporting active component (AC) or reserve component (RC) forces.

**Number of Leases**

Military Department/Defense Agency/WHS	AC Leases	RC Leases
Army	1,669	25
Navy/Marine Corps	551	59
Air Force	299	127
DLA	131	0
Washington Headquarters Services	122	0



## **Section 4: The Role of Overseas Locations**

### **Context of Overseas Basing**

The basing of military forces and materiel at overseas locations has played an important role in supporting U.S. strategic interests for well over a century. From a purely military viewpoint, forward-deployed forces provide available resources with which to project military power during contingencies. The very presence of such forces can also provide a powerful regional deterrent. Beyond strict military significance, overseas-stationed forces can strengthen regional diplomatic and political power.

By the end of the Korean War, as overseas forces completed their post-World War II occupation missions, the U.S. forces were deployed overseas in a posture that would remain relatively unchanged throughout the Cold War period. In Europe, U.S. ground, air, and naval forces were deployed principally in support of the North Atlantic Treaty Organization on bases from Iceland in the West through Central Europe and to Turkey in the East. In the Pacific region, forces were stationed principally in Korea, the Philippines, and Japan. During the Southeast Asia conflict, these forces were significantly augmented by the deployment of combat units in South Vietnam and Thailand.

Overseas military power was augmented in several important ways. Combat units stationed in both Alaska and Hawaii augmented overseas forces in the western Pacific. Naval and Marine forces on relatively permanent deployment to overseas areas of operation further strengthened U.S. regional combat capabilities. The projection of U.S. strategic military force in overseas areas was achieved through a variety of means, including standing patrols of ballistic missile submarines, strategic bombers, combat fighter aircraft and the maintenance of a strategic force presence at key bases in both Europe and the Pacific. In general, as strategic forces became more capable, they were redeployed from overseas sites to force projection bases in the United States.

Overseas basing has supported a full range of military support missions, including supply and storage, medical care, airlift support, and maintenance capabilities. As U.S. security threats became more geographically dispersed, force projection capability was enhanced by using maritime pre-positioned ships containing tailored supplies for deployable forces.

Throughout the period of BRAC adjustments to the U.S. base structure (1988-95), there were concomitant changes to U.S. overseas bases. Because overseas bases vary in size from a few individuals at munitions or communication sites for example to large, multi-mission complexes with tens of thousands of personnel, it is very difficult to compare the number of base closures overseas to those that have occurred under BRAC in the United States. In designing the BRAC authorities, the Congress deliberately excluded overseas installations from this process because the strategic, political, and military aspects of overseas base adjustments dictated a more flexible approach. Nevertheless, as the U.S.

base structure was significantly reduced, the Congress remained interested in achieving parallel or greater reductions overseas.

During the late 1980s and 1990s, approximately 60 percent of the overseas installations were closed or turned over to the host governments. These actions resulted from a number of military and political considerations that reflected changes in the strategic threat, force modernization, and deployment practices. Some of these considerations were:

- Major reductions in forward-based Army forces and tactical aviation forces from Central Europe in response to the demise of the Warsaw Pact threat.
- Withdrawal of intermediate-range nuclear weapons (Ground Launched Cruise Missiles and Pershing II Missiles) and closure of their bases as part of arms control agreements.
- Closure of large air and naval installations in the Philippines at the request of the host government.
- Withdrawal of most forward-based strategic forces as nuclear deterrent force postures changed.
- Closure of bases in Spain and Panama at the request of the host governments.

Even as these reductions occurred, some existing overseas bases were expanded to meet contingency needs. For example, Aviano Air Base in Italy was expanded to support combat in the Balkans. Other overseas sites were developed to support deployed U.S. forces in the Middle East and, most recently, in Central Asia. In general, the expansion and establishment of overseas base capabilities in recent years can be characterized as expeditionary in nature, supporting forces that rotate from installations, mostly in the United States, where forces are permanently stationed or home ported.

## **The Ongoing Need for Overseas Bases**

The enduring availability of a worldwide network of bases, operating locations, and access arrangements is a vital component of U.S. ability to protect its national interests. The dynamic forward presence of U.S. military capabilities, coupled with a demonstrated ability to provide even greater forces from the United States as necessary, is one of the most visible and tangible signals of American commitment to our friends around the world.

Just as we must conduct domestic base closures and realignments as a component of the Defense Department's force transformation, we also must realign the U.S. defense posture overseas to address new global security challenges. Although the U.S. overseas military posture is formidable and helps to provide the country with overwhelming military advantages, in many respects this posture still reflects the realities of the bygone Cold War era. Since the premises that underlay yesterday's posture have changed so dramatically, we are acting resolutely to transform our overseas capabilities to contend

more effectively with new strategic circumstances, including the dangerous nexus of terrorists, state sponsors of terrorism, and weapons of mass destruction proliferation.

Although the Department dramatically reduced the number of troops forward-deployed during the 1990s, its forces remained concentrated primarily in their Cold War locations, from which they have had to deploy to deal with crises elsewhere – in the Balkans, the Persian Gulf, Central Asia, and other locations. These deployments, along with operations in the global war on terrorism, underline the fact that we no longer expect our forces to fight in place; rather, their purpose is to project power rapidly into near or distant theaters. Such considerations, combined with rapid advances in technology, new concepts of operation, and lessons learned in recent operations, are driving a comprehensive, strategy-driven realignment of all aspects of U.S. global defense posture.

As President Bush recently noted, “A fully transformed and strengthened overseas force posture will underscore the commitment of the United States to effective, collective action in the common cause of peace and liberty.” Overseas posture changes will seek primarily to strengthen our ability to meet security commitments more effectively in this new strategic landscape. As we do so, we will be guided by the following considerations:

- Developing flexibility to contend with uncertainty by emphasizing agility and by not overly concentrating military forces in a few locations for particular scenarios.
- Expanding allied roles and building new partnerships by encouraging transformation in allied roles and capabilities and by developing supported/supporting relationships with allies.
- Focusing within and across regions by complementing tailored regional military presence and activities with capabilities for prompt global military action. The reengineered architecture of U.S. overseas operating locations will enable broader operational reach anywhere in the world.
- Developing rapidly deployable capabilities by planning and operating from the premise that forces will not likely fight in place and by updating access, logistics, and support arrangements to ensure the rapid and effective flow of U.S. capabilities into, through, and from foreign theaters of operations.
- Focusing on capabilities and not simply numbers by reinforcing the premise that the United States does not need specific numbers of platforms or personnel in various administrative regions to be able to execute its security commitments effectively, particularly in light of recent lessons learned.

