

CRS Report for Congress

Military Base Closures and Realignment: Status of the 2005 Implementation Plan

December 21, 2006

Kristine E. Blackwell
National Defense Fellow
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

Military Base Closures and Realignment: Status of the 2005 Implementation Plan

Summary

As part of the implementation for the 2005 Base Realignment and Closure (BRAC) round, the Department of Defense (DOD) required the military departments and defense agencies to create action plans for each of the BRAC Commission's recommendations. These plans, called "Business Plans", describe the implementing actions, their timing, cost, and other related issues. DOD is to use these plans as a mechanism to ensure proper coordination among the defense agencies, allocate BRAC resources more efficiently, and to monitor the status of the commission's recommendations. To date, 211 of the 240 plans had been completed and approved. This report answers frequently asked questions regarding the plans. It will be updated as necessary.

Contents

Introduction	1
Frequently Asked Questions	1
What is a Business Plan’s Objective?	1
What information is included in a Business Plan?	2
Why is it called a “Business” Plan?	2
Who developed the plans?	3
Who will have access to the plans?	3
Why are Business Plans required for BRAC 2005 and not for previous BRAC rounds?	4
What time period does the Business Plan cover?	4
Will the Business Plans be updated?	4
How are the Business Plans prepared?	5
What is the current status of the plans?	6

List of Figures

Figure 1. Business Plan Review Structure	6
------------------------------------------------	---

Military Base Closures and Realignment: Status of the 2005 Implementation Plan

Introduction

Recommendations in the final report of the 2005 Defense Base Closure and Realignment Commission (hereafter referred to as the BRAC Commission or commission) became binding on November 9, 2005.¹ In September and October 2005, Mr. Michael Wynne, then Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, issued instructions to the military departments and defense agencies² in DOD to create a Business Plan for each of the recommendations drafted by the commission and approved by the President. Following is a series of frequently asked questions concerning these Business Plans.

Frequently Asked Questions

What is a Business Plan's objective?

A Business Plan specifies all actions necessary to comply with all or part of a particular commission recommendation, including timing, estimated cost, military construction, and environmental remediation, among others.

The 2005 BRAC round was the fifth since 1988. However, because this round is occurring concurrently with DOD “transformation” efforts as well as the redeployment of forces from overseas installations, it is the most complex of all rounds to execute. Secretary Wynne devised the Business Plan approach as a management tool serving two main functions: to ensure that military departments and

¹ For more information see CRS Report RS22291 *Military Base Closures: Highlights of the 2005 BRAC Commission Report and Its Additional Proposed Legislation*, by Daniel H. Else and David E. Lockwood.

² “Military departments” is the term used by DOD to refer collectively to the Department of the Army, the Department of the Navy (includes the Marine Corps), and the Department of the Air Force. “Defense agencies” refers to 16 organizations that fall under the DOD but are not a uniformed service. Defense agencies include the Defense Finance and Accounting Service, the Defense Logistics Agency, and the Missile Defense Agency. For a complete listing of defense agencies, see the U.S. Government website at [<http://www.firstgov.gov/Agencies/Federal/Executive/Defense.shtml>].

defense agencies adequately plan and coordinate implementation, and to assist DOD in allocating resources and prioritizing tasks to meet the statutory deadline.³

A Business Plan is not intended to provide an all inclusive description of activity but only the level of detail needed by administrators to ensure coordination and to allocate BRAC funds effectively. The plan describes necessary steps that must be taken to carry out the commission's recommendations and the estimated time-frames and costs associated with those steps. Detailed planning is not included but can be found in associated documentation referenced in the plans. Also, some details concerning to the planning, particularly with regard to personnel, are deliberately excluded in order to avoid providing potentially useful information to adversaries.

What information is included in a Business Plan?

Secretary Wynne issued his guidelines for Business Plan preparation in two memoranda. The first, dated September 21, 2005, provided a basic outline of major headings and general guidance regarding the information to be included. The second, dated October 12, 2005, described the necessary data in greater detail.⁴

Each plan should contain:

- The relevant recommendation from the commission's final report.
- A description of the steps needed to satisfy the recommendation.
- A list of the DOD organizations, including military units, that will have to be moved in order to fulfill the requirements of the commission's recommendation.
- A time-table for the movement of organizations listed above. Where applicable, this will also include a schedule for installation closure.
- A description of the estimated costs and savings associated with moving each organization.
- Details concerning military construction necessary as a result of BRAC actions.
- All required environmental studies at both the losing and gaining bases and the estimated costs for them.
- Identification of land and permanent structures (real property) that will need to be sold, destroyed, or otherwise disposed of.
- A list of all DOD agencies affected by the plan along with assurances that those agencies have participated in the plan's development and concur with its content.

Why is it called a "Business" Plan?

Secretary Wynne selected the term "Business Plan" based on the premise that the plans present the "business case" for the implementation of each

³ Under existing law, BRAC actions must be completed no later than six years after the date on which the President transmitted the Commission's report, or September 15, 2011.

