The budget cuts instituted under the Budget Control Act of 2011 are compelling the Administration and Congress to decrease the Department of Defense’s resources. These cuts dramatically undermine the country’s ability to protect its vital interests. The cuts also increase pressures to conduct other rounds of military base realignments and closures (BRACs). As these pressures increase, it is essential that policymakers adopt a new approach for assessing the military’s infrastructure requirements while taking advantage of lessons learned from the previous BRAC rounds. This new approach must be global, transparent, and conducted in close discussion and cooperation with affected local communities. The chief focus of the new process must be on preserving the U.S. military’s ability to meet requirements that policymakers demand of it.

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Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.
The chief focus of the new process must be on preserving the U.S. military’s ability to meet requirements that policymakers demand of it. It must also incorporate military support to civil authorities as one of the criteria for assessment of domestic military installations.

While the purpose of the BRAC process is to close or realign military installations, the United States needs a fresh look at the way it assesses its military installations. The main starting point for the process is the need to evaluate whether installations in the U.S. and abroad meet military requirements. While both are currently guided by different processes, the recognition that they are a part of the same global infrastructure should be explicit in the assessment. The Pentagon should not shy away from recommending an increase in the number of military installations where required to support its worldwide missions.

**Previous BRACs and Lessons Learned**

The Department of Defense has undergone five BRAC rounds in the past 30 years: in 1988, 16 major base closures; in 1991, 26 major closures; in 1993, 28 major closures; in 1995, 27 major closures; and in 2005, 33 major closures. Over that same period, the Defense Department realigned 55 major bases and closed or realigned an additional 234 minor installations. A total of more than 350 installations have been closed in the first four rounds of BRAC.

The 2005 BRACs have impacted a total of about 997 facilities in the U.S. and entail relocating over 123,000 personnel. The BRAC process is guided by the Defense Base Closure and Realignment Act of 1990 (as amended through the FY ’05 Authorization Act). First, the Pentagon examines its forces and installations and compiles a list of recommended BRAC actions. Then, an independent BRAC commission reviews the list and recommends changes to the President. The President then reviews the list and transmits it to Congress. If Congress does not approve of the list, it must pass a resolution to reject it as a whole and sustain it over a presidential veto, should the President choose to veto the congressional resolution. If Congress takes no action, the list is enacted automatically.

The domestic criteria for the latest BRAC round included military value criteria—the current and future mission capabilities; availability and condition of land, facilities, and associated airspace; the ability to accommodate contingencies; and the cost of operations and the manpower implications. The other criteria were the extent and timing of potential costs and savings; and the economic and environmental impact on existing communities in the vicinity of military installations.

The future process should incorporate military support to civil authorities as one of the criteria of selection. This is to ensure that local authorities have the best tools at their disposal when responding to the effects of national or regional disasters, such as after Hurricanes Katrina and Sandy.

The law defines a military installation as a “a base, camp, post, station, yard, center, homeport facility for any ship, or other activity [sic] under the jurisdiction of the Department of Defense, including any leased facility, which is located within any

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3. Ibid.
5. Ibid.
8. Ibid.
of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam.”

Domestic constituents play an important role in the U.S. part of the process because military installations are integrated in local economies. BRACs cause substantial anxiety in the local communities, especially initially, despite the fact that the Congressional Research Service found in one of its reports that “the research has shown that they [base closures and realignments] generally have not had the dire effects that many communities expected.”

In some cases, especially where the military bases are integral to the local community, constituents and their elected representatives experience significant distress regarding impacts of closures of military installations in their districts. The Defense Department’s transparent engagement with the affected communities from the start of the planning and assessment process would go a long way in mitigating some of these anxieties.

The Pentagon must include costs of environmental cleanup and restoration if it decides to close facilities in the United States. These costs are often very significant and tend to decrease the estimates of net savings. While the Pentagon should contribute to restoring the land it used, the Department of Defense should not have to accommodate excessive demands on the land and facilities it is required to close down.

**Base Closures Abroad**

Abroad, the Department of Defense focuses on making sure that the U.S. will be able to project power in the case of contingencies in the respective regions. The process is driven by operations requirements, contingency planning scenarios, and diplomacy. The Department of Defense works with the State Department and the host nation’s government throughout the process. The extent of the military’s responsibility for environmental restoration and cleanup is usually outlined in the Status of Forces Agreement, which the United States negotiates with the host country prior to stationing U.S. forces on its soil.

There is no review commission and no significant domestic constituency. As a result, closing military installations abroad is politically easier than closing them at home. The Pentagon has been taking advantage of these factors in the recent years.