A network of main operating bases, with forward-stationed combat forces, will continue to provide the United States with an unmatched ability to conduct military missions worldwide. While some bases will be realigned or consolidated to gain efficiencies and to eliminate excess infrastructure as a result of the overseas posture review, in the foreseeable future main operating bases will continue to be located on reliable, well-protected territory primarily in Europe and East Asia.

The destructive power of terrorists and rogue states and their willingness to unleash this power against U.S. and allied interests place a high premium on even more rapid and agile military action than is the case today, as well as a greater reach for combat forces that are based in the United States or at main operating bases overseas. We, therefore, will require a more diverse array of forward-operating sites and access arrangements to strengthen operational flexibility, in such diverse regions as the Persian Gulf, Central Asia, Southeast Asia, Latin America, and Sub-Saharan Africa. Such sites and arrangements should not require a permanent combat presence, but only a modest support staff or reliance on host nation support for logistics. They will be focal points for combined training with host nations and other allies and partners and will have an ability to expand and contract based on operational needs.

Although in various regions of the world current and potential instability may present challenges to our ability to base forces in particular locales, the distribution of our main operating bases in reliable, well protected territories makes it highly unlikely that our presence at such bases will be significantly prohibited or restricted. To the extent that such prohibitions develop with regard to either main operating bases or forward operating sites, the increasing reach and mobility of our forces both within the United States and overseas can be expected to offset any such limitations. In addition, although the Department has faced encroachment challenges with regard to some uses of our main operating bases overseas, we do not foresee that future encroachment issues will materially degrade their capabilities to an extent that would require duplicating or supplementing those capabilities with additional U.S.-based infrastructure.

Equally important will be the necessary flexibility and freedom of action to move into and through strategic pivot points and remote locations. A key lesson from Operations Enduring Freedom and Iraqi Freedom was the need to have multiple options for access into strategic regions and to have effective legal arrangements that would allow for the deployment and transit of U.S. forces into, through, and from forward locations. An ability to obtain such freedom of action, along with an ability to train comprehensively with host nation forces, will be critical factors in the analysis and decision-making process for how the United States will shape its future overseas defense posture.

## **Section 5: The Impact of Joint Basing**

As the United States moves into the 21<sup>st</sup> century and positions itself to meet new and demanding challenges, increased emphasis must be placed on joint warfighting and the demands unique to a highly mobile and active force, such as training, contingency, and mobilization requirements. Given this, the Department plans to use BRAC 2005 to evaluate and implement initiatives that enhance capabilities and reduce infrastructure demands.

The Department will attempt to maximize efficiencies and, at the same time, reduce infrastructure requirements, thus creating more effective forces without the financial burdens of maintaining excess infrastructure. For example, the Department plans to use Joint Cross-Service Groups to evaluate and recommend crosscutting solutions and alternatives for common business-oriented support functions. In addition, the military departments will evaluate opportunities such as: integrating reserve and active duty components into “blended units”; combining support assets of related functions; combining/collocating assets and units to facilitate rapid mobilization; redistributing and consolidating training; and creating joint product centers.

The Department has made joint basing of forces and support functions a priority consideration for BRAC 2005. While previous joint basing initiatives have been limited primarily to support functions, these realignments and the few joint operational sites have illustrated that joint basing offers additional infrastructure economies and efficiencies.

We anticipate that BRAC recommendations flowing from the Department’s enhanced joint cross-service analyses in BRAC 2005 will yield significant savings and illustrate the true extent of the Department’s excess infrastructure. Some of the resulting excess infrastructure can in turn be divested, allowing scarce defense dollars to be focused on capabilities enhancements vice maintenance of excess infrastructure



## **Section 6: Relationship of Force Structure Plan to Inventory and Determination of Excess**

For the report, DoD analyzed infrastructure capacity in terms of installation categories selected by the military departments and DLA. The analysis focuses on a set of installations that the military departments and DLA identified as major installations for determining capacity in these categories.

### **Methodology**

For this report, the Department employed a parametric analytical technique used previously in its April 1998 report to Congress on excess base infrastructure. GAO reviewed this approach in November 1998 and concluded, with some reservations, that DoD's analytical methodology "provides a rough measure of excess base capacity." The Department recognizes that this approach does not result in a definitive analysis of individual installations or specific installation capabilities; however, this methodology does provide a credible assessment of aggregate excess capacity.

For each base category, a metric was established. Each metric is a simple ratio, relating an indicator of capacity (e.g., maneuver installation acres) with a relevant measure of force structure (e.g., maneuver brigades). During the 1998 assessment, ratios were established using Fiscal Year 1989 infrastructure and force structure data. The resulting Fiscal Year 1989 metrics (ratios) were then compared with similarly derived Fiscal Year 2003 metrics. Increases were then reduced to percentages and expressed as excesses.

The current report compares the Fiscal Year 1989 baseline data with the projected Fiscal Year 2009 infrastructure and force structure. Fiscal Year 2009 was selected as the comparison year since it is the last year covered in DoD's estimate of programmed resources. The projected force structure is derived directly from the classified 20-year force structure plan provided by the Joint Chiefs of Staff. A working inventory of 276 bases was selected to determine the Fiscal Year 2009 infrastructure capacity for the base categories. The complete infrastructure is identified in the inventory. The Department compared the projected force structure (unclassified portion) and the Fiscal Year 2009 infrastructure with the comparable metrics for Fiscal Year 1989 and the results are reported later in this section. This comparison calculated the amount of infrastructure necessary to support the Fiscal Year 2009 force structure at the same level of infrastructure usage as in Fiscal Year 1989.

To ensure reliability and validity, each military department and DLA reviewed its infrastructure categories and verified or revised the key categories, metrics, and data used previously as the most appropriate for estimating capacity. These categories and metrics reflect the separate judgments of the military departments and DLA. In some cases, the military departments and DLA use different categories and metrics for similar functions. The military departments and DLA derived the data for this report using the most current data available from the current Future Years Defense Plan and existing records.

## Interpreting Results

Both the 1998 analysis and the approach discussed in this report incorporate a number of assumptions that are important to interpreting the significance of the results. In making use of the Fiscal Year 1989 baseline, both analyses assume that then-current facilities were properly sized, at least in overall capacity, to support assigned missions and forces. In fact, because the overwhelming majority of closures and realignments from the previous BRAC rounds were implemented after 1989, many categories of bases clearly had very significant levels of excess capacity in that year. For this reason, the 1989 benchmark of facility requirements was undoubtedly overstated, and as a result, the estimates of excess in both the 1998 assessment and data reported here are conservative.