⁴ Copies of the memos can be obtained by contacting Ms. Kristine Blackwell or Mr. Daniel Else. Ms. Blackwell can be reached at (202) 707-4589 or KBlackwell@crs.loc.gov. Mr. Else can be reached at (202) 707-4996 or DElse@crs.loc.gov.

recommendation. They outline financial estimates of costs and savings as well as describe movement plans throughout the BRAC implementation process.

Furthermore, use of the term “business” is consistent with terminology currently employed within DOD. Soon after taking over as Secretary of Defense, Donald Rumsfeld announced his intention to steer the department towards more cost effective operations by adopting commercial business models. A June 18, 2001, DOD press release announced the creation of the Senior Executive Committee to function as a “business board of directors for the Department” and the Business Initiative Council, created to “recommend good business practices and implement cost savings that could offset the funding requirements for personnel programs, infrastructure recapitalization, equipment modernization and transformation initiatives.”⁵ Secretary Wynne adopted the practices of private enterprise to create these Business Plans.

Who developed the plans?

Secretary Wynne assigned each BRAC Commission recommendation, in whole or in part, to a military department or defense agency. Generally the entity that has the largest number of resources tied to the action is responsible for preparing and executing the corresponding Business Plan.

When more than one service or defense agency is involved in a realignment, DOD gave consideration to the location receiving resources as a result of the recommendation. DOD reasoned that the receiving agency could best decide how to align additional personnel and facilities with their existing infrastructure. As an example, in commission recommendation #131, which calls for the co-location of military criminal investigative agencies with the Counter Intelligence Field Agency and the Defense Security Service at the United States Marine Corps Base, Quantico, VA, responsibility for developing the Business Plan was assigned to the Department of the Navy.

Who will have access to the plans?

Because they were intended to be internal resource allocation documents, these Business Plans were not intended to circulate outside DOD. Nevertheless, once the DOD FY2008 budget proposal is submitted to Congress, much of the information contained in the plans, if not the plans themselves, will likely become publicly accessible. This is because the plans will form the basis for DOD’s allocation of BRAC funding and estimated budgets; thus supporting data from the plans will likely be included in the military department and defense agency Budget Justification Documents, or “J-Books.” J-Books are usually provided annually to Congress explaining how the military departments and defense agencies plan to use requested funds.

⁵ See Department of Defense’s website at [<http://www.defenselink.mil/Releases/Release.aspx?ReleaseID=2949>].

Why are Business Plans required for BRAC 2005 and not for previous BRAC rounds?

BRAC 2005 differed from previous BRAC rounds in a number of ways. Unique to 2005 was the number and complexity of the recommendations. In their final report, the commission noted, “the 2005 BRAC recommendations exceeded the number considered by all prior BRAC Commissions combined. In addition to the unprecedented number, many DoD recommendations were extremely complex, proposing intertwining movements between and among numerous installations.”⁶

The planning and execution of the 1991, 1993, and 1995 BRAC rounds centered on the Departments of the Army, Navy, and Air Force, each of which crafted its own list of recommendations. DOD consolidated, coordinated, and forwarded these lists to the President for approval. The military departments were then responsible for implementing the approved recommendations within the six years required by law. However, the very high level of complexity of the 2005 process led DOD’s senior leadership to institute centralized control of the planning and resource allocation process while at the same time preserving a decentralized implementation policy for the military departments and defense agencies.

Furthermore, DOD believed the coordination required by the Business Plan’s development process would provide an added benefit. It would not only ensure a more efficient plan, but also would likely create conditions in which potentially problematic issues could be identified and resolved prior to implementation. This was of particular importance where commission recommendations resulted in new methods of operation such as with “Joint Basing.”⁷

What time period does the Business Plan cover?

Business Plans are intended to cover current planning through FY2011, when the law mandates implementation must be complete. Action affecting a location after FY2011, such as its post-closure use by the local community, is not covered in the plans.

Will the Business Plans be updated?

DOD will likely require updates to each of the Business Plans biannually — in the fall, to examine the next year’s budget request and in the spring, to assess current budget execution. DOD considers these plans “living documents” that are likely to change as operational priorities and resource availability shift or any number of other variables and circumstances change. For example, a survey of a planned renovation

⁶ BRAC Commission report, Executive Summary, pg. iii. Of the 190 closures and realignments recommended by the DoD, the commission approved 119 with no changes and accepted 45 with amendments. See CRS Report RS22291 *Military Base Closures: Highlights of the 2005 BRAC Commission Report and Its Additional Proposed Legislation*, by Daniel H. Else and David E. Lockwood.

⁷ For an explanation of “Joint Base,” see “What is the current status of the plans?”, p. 6.

of an existing facility designated as a receiving facility could reveal that new construction would be more cost effective.

How are the Business Plans prepared?

The head of each military department or defense agency assigns responsibility for the preparation of each Business Plan to a subordinate organization. For example, the Secretary of the Air Force assigns the plan for the realignment of McGuire Air Force Base to Air Mobility Command, which is responsible for that installation. Air Mobility Command is empowered to coordinate details of the plan with the other applicable services. After the plan's formulation, the Secretary of the Air Force or his delegate reviews and approves it. The plan is then submitted to the Installation Capability Council (ICC) at DOD for review and approval.