In Europe, the U.S. Army has downsized from 245 installations to 145 installations between 2003 and 2010. By 2015, it plans on retaining 98 locations total. It has reduced its end strength and force structure by over 45 percent. The Air Force has reduced aircraft and forces stationed in Europe by 75 percent since 1990. The Navy limited its presence in Europe and is further examining options for downsizing. In March 2013, the Army sent its 22 remaining battle tanks in Germany back to the U.S.—the first time in 69 years that there is no U.S. tank stationed on German soil. As Mackenzie Eaglen of the American Enterprise Institute notes, it is important to keep these ongoing initiatives in mind because “many members of Congress want to divest excess overseas capacity before shrinking
domestic bases” without being aware of reductions under way.16

Current Requirements.

Last year, then-Secretary of Defense Leon Panetta requested congressional authorization to conduct two additional BRAC rounds in 2013 and 2015, respectively.17 His request was met with fierce opposition on Capitol Hill that prompted Secretary Panetta to later comment: “The reality is that the department is going to need to take a hard look at what we do in terms of supportive infrastructure. If I’m taking the force structure down and still maintaining large infrastructure costs, then the money that ought to be going to training our soldiers is going to extra infrastructure. It’s the very definition of hollowing-out the force.”18 Congress and the administration need to approach the BRAC process differently: The next assessment of the military infrastructure must start with analyzing which forces the country will need to address future strategic challenges, both at home and abroad. The result of this analysis should be one comprehensive list of affected installations at home and abroad.

The future military requirements will recognize that it is essential that U.S. military forces remain capable of engaging in two major regional contingencies (MRCs) at the same time. This is to make sure that an adversary does not feel tempted to engage in conflict with the United States when U.S. forces are deployed elsewhere. According to Heritage Foundation research, such forces would consist of “10 Active and eight Reserve Component Army divisions, two to three Marine Expeditionary Forces, 11 aircraft carriers, 120 large surface naval combatants, 38 large amphibious warfare ships, 200 strategic bombers, 20 tactical fighter wings, 400–500 tankers, and 250 airlifters.”19

Since the end of World War II, U.S. interests have remained essentially the same:

1. Safeguarding U.S. national security;
2. Preventing a major power threat to Europe, East Asia, or the Persian Gulf;
3. Preserving freedom of the commons; and
4. Protecting Americans from threats to their lives and well-being.20

The next round of the infrastructure planning process must take into account that vital U.S. interests might be threatened at home and abroad. The U.S. military will, therefore, remain engaged around the world. Domestic infrastructure must support these global missions and training and the global infrastructure must be robust enough to allow a forward-deployed presence of forces sufficient to protect vital national interests.

Transparency: The Key to Success

To ensure a successful implementation of the Defense Department’s recommendations, the Pentagon must increase transparency regarding its decision making, and independently review its planning process. As in the previous BRAC rounds, Congress should establish a commission which would independently review the Pentagon’s process of assessing its military infrastructure. The commission should include experts with a range of opposing views. They should be familiar with

the legacy rounds of BRAC and be aware of their advantages and disadvantages. The panel should be bipartisan and ideally should include the same number of Democratic and Republican appointees. The Secretary of Defense should not play a major role in the panel’s appointment process. This would ensure that the panel is truly independent from the Pentagon’s own assessment process.

Transparency in the new approach also has a place in determining how the Pentagon disposes of its property if it needs to do so. The current process subjects the Pentagon to significant pressure to transfer its surplus facilities to local redevelopment authorities below the fair market value. For example, the city of Myrtle Beach, South Carolina, obtained the golf course at Myrtle Beach Air Force Base through a “public benefit transfer”—a process by which the federal government can “transfer title of surplus property to qualified State and local governmental agencies and private nonprofits for public uses for up to a 100% discount.”

The Pentagon thereby lost $3.5 million it could have received had it sold the golf course to a private developer.

An even more striking case is the benefit transfer of the Former Naval Station Treasure Island in San Francisco. The appraisal report prepared by the world-renowned transaction real estate group Ernst & Young put the market value of the property at $250 million (as of January 1, 2007). The assessment was reviewed by the General Services Administration. Ernst & Young also noted that “[t]he site is, however, the most unique property available for development in the San Francisco Bay area and will be in high demand for the next decade or longer.” Despite the Ernst & Young assessment, the City of San Francisco first appraised the value of the property at $14 million, and later at $22 million. The city received substantial help from the lawmakers, led by then-Speaker of the House Nancy Pelosi. The House version of the fiscal year (FY) 2010 National Defense Authorization bill had a provision that would force the Navy to transfer the Former Naval Station Treasure Island to the City of San Francisco at no cost. While the provision was not ultimately adopted in the conference, the Navy did not get the market value for its property. It was forced to transfer Treasure Island and one of the prime San Francisco real estate properties for a meager “$55 million, followed by an interim payment of another $50 million, plus an additional share of potential further profits.”