DoD's methodology focuses exclusively on infrastructure related to the military departments and DLA installation categories. In assessing excess capacity, this report recognizes the continuing need for and availability of a worldwide network of installations, operating locations, and access arrangements as a vital component of the United States' ability to protect its national interests, while taking into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions. Furthermore, through execution of prior BRAC rounds, the Department has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States. The results reported in this report indicate significant excess capacity in about three-quarters of all the categories. However, this analytical approach does not take into account other real property sited on smaller installations, assets that are more accurately reflected in the infrastructure inventory at Appendix B. Likewise, the methodology does not consider possible infrastructure efficiencies to be achieved through joint basing and other transformational approaches. These factors tend to further increase the conservative nature of this report's estimate of excess capacity.

The results presented in this section cannot be used to project the number of potential BRAC closures or realignments that could be achieved in each installation category. The report's methodology does not compare base capacity with the absolute need for that capacity. Nor, as noted previously, does it assess particular characteristics of specific bases that are critical to assessing the relative military value of any specific BRAC option. For example, the Marine Corps Bases metric is a comparison of acreage to end strength ratios between Fiscal Year 1989 and Fiscal Year 2009. While the metric accounts for the changes that have occurred in end strength and real estate acquisitions and disposals, it does not account for changes in the requirements for training areas created by new doctrine, tactics, and weapons platforms, as well as the impact of encroachment on training area availability. Ultimately, specific BRAC recommendations rely upon certified data regarding specific base capacity, the unique infrastructure requirements of specific force elements or military functions, and the application of selection criteria that weigh heavily the military value of each installation considered for closure or realignment.

This analysis uses 1989 as a benchmark and measures the increase in excess capacity that will occur by 2009 relative to that benchmark. Because most closures and realignments were implemented after 1989, many categories of bases had excess capacity in 1989.

The Department first determines the excess capacity of key installation categories spread across the three military departments and DLA. For each category, a metric or capacity indicator is defined (such as maneuver base acres, or facility square feet), along with a relevant metric (force structure measure) of the requirement for that base category based on the force structure (such as military/civilian assigned or square feet required). Using these yardsticks, a ratio (FY89 index) is calculated by dividing the 1989 capacity indicator by the 1989 force structure measure. A comparable ratio (FY09 index) is calculated by dividing the 2009 capacity indicator by the 2009 force structure measure.

Using this analysis, a future proportional capacity for each category is calculated by multiplying the FY89 index by the 2009 force structure measure, thereby keeping constant the ratio of capacity to force structure that existed in 1989. Then the analysis estimates the increase in excess capacity by subtracting the future proportional capacity from the amount of capacity that will exist in 2009 after accounting for the infrastructure reductions from prior BRAC rounds.

Finally, the analysis determines the excess, as a percentage of 2009 capacity, by dividing this increase in excess capacity by the amount of capacity that will exist in 2009. For those base categories where the change in capacity relative to force structure since 1989 is negative, "No increase" is noted.

## **Department of the Army**

The Army's force structure is composed of heavy, light, airborne, and air assault divisions and multifunctional divisions in the National Guard. Divisions are composed of maneuver brigades, other combat formations, and a variety of combat support, service, and administrative elements. The Army identified eight categories of supporting installation infrastructure key to assessing its ability to support its forces. These are: Maneuver, Major Training Active, Major Training Reserve, Schools, Depots, Industrial, Test and Evaluation/Labs, and Administration.

### **Description of Army Installation Categories**

1. *Administration.* This category includes active component installations that support headquarters or administrative organizations stationed there or to provide base operations, family housing, and other support to units in the region.
2. *Depots.* This category includes installations that support the full range of Army depot maintenance activities from tanks to electronics.
3. *Industrial.* This category includes installations that support a broad range of industrial functions, including ammunition production, weapons systems component production or assembly, and transshipment of units and materiel.

4. *Major Training Areas–US Army Reserves.* This category includes installations that are owned and managed by the United States Army Reserve primarily to support unit and individual training for the Reserve, and similar training for the National Guard as necessary. They do not support active component training.
5. *Major Training Areas–Active.* This category includes installations that are owned by the active component and support unit level training that cannot be accomplished at home station.
6. *Maneuver.* This category includes installations that support Army fighting forces. Divisions, brigades, and associated tactical units are the primary tenants of these installations.
7. *Schools.* This category includes installations that have as their primary mission support to institutional training. The type of school ranges from the United States Military Academy and initial entry training, to branch schools and professional military education.
8. *Test and Evaluation and Labs.* This category includes installations that support a range of research, development, and test and evaluation, such as basic research, research and development engineering, or test and evaluation.

### **Reading Proportional Capacity Tables**

Each table is organized into eight columns:

***Category Type/Metric.*** Installation categories and applicable metrics.

***FY89 Input.*** Metric data for Fiscal Year 1989 capacity and force structure requirements.

***FY09 Input.*** Metric data for Fiscal Year 2009 capacity and force structure requirements.

***FY89 Index.*** Metric ratios of capacity to requirements in Fiscal Year 1989.

***FY09 Index.*** Metric ratios of capacity to requirements in Fiscal Year 2009

***Proportional Capacity for 2009.*** An expression of the proportional infrastructure requirement based upon a comparison of Fiscal Year 1989 and Fiscal Year 2009 indices using the Fiscal Year 2009 force structure-based requirement. This represents the amount of infrastructure required to support the Fiscal Year 2009 requirement based upon infrastructure usage in the Fiscal Year 1989 (FY89 Index)

***Delta from 2009 Capacity.*** The difference between Fiscal Year 2009 infrastructure capacity metric and the proportional infrastructure requirement for 2009.

***Proportional Capacity Excess in 2009.*** An estimate of excess infrastructure percentage based upon a comparison of the FY 2009 infrastructure capacity metric and the delta from 2009 capacity.

# Results for the Department of the Army

Table 6-1. Army Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY 89	FY 09	FY 89	FY 09		Delta from 2009 Capacity	Excess 2009 Capacity
	Administration						
Administrative Space (Square Feet (000s))	6,627	6,121	0.0813	0.0948	5,251	870	14%
Military/Civilian Authorized	81,518	64,598					
Depots							
Capacity Direct Labor Hours (000s)	29,000	16,957	1.3810	1.3219	17,715	No increase	
Budgeted/Programmed Direct Labor Hours (000s)	21,000	12,828					
Industrial							
Total Facilities Square Feet (000s)	34,707	24,324	1.4524	2.5610	13,795	10,529	43%
Military/Civilian Authorized	23,897	9,498					
Major Training Active*							
Base Acres	1,509,334	1,242,842	31,444	28,903	1,352,112	No increase	
Maneuver Brigades**	48	43					
Major Training Reserve							
Base Acres	258,413	330,393	0.8101	1.6117	166,065	164,328	50%
End Strength	319,000	205,000					
Maneuver*							
Base Acres	3,053,623	3,361,679	63,617	78,179	2,735,537	626,142	19%
Maneuver Brigades**	48	43					
Schools							
Instructional Space (Square Feet (000s))	14,964	14,854	0.0427	0.0667	9,519	5,335	36%
Military/Civilian Authorized	350,108	222,723					
Test and Evaluation/Labs							
Total Facilities Square Feet (000s)	48,924	51,321	0.3097	0.8252	19,262	32,059	62%
Acquisition Workforce	157,964	62,193					

\*The metrics do not reflect the training activities and maneuver operations on these active Army installations by the 34 Army National Guard brigades.