The Deputy Under Secretary of Defense for Installations and Environment (I&E), currently Mr. Philip W. Grone, chairs the ICC, which consists of senior executives and military officers drawn from the Office of the Secretary of Defense, the military departments, and the Joint Staff.⁸ After approving each Business Plan, the ICC forwards it to the department's higher-echelon Infrastructure Steering Group (ISG) for further review.⁹ The ISG chair, the USD (AT&L), has the final approving authority.

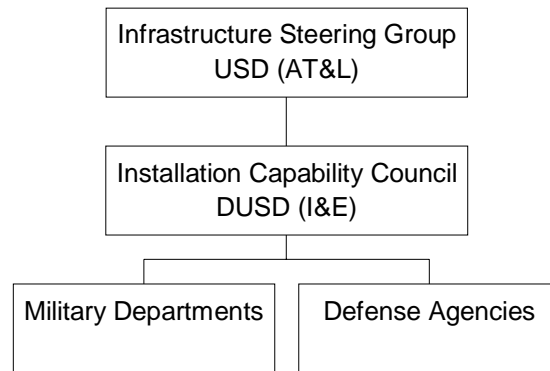
Before this approval is granted, though, each Business Plan is reviewed by the ISG Executive Secretariat, the DOD Base Realignment and Closure Office. This review includes a legal assessment of whether the Business Plan meets the BRAC Commission's intention in writing its recommendation.

Once approved, the military departments and defense agencies put the Business Plans into action. **Figure 1** illustrates the review structure:

⁸ The Joint Staff is the military organization in the Pentagon that directly supports the Chairman and the other members of the Joint Chiefs of Staff.

⁹ The Infrastructure Steering Group is chaired by the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)), and is composed of the Vice Chairman of the Joint chiefs of Staff, the military department assistant secretaries for installations and environment, the service vice chiefs, and the Deputy Under Secretary of Defense (Installations & Environment) (DUSD(I&E)). Since the September 21 and October 12, 2005, memoranda, the DOD Comptroller and the Director, Program Analysis and Evaluation have also been added as members.

Figure 1. Business Plan Review Structure



What is the current status of the plans?

To date, 211 of the required 240 plans have been approved. Eleven of the 29 unapproved plans have either been reviewed by the DOD BRAC Office and sent back for further analysis (primarily because of unexpected cost growth), or are still in the coordination phase and have yet to be reviewed by the DOD BRAC Office. The remaining 18 unapproved plans still require action.

Of the 18 unapproved plans, 12 involve “joint bases.” These bases involve locations where installations of two or more services are either adjoining or within close proximity and the commission has recommended that the installations’ support functions be combined and operated by a single service. DOD is currently developing Joint Base Implementation Guidance to provide the military departments and defense agencies direction regarding how the combined bases will be established and operated. Once this guidance is issued by the Deputy Secretary of Defense, the 12 plans will be completed and submitted for review and approval.

The remaining 6 of the 18 unapproved plans involve exceptional circumstances. Three of the six concern Army-run chemical munitions depots where closure requires compliance with international treaty obligations.¹⁰ Affected locations are Newport Chemical Depot, Indiana, Umatilla Chemical Depot, Oregon, and Deseret Chemical Depot, Utah. It is possible that the required destruction of chemical weapons stockpiles at these depots may not be able to occur within the six-year statutory period for completion of BRAC actions.

Two of the six pertain to locations where conditions set by the BRAC Commission would affect the recommendations and related plans. At the Naval Air Station Oceana, Virginia Beach, VA, the commission mandated that Virginia enact and enforce legislation addressing encroachment problems or risk having the master

¹⁰ The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and Their Destruction, commonly known as the Chemical Weapons Convention, prohibits the development, production, stockpiling, and use of chemical weapons.

jet base move to Cecil Field, Jacksonville, FL. In June 2006, the DOD Inspector General determined Virginia had not complied with the mandate. Subsequent federal lawsuits filed by Virginia and a November 2006 referendum demonstrating opposition to the move by a majority of Jacksonville residents are likely to delay action on this recommendation indefinitely. And, at the Naval Broadway Complex, San Diego, CA, commission recommendations were tied to a 1992 development agreement between the Navy and the city of San Diego. If the Navy did not enter into a long-term lease agreement to develop the property by January 1, 2007, the recommendation to relocate Navy organizations to other DOD or Navy owned facilities in San Diego would have gone into effect. On December 1, 2006 the Navy announced the signing of a 99-year lease with a private developer effectively removing the base from the closure list.

The last outstanding plan concerns the Naval Post Graduate School, Monterey, CA, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio. The commission recommended DOD establish an oversight board to review and approve curriculum at the two schools. Given the limited and well-defined nature of the action, DOD may waive the requirement for this particular Business Plan.

Questions regarding this report should be directed to Ms. Kristine Blackwell at (202) 707-4589 or KBlackwell@crs.loc.gov, or Mr. Daniel Else at (202) 707-4996 or DElse@crs.loc.gov.