To avoid such incidents in the future, Congress should codify public (open-market) sales as the standard and preferred means to dispose of its surplus property. The Pentagon should be allowed to pursue other options—public benefit transfers, economic development conveyance, or negotiating sale to states or local governments—only if it is not able to sell a property at market value. This step has the potential to increase transparency of these transfers and further facilitate local communities’ engagement and involvement in the process. Private investors will have direct interest in developing the acquired property and making it relevant to the needs of affected communities.

Engagement with local communities in the U.S. will be one of the keys to a successful evaluation and implementation of any future military installation decision. Members of local communities that work with the military installation day in and day

24. Ibid., p. 2.
out have insights into where efficiencies in operations can be found, and know the internal workings of the installation better than outside reviewers. It is essential that the outside reviewers harvest this knowledge before substantive decisions regarding a future of any particular facility are made. Public hearings throughout the planning process will provide additional opportunities for a transparent discussion of issues at hand and further engage local communities in the process.

Throughout the process, it will be important for the Office of the Secretary of Defense (OSD) to make sure that all the terms that the Department of Defense, the Armed Services, and the independent commission use are properly and precisely defined. The OSD will also have to facilitate cross-service communication and ensure that all the actors are using defined terms. A lack of clear understanding and common terminology was one of the factors that undermined the 2005 BRAC process. Language clarity will also improve the Pentagon’s outreach efforts and communication with affected communities.

Lastly, the President’s final list to Congress, with his recommendations for actions pertaining to the future military installations, should avoid concluding the review process during U.S. election years to help to mitigate the anxiety associated with proposed changes on the part of local communities and Congress.

Identifying Opportunities for Public-Private Partnerships

The comprehensive assessment of the military infrastructure—on how to fulfill a range of missions that policymakers might request of the Department of Defense in the future—should also focus on identifying opportunities for public-private partnerships. Such partnerships could help the military to operate more efficiently and spend taxpayers’ dollars better. They also contribute to building relationships between the local communities.

Performance-based logistics should be implemented on a larger scale. Performance-based logistics focuses on performance outcomes (such as delivery time, work-in-progress, reliability, reduced logistics, and availability of systems and material to the warfighter) rather than the acquisition of individual parts or particular repair actions. The Aerospace Industries Association estimates that performance-based logistics could save $25 billion to $30 billion a year.

The performance-based logistics approach can also be used with foreign customers. Boeing’s partnership with the U.S. Air Force, the British Royal Air Force, the Royal Australian Air Force, and the Canadian Forces on the C-17 Globemaster III transport aircraft, enabled Boeing “to achieve economies of scale through the purchase of supplies for the worldwide C-17 fleet.” Thanks to this partnership, the U.S. saved at least $807 million over 10 years.

The example of the Letterkenny Army Depot in Chambersburg, Pennsylvania, points to an additional benefit of performance-based logistics—building and advancing relationships between contractor employees and public staffers. Both can cooperate in a manner that is effective and mutually beneficial. According to Robert Willits, a union steward at Letterkenny, “The depot and the contractor managers coordinate things effectively so that the depot managers can instruct their employees, and contractor managers can instruct their employees in a way that avoids confusions, and I have been here for almost four years and have yet to run into a conflict in this area.” Private contractors have an interest in building good relationships with public employees at the depot. Public employees, in return, can take advantage of training opportunities with the

33. Ibid.
private contractors in their facilities if both sides are amenable to such an arrangement. This would further promote cooperation and understanding between the two entities.

Sequestration: A Threat to Reasonable Military Infrastructure Assessments

Sequestration, a process mandated by the Budget Control Act (BCA) of 2011, went into effect in March 2013, and will shed $43 billion from the Pentagon’s budget this year alone.\(^35\) The reduction comes on top of over $300 billion worth of weapons programs cancellations, $101 billion cuts in savings initiatives between 2010 and 2015, and $78 billion savings through “management and acquisition reforms” between FY 2012 and FY 2016.\(^36\) All these cuts will have a devastating impact on the Department of Defense, forcing the military to downsize its end strength and procure fewer weapons systems and equipment to meet the spending levels mandated by the BCA.\(^37\) The cuts will also increase the Pentagon’s appetite for reducing its infrastructure footprint and overhead costs.