\*\*The Army's goal is to increase the number of Active force brigade combat teams (BCTs) from 33 to 43 between now and FY2007. A determination for an additional 5 BCTs (for a total of 48) will be made at a later time. This number will be reflected in the FY2006 budget submission. Such an increase would reduce the overall excess capacity of the Army from 29 percent (table 1, page 3 and table 6-5, page 54) to 27 percent.

## **The Department of the Navy**

The basic war-fighting elements of the Navy are surface combatants (battle force ships and aircraft carriers) with their Active and Reserve air wings and submarines. For the Marine Corps, the principal fighting element is the division, both Active and Reserve. The Navy and Marine Corps identified fourteen categories of supporting infrastructure key to assessing their ability to support naval and marine forces: Naval Bases, Marine Corps Bases, Marine Corps Administrative Activities, Air Stations, Ordnance Stations, Supply Installations, Aviation Depots, Marine Corps Logistics Bases, Shipyards, Test and Evaluation Facilities and Labs, Training Air Stations, Training Installations, Construction Battalion Centers, and Navy Inventory Control Points.

### **Description of Navy and Marine Corps Installation Categories**

1. *Naval Bases.* This category includes those activities that have a principal mission to support, maintain, and train Navy ships and assigned crews.
2. *Marine Corps Bases.* This category includes those activities whose primary mission is to house, support, and provide training areas for operating forces of the Fleet Marine Force.
3. *Administrative Activities (USMC).* This category includes installations whose primary mission is to provide administrative support to other operational units.
4. *Air Stations.* This category includes those activities that have a principal mission to homeport, support, provide training facilities, and operate a base from which operational and training missions can be flown by Navy and Marine Corps aircraft squadrons.
5. *Ordnance.* This category includes those activities that provide secure storage for the full range of naval ordnance, support the safe receipt of that ordnance from other activities and the delivery of that ordnance to fleet units, and perform maintenance and inspection functions on ordnance.
6. *Supply.* This category includes those activities providing consolidated supply services and logistics support of afloat and ashore operating forces and industrial activities.
7. *Naval Aviation Depots.* This category includes those activities that perform depot maintenance and repair across all aviation component mission areas.
8. *Marine Corps Logistics Bases.* This category includes those activities that provide the full range of depot and intermediate maintenance support for Marine Corps amphibious and ground equipment to the Atlantic and Pacific Fleet Marine Forces.
9. *Shipyards.* This category includes those activities that function to satisfy the major maintenance and overhaul requirements of the operating fleet and to provide depot-level emergent and voyage repair to those ships.

10. *Test and Evaluation & Labs.* This category includes those activities responsible for maintaining a technological advantage against the threat, for rapid crisis response, and for maintaining unique facilities, capabilities, and corporate knowledge required for national security.
11. *Training Air Stations.* This category includes those Navy activities that have undergraduate pilot training (UPT) as their primary mission. UPT refers to the flight training student pilots and naval flight officers undergo to earn their wings before being assigned to fleet replacement squadrons.
12. *Training.* This category includes those activities that provide professional training, from recruit training to postgraduate degree programs for all levels of enlisted and officer personnel.
13. *Construction Battalion Centers.* This category includes activities whose principal mission is to homeport, support, and deploy the naval construction force and the reserve construction force.
14. *Navy Inventory Control Points.* This category includes activities that provide worldwide wholesale inventory control for all naval fleet units and program logistics support for naval weapons systems.

# Results for the Department of the Navy

Table 6-2. Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY 89	FY09	FY 89	FY 09		Delta from 2009 Capacity	Excess 2009 Capacity
	Naval Bases						
<u>Cruiser Equivalent Available</u>	637	522	1.0670	1.5818	352	170	33%
Cruiser Equivalent Assigned	597	330					
Marine Corps Bases							
<u>Base Acres</u>	802,522	932,932	4.1367	5.3310	723,924	209,008	22%
End Strength	194,000	175,000					
Administrative Activities (USMC)							
<u>Square Feet Available</u>	427,129	274,767	0.7296	1.1521	174,010	100,757	37%
Square Feet Required	585,390	238,485					
Air Stations							
<u>Hangar Modules Available</u>	363	311	1.1748	1.4670	249	62	20%
Hangar Modules Required	309	212					
Ordnance Stations							
<u>Available Storage (000 sf)</u>	3,619.9	3,602.0	1.0000	1.8145	1,985	1,617	45%
Inventory (000 sf)	3,619.9	1,985.1					
Supply Installations							
<u>Potential Workyears</u>	9,896	3,625	1.0181	1.6410	2,249	1,376	38%
Budgeted/Programmed Workyears	9,720	2,209					
Aviation Depots							
<u>Capacity Direct Labor Hours (000s)</u>	26,000	14,438	1.1454	1.1616	14,236	202	1%
Budgeted/Programmed Direct Labor Hours (000s)	22,700	12,429					
Logistics Bases (USMC)							
<u>Capacity Direct Labor Hours (000s)</u>	2,057	1,869	1.0506	1.0613	1,850	19	1%
Budgeted/Programmed Direct Labor Hours (000s)	1,958	1,761					
Shipyards							
<u>Potential Direct Labor Man-Years</u>	48,400	15,928	1.3596	1.1756	18,421	No increase	
Budgeted/Programmed Direct Labor Man-Years	35,600	13,549					
Test and Evaluation/Labs*							
<u>Maximum In-House Workyears</u>	72,000	46,300	1.0976	1.0475	48,512	No increase	
In-House Workyears	65,600	44,200					
Training Air Stations							
<u>Available Throughput (Students Per Year)</u>	5,032	5,032	1.0000	1.2468	4,036	996	20%
Students Per Year	5,032	4,036					
Training							
<u>Available Throughput (Students Per Year)</u>	765,000	705,000	1.0479	1.2841	575,359	129,641	18%
Students Per Year	730,000	549,035					
<u>Degree Granting Maximum (Classroom Hrs)</u>	460,000	460,000	1.0000	1.0920	421,250	38,750	8%
Classroom Hours	460,000	421,250					
Construction Battalion Center							
<u>Base Acres</u>	3,817	2,908	0.1732	0.1735	2,903	No increase	
Naval Construction Force End Strength	22,036	16,761					
Navy Inventory Control Points							
<u>Potential Workyears</u>	7,161	6,718	1.0000	2.4881	2,700	4,018	60%
Budgeted/Programmed Workyears	7,161	2,700					

## Department of the Air Force

The U.S. Air Force structure is composed of Air and Space Expeditionary Forces (AEFs). Each provides air and space capabilities and is made up of fighters and long-range strike aircraft assigned to Active and Reserve units. The Air Force identified nine categories of supporting infrastructure key to assessing its ability to support its current force structure. These are Administrative, Air Force Reserve, Air National Guard, Depots, Education and Training, Missile and Large Aircraft, Small Aircraft, Space Operations, Product Centers, Labs, and Test and Evaluation.

### Description of Air Force Categories

1. *Administrative.* This category includes installations that primarily provide administrative support activities for the Air Force or DoD.
2. *Air Force Reserve.* This category consists of Air Force Reserve Command (AFRC) major installations at which an AFRC operational wing is based and the Air Force has real property responsibility for the entire airfield.
3. *Air National Guard.* This category consists of Air National Guard (ANG) major installations at which an ANG wing is based and the Air Force has real property responsibility for the entire airfield.
4. *Depots.* This category includes those installations that conduct depot level maintenance, which includes software maintenance performed at the depot level.
5. *Education & Training.* This category consists of all installations that conduct formal education and training, such as basic military training, professional military education, undergraduate and advanced pilot training, navigator training, operational training at technical schools, and foreign student pilot training.
6. *Missiles & Large Aircraft.* This category includes all active installations with assigned operational wings and large primary mission aircraft, such as tankers, bombers, and airlift aircraft, except Hickam and Anderson, which are throughput installations.
7. *Small Aircraft.* This category includes those installations with assigned operational wings and small primary mission aircraft such as fighters and some reconnaissance aircraft.
8. *Space Operations.* This category includes those installations involved in space launch operations and space operations management.
9. *Product Centers, Labs and Test & Evaluation.* Product Centers are installations responsible for developing, acquiring, and in-service engineering of weapon systems. They provide resources and acquisition expertise to support program execution. Laboratories are installations that perform discovery, development, and transition of affordable, integrated technologies. Test and Evaluation installations provide ground and open-air ranges, facilities, and chambers to support the testing of manned and unmanned aerospace vehicles; conduct flight evaluation and recovery of research

vehicles; and conduct ground test, evaluation, and simulation of products and services.

## Results for the Department of the Air Force

Table 6-3. Air Force Analysis of Proportional Capacity

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY 89	FY 09	FY 89	FY 09		Delta from 2009 Capacity	Excess 2009 Capacity
	Administrative						
<u>Total Facilities Square Feet (000s)</u>	<u>2,338.0</u>	<u>2,479.1</u>	0.5163	0.7506	1,705	774	31%
Military/Civilian Authorized	4,528	3,303					
Air Force Reserve							
<u>Parking Apron Space (Square Yards)</u>	<u>1,421,429</u>	<u>3,205,960</u>	29,613.1	46,463.2	2,043,304	1,162,656	36%
Reserve Aircraft	48	69					
Air National Guard							
<u>Parking Apron Space (Square Yards)</u>	<u>2,512,185</u>	<u>1,193,862</u>	17,206.7	25,953.5	791,510	402,352	34%
National Guard Aircraft	146	46					
Depots							
<u>Capacity Direct Labor Hours</u>	<u>46,403</u>	<u>23,063</u>	1.1846	1.0420	26,220	No increase	
Budgeted/Programmed Direct Labor Hours	39,172	22,134					
Education & Training							
<u>Parking Apron Space (Square Yards)</u>	<u>7,227,994</u>	<u>6,192,019</u>	4,597.96	5,247.47	5,425,593	766,426	12%
Training Aircraft	1,572	1,180					
<u>Classroom Space (Square Feet)</u>	<u>7,943,941</u>	<u>8,844,190</u>	9.514	17.214	4,888,335	3,955,855	45%
Military/Civilian Authorized	834,939	513,783					
Missiles & Large Aircraft							
<u>Parking Apron Space (Square Yards)</u>	<u>24,918,585</u>	<u>17,213,947</u>	14,624	20,063	12,547,034	4,666,913	27%
Large aircraft	1,704	858					
Small Aircraft							
<u>Parking Apron Space (Square Yards)</u>	<u>11,093,787</u>	<u>7,823,401</u>	7,455.5	8,880.1	6,568,297	1,255,104	16%
Small Aircraft	1,488	881					
Space Operations							
<u>Total Facilities Square Feet (000s)</u>	<u>12,027.8</u>	<u>15,604.8</u>	0.5010	0.7747	10,092	5,513	35%
Military/Civilian Authorized	24,007	20,143					
Product Centers, Labs and Test & Evaluation							
<u>Total Facilities Square Feet (000s)</u>	<u>37,159.0</u>	<u>45,320.0</u>	0.6165	0.7513	37,190	8,130	18%
Acquisition Workforce	60,274	60,324					

## Defense Logistics Agency

DLA provides support to all the military departments and is not separately identified in the Force Structure Plan. DLA identified two categories of infrastructure key to assessing its ability to support the military departments: Distribution Depots and Supply Centers.

### Description of Defense Logistics Agency Installation Categories

1. *Distribution Depots.* This category includes installations that receive, store, and issue wholesale and retail (Service-owned) materiel in support of the Armed Forces worldwide.
2. *Supply Centers.* This category includes installations that manage and procure consumable items of supply in support of the military services' missions.

### Results for the Defense Logistics Agency

*Table 6-4. Defense Logistics Agency Analysis of Proportional Capacity*

Category Type/Metric	Input		Index		Proportional Capacity	Change in Capacity Relative to Force Structure Since 1989	
	FY 89	FY 09	FY 89	FY 09		Delta from 2009 Capacity	Excess 2009 Capacity
	Distribution Depots						
<u>Attainable Cubic Feet (millions)</u>	693.92	306.96	1.1855	1.4835	245	62	20%
Occupied Cubic Feet (millions)	585.33	206.91					
Supply Centers							
<u>Total Administrative Space (GSF)</u>	3,993,500	2,161,400	327.98	274.99	2,577,933	No increase	
Military/Civilian Assigned	12,176	7,860					

## Results for All DoD

DoD developed an estimate of excess capacity for each military department, DLA and all of DoD by weighting the individual category excess figures by the number of bases in each category. Table 6-5 shows the Department's current estimated percentages of excess capacity for each military department, DLA, and all of DoD.

*Table 6-5. Estimated Percentage of Excess Capacity*

<b>Department</b>	<b>Estimated Percentage of Excess Capacity (above 1989 baseline)</b>
Army	29
Navy	21
Air Force	24
DLA	17
<b>Total DoD</b>	<b>24</b>

## Section 7: Economic Considerations

Through the experience of conducting four rounds of base closures and realignments, the Department has reaped substantial economic benefits. Base closures and realignments, however, can have a negative economic effect on the communities in the vicinity of closed installations. For this reason, the Department has and will continue to direct resources to assist the economic recovery of affected communities. This section includes information on how base closures and realignments have affected the Department and surrounding communities.

### Economic Effects on the Department of Defense

**BRACs 88-95 are saving billions.** The four prior rounds of base realignments and closures have generated significant savings for the Department of Defense. Through Fiscal Year 2001, the end of the four prior rounds' implementation period, the Department had accumulated net savings of about \$17 billion over BRAC implementation costs from the closure and realignment actions approved in these four rounds. These BRAC-created savings continue, and the Department realizes recurring savings of almost \$7 billion each year (all dollars in this section are reported as then-year dollars). These savings were realized even after environment restoration funding was processed through BRAC accounts.

The savings have been reinvested in higher priority defense functions like force modernization and in the maintenance and modernization of the remaining base structure. While it is not possible to track the precise transfer of financial resources to other mission areas, the gradual reduction in civilian personnel end strength devoted to base support and the transfer of military personnel resources from base support to core military missions are examples of how these savings are achieved and where resources have been reallocated.

**BRAC saves operating costs and creates operating efficiencies.** Most BRAC savings flow from the avoidance of installation overhead costs, the expense of providing an operating site before any military mission is actually assigned. Whether military missions are terminated or reorganized and consolidated, operating from fewer locations permits the Department to reduce its infrastructure overhead. These savings are seen when there is a difference between what the Department would have spent to operate its base structure without the BRAC process and the amount it spends after bases are closed or realigned. As demonstrated by past experience, these avoided costs are substantial.

The Department's infrastructure overhead is sizeable. When a base is closed there is no longer a need to pay for management, physical security, fire protection, utilities, property sustainment and recapitalization, accounting, payroll, and a variety of other activities that are tied specifically to operating the base. When a base is realigned, operating support costs are frequently lower due to reduced activities at the base. When forces are retained

but based more efficiently on large, multi-mission installations, the Department's overall base costs are usually reduced significantly through simple economies of scale.

Beyond these base support savings, relocating and consolidating major functions through BRAC often create additional functional or operational efficiencies. For example, if two activities that perform similar functions at two different bases are consolidated at a single location with fewer personnel and reduced capital requirements, the consolidation results in more efficient operations. An example from BRAC 1993 was the consolidation of the Navy and Marine Corps Reserve aviation missions from several bases with Air Force Reserve units to create Joint Reserve Base Fort Worth. These sorts of transformational improvements are particularly pronounced when realignments create an environment where personnel from more than one military department can work together to create solutions suited to our increasingly joint operating environment. The savings that result from transformational efficiency gains are also part of the BRAC savings. It is the Department's goal to capitalize on transformational realignments during BRAC 2005.

**Savings from BRAC 2005 are expected to be substantial.** The aggregate of the last two BRAC rounds in 1993 and 1995 were used as the benchmark for estimates of future costs and savings for BRAC 2005. The Department selected these two rounds rather than the first two rounds because they represented a greater degree of force relocation than simple force reduction that occurred in 1988 and 1991.

The results from prior BRAC rounds have been measured by the reduction in the Department's infrastructure plant replacement value<sup>3</sup> (PRV) because this provided the most consistent and representative measure of the size of a round. During BRACs 93 and 95, infrastructure representing about 12 percent of the Department's PRV was taken off the books via BRAC actions, either realignments or closures. This report demonstrates that today even more than this amount remains excess in most functional categories.

The actual amount proposed for reduction during BRAC 2005 will be determined by the Department's ongoing BRAC process. If the same amount of the Department's PRV is reduced during BRAC 2005 as in the prior two rounds (12%), the expected net savings for year 6 (2011) of the BRAC implementation process would be about \$3 billion. Experience suggests that the Department would achieve a recurring savings of about \$5 billion for each year thereafter. If 20 percent of the Department's PRV is reduced, the expected net savings for 2011 would be about \$5 billion, with a recurring savings of about \$8 billion for each year thereafter. The experience of previous BRAC rounds suggests that each military department will achieve annual net savings beginning not later than Fiscal Year 2011, the sixth year of implementation. Of course, the actual costs and savings from BRAC 2005 actions will depend on the specific recommendations adopted.

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<sup>3</sup> PRV is the cost to replace the current physical plant using today's construction costs and standards.

## **Economic Effects on Communities**

The Department of Defense recognizes that BRAC actions can affect the local economies of the surrounding communities. From 1988 through 1995, realignment or closure actions were approved at 387 locations. In implementing these actions, the Department has sought to minimize any adverse local impacts. While many of these actions had a negligible effect on the surrounding communities, roughly one third of the actions adversely impacted the local communities, triggering a coordinated program of federal assistance from both the Defense Department and domestic agencies.

In prior BRAC rounds the Department measured economic impact on communities using (1) the total potential job change in the economic area and (2) the total potential job change as a percent of total military and civilian jobs in the economic area. These measures highlight the potential economic impact on economic areas and also take into account the size of each economic area.

Total potential job change was defined as the sum of direct and indirect potential job changes for each BRAC closure and realignment alternative or recommendation. Direct job changes were defined as the sum of the net addition or loss of jobs for military personnel, DoD civilian employees, and on-base contractors. Indirect job changes were the net addition or loss of jobs in each affected economic area that could potentially occur as a result of direct job changes.

To obtain an estimate of communities' reuse of bases affected during the past four BRAC rounds in terms of progress in creating jobs, the Department's Office of Economic Adjustment (OEA) undertook a representative survey of reuse that covers approximately 75 major BRAC actions. Also, to show a measure of relative progress, OEA tabulated from the prior BRAC reports the defense civilian positions lost as one indicator of the economic impact of these 75 actions. As of October 2003, the BRAC-affected communities have created 93,000 new jobs where 130,000 defense civilian jobs were previously associated with the military bases. The number of new civilian jobs on these former bases has increased steadily at an average annual rate of seven percent for the past three years.

Civilian reuse of a former military installation is often the single most important opportunity for an affected community to overcome the specific impacts of a closure or realignment while building upon a community's strengths and opportunities. To ease the economic effects on communities, the Department has sought to close and realign facilities quickly to maximize savings and make the property available for communities' reuse objectives. Through the four previous rounds of BRAC, the military departments transferred by deed or long-term lease 365,000 acres of land, along with buildings and other improvements, for reuse as non-defense activities.

Each community's response to a closure is unique and reflects the impacts on local businesses, workers, and other components of the community. Reuse creates an opportunity for the community to achieve multiple goals. For instance, a community

may diversify the local economy by creating new jobs, expanding the tax base, and satisfying a range of community needs for new public facilities.

Although the geographic and economic circumstances surrounding reuse vary from place to place, the task of organizing and planning civilian reuse requires substantial effort at the local level to envision and assess alternative land-use scenarios and then to ratify appropriate zoning. Often public infrastructure improvement plans must be adopted, consistent with the commitment of local private-sector resources, to sustain the redevelopment for the long term. Reusing a military base is frequently the most complex effort ever undertaken in a community. As the examples below show, public and private leaders in communities across the nation have harnessed the resources necessary for productive civilian reuse.

**New Uses for Former Bases.** Because of their size, often thousands of acres, many former bases have become mixed-use redevelopments, with reuse ranging from open recreational space to new business parks with surrounding new housing and commercial zones. A short discussion of some reuse examples follows. Reuse activity is continuing at each of these locations and more economic growth is expected.

**Transportation.** By using existing facilities, some bases have transitioned to civilian reuse by focusing on aviation and other transportation needs.

*Mesa, Arizona*, Williams Air Force Base. The Williams Gateway Airport Authority was established to operate a large portion of the former base after it closed in 1993. This airport parcel is used for upgrading and painting aircraft, a headquarters for an air ambulance service, a helicopter parts company, and other airport-supporting activities. Other parts of the base are now reused by educational institutions at the high school, community college, and university levels.

*Sacramento, California*, Mather Air Force Base. Since its closure in 1993, Mather Air Force Base has become Mather Field, an active cargo hub for the western United States. Other parts of the former base are in active reuse by businesses, government and nonprofit agencies, and a 2,000-acre regional park.

*Kalaeloa, Hawaii*, Naval Air Station Barbers Point. The State of Hawaii received fee title and initiated civil airfield operations upon base closure in 1999. Kalaeloa is now the third busiest airfield in the State system and also houses the Aeronautical Science program of the Honolulu Community College. The program integrates commercial pilot training and aircraft maintenance and intends to incorporate air traffic control and crash-fire-rescue modules.

**Education.** By rehabilitating and expanding facilities, some communities have reused portions of former bases as space for schooling.

*Denver, Colorado*, Lowry Air Force Base. Following closure in 1994, a group of community colleges and universities established an education and technology campus that now serves a student population of nearly 5,000. At full development, the campus will accommodate up to 10,000 students.

*Long Beach, California*, Long Beach Naval Station. Since the naval station and its family housing area closed in 1994, one 135-acre site has been transformed into an education complex. In addition to a transitional housing facility for the homeless, the complex features facilities for 3,500 high school students, a job-training center, and a university-affiliated technology park.

*Aurora, Colorado*, Fitzsimons Army Medical Center. Following the closure in 1999, a Public Benefit Conveyance was granted to the University of Colorado for a Health Science Center, a new Cancer Research Center/Urology Program was established, and an Eye Institute was constructed. This realignment of the 578- acre medical center is expected to result in a \$4 billion statewide economic advantage and create more than 34,000 jobs, directly and indirectly supported by the campus in construction and other areas in 2010.

**Commerce and Industry:** Former bases have attracted corporate and industrial tenants that have invested in facility upgrades and contributed to the expansion of the tax base.

*Charleston, South Carolina*, Charleston Naval Base complex. Closed in 1996, the former base is now a major maritime industrial facility with 5 dry docks, 23 piers, and a 152-slip marina. Additional on-base facilities are in active use by more than 90 private and public entities -- in an office district, a multi-tenant industrial park, and a district that provides space for Charleston-area social service agencies.

*Marquette County, Michigan*, K.I. Sawyer Air Force Base. While situated in a sparsely developed and far northern locale, the former base became an opportunity for local and state economic development officials to attract new businesses to the region. Some major businesses that were started to take advantage on the base's assets include a regional aircraft maintenance center, a state-of-the-art lumber mill, and a customer service call center.

*Devens, Massachusetts*, Fort Devens. Following the closure in 1996, the Army completed an Economic Development Conveyance to the Massachusetts Development Finance Agency, now known as MassDevelopment. Thus far, over 75 companies have joined the Devens Business Community. Upon completion, the site will have more than 8

million square feet of facilities. It is anticipated that this development will generate 35,000 jobs throughout the primary and secondary labor markets.

***San Francisco, California***, Naval Station Treasure Island. Since the 1998 conveyance of property to the Department of Interior, the San Francisco Treasure Island Job Corps Center has successfully operated and provided students in the local area the opportunity to gain vocational training, education, and support services year-round and at no charge. The Treasure Island Job Corps staff and volunteers ensure that trainees receive a quality education and live in a safe and comfortable environment.

***Vallejo, California***, Mare Island Naval Shipyard. In 2002, over 3,500 acres were conveyed via early transfer authority to the City of Vallejo and the State of California. Both entities were motivated by developers to begin the redevelopment process for a variety of intended reuses: over 1,100 housing units; several million square feet of commercial and industrial space; and a planned dredge material management facility. Early transfer allowed redevelopment construction to begin at the same time environmental cleanup was being completed. To support early transfer, the Navy funded cleanup agreements that totaled over \$130 million. By 2004, cleanup of the housing areas was completed, and the new commercial space was finished and fully leased.

**New Neighborhoods.** Communities often find that the closing of a military base creates an opportunity for new residential development, often to support job-generating reuse elsewhere on the former base.

***Lawrence, Indiana***, Fort Benjamin Harrison. The City of Lawrence grew up around Fort Harrison. The 1996 base closure presented a unique opportunity to redefine the city's identity and create a true downtown for the first time. To date, more than 1 million square feet of new residential and commercial construction has been completed or is under contract. Also, over 1.25 million square feet of existing space has been renovated and reused.

***Orlando, Florida***, Orlando Naval Training Center. After the Orlando Naval Training Center closed in 1996, Central Florida's business, education, and political leaders undertook a 10-year development plan featuring 3,200 houses and apartments, 350,000 square feet of commercial property, 1.5 million square feet of office space, and 200 acres of parkland.

**Community Support Services.** Many communities have adapted some base buildings for much-needed community support services, and have focused commercial and industrial business activity on other sites at the base.

***Romulus, New York***, Seneca Army Depot. Even before military activity ended in 2000, local officials undertook two major initiatives: renovation of 200 homes for affordable housing and the creation of a center for children in crisis, featuring dormitories, classrooms, a dining facility, and a gymnasium.

***Rantoul, Illinois***, Chanute Air Force Base. Since closure in 1993, former base property has been reused as a fitness center, an arts and crafts center, a soccer complex, a new aquatic center, a recreational lake, and public golf courses. Other redevelopments that increase the area's tax base and create jobs include a retirement center, a hotel, and numerous businesses and industries.

**Recreation and Conservation.** Base reuse plans often designate portions of the land for recreation and conservation activities that become regional amenities as well as inducements for redevelopment elsewhere on the former or in the wider region.

***Marina, California***, Fort Ord. Since the base's closure in 1994, plans for mixed reuse of the facility have been guided by an interest in combining environmental attractions with economic development. To this end, a new university facility was sited near the newly designated 1,000-acre Fort Ord Dunes State Park, where endangered species and habitats can be left undisturbed.

***Alameda, California***, Alameda Naval Air Station. The historical district of the former Naval Air Station is starting to come to life again with the remodeling and reopening of the former movie theater. With a dual purpose in mind, the theater functions as both a movie house and a full-scale auction house. Styled in true art deco form, the theater has brought the community back to the base and has maintained community-wide interest in economic revival as the Navy continues efforts to convey remaining key portions of the installation to the Alameda Reuse and Redevelopment Authority.

***Portsmouth, New Hampshire***, Pease Air Force Base. After the base closed in early 1991, the state-created Pease Development Authority went to work building and then operating a 150-business industrial park and an international airport. Additionally, a 1,000-acre Great Bay National Wildlife Refuge was designated so that the shoreline would be preserved for the federally protected bald eagle, peregrine falcon, and other wildlife.

**Federal Support for Base Reuse.** The Department has sought to close bases quickly to maximize savings and make property available for reuse. In doing so, the Department has recognized the uniqueness of each community and has provided a combination of resources to assist in reuse of the bases. In terms of planning, the Department provides detailed information on the condition of the base's land and facilities so that potential users can take baseline conditions and environmental cleanup plans into account. In

terms of transferring base property, the Department has a number of alternative mechanisms to support reuse.

While job creation and tax base expansion are common reuse goals in communities, public facilities are almost always part of base redevelopment. Federal property laws provide a variety of land acquisition mechanisms to satisfy diverse reuse scenarios. Public bid sales have been used for residential and other redevelopments. Traditional public benefit transfers have been available to public entities for airports, prisons, parks, schools, hospitals, and other purposes. Economic development conveyances may be used for BRAC property that is redeveloped for job-producing activities like business parks. Numerous closed bases have been transferred under multiple property authorities to suit the intended civilian reuses.

Over the past four rounds of BRAC, the Department's Office of Economic Adjustment has provided over \$270 million in economic planning and redevelopment assistance to communities for the preparation of adjustment strategies and reuse plans and for start-up staffing at local public redevelopment authorities. Other federal agencies have provided nearly \$1.2 billion in assistance to support civilian base reuse. Also at the federal level, non-defense agencies have aided in civilian reuse, often through the various public-benefit transfer authorities.

Reusing a military base becomes an opportunity for community leaders to reinvent the base's usefulness and prosper from a diverse range of new civilian activities. The success and impact of these local efforts are best judged by a specific community's attempts to respond to the effects of the BRAC action. The Department of Defense provides important assistance for base reuse planning and property transfer. Other federal agencies can provide additional help in acquiring and redeveloping base property. Most importantly, closed bases find new life and new productivity through the imagination and commitment of community leaders.

## Section 8: Conclusions

It is clear from the different and evolving characteristics of threats to U.S. national security that the Department faces a significant challenge to redesign many of its force elements to maximize their capabilities to respond. The unprecedented degree of multi-service cooperation and coordination in recent combat campaigns points to the need to infuse a joint perspective into almost every aspect of the military services. This transformational agenda extends beyond operational doctrine and organizational concepts. Building on the rapidly changing business practices that have already been incorporated into many support functions, we anticipate that the Department's support functions will continue to be transformed by both battlefield needs and business innovations.

Without the flexibility of the BRAC process, the Department is substantially hamstrung from realigning its forces and bases to both respond to and encourage further innovations to sharpen our military capability against an agile threat.

Recent world events have not altered the need to transform the military infrastructure to meet future needs. In fact, these recent events have exacerbated the need to rapidly accomplish the transformation and reshaping. This report highlights that excess infrastructure does exist and needs to be eliminated. This report estimates that the Department possesses, in aggregate, 24 percent excess infrastructure capacity. In preparing a list of realignment and closure recommendations in May 2005, the Department will conduct a thorough review of its existing infrastructure in accordance with the law and Department of Defense BRAC 2005 guiding procedures, ensuring all military installations are treated equally and evaluated on their continuing military value to our nation.

The estimated excess capacity illustrated in this report's analysis may be even greater after the further functional and operational efficiencies likely to emerge from joint basing options that are a specific priority in BRAC 2005. Transformation both within individual services and among services through joint initiatives is critical to supporting our national security strategy. BRAC is a key enabling tool in this challenging task.

In assessing excess capacity the Department recognizes the continuing need for and availability of a worldwide network of installations, operating locations, and access arrangements as a vital component of the United States' ability to protect its national interests while taking into account current restrictions on the use of military installations outside the United States and the potential for future prohibitions or restrictions. Furthermore, through execution of prior BRAC rounds the Department has demonstrated that it will retain within the U.S. installation infrastructure sufficient difficult-to-reconstitute assets to respond to surge, accommodate a significant reconstitution of the force, and support all forces, including those currently based outside the United States.

In spite of the closure of 97 major U.S. installations during the prior four BRAC rounds and the closure of an even more significant percentage of overseas installations during

the same period, the core analysis in this report illustrates that substantial excess infrastructure remains for most functions throughout the military departments. Though changing in shape and focus, our overall force size remains relatively stable. Advances in business practices and processes have reduced the demand for many categories of military bases. While BRAC 2005 can be justified for many reasons, the reduction of excess infrastructure capacity is a compelling reason for proceeding with BRAC 2005.

Based upon the Department's experience in executing the BRAC decisions of 1993 and 1995, whatever the specific BRAC recommendations might be in BRAC 2005, each military department will generate annual net savings no later than Fiscal Year 2011.

On the basis of the force structure plan, infrastructure inventory, and the descriptions and economic analysis contained in this report, it is clear that the need exists for the realignment and closure of additional military installations, and that the additional round of realignments and closures authorized by Public Law 501-510, as amended, will result in annual net savings for each military department beginning not later than Fiscal Year 2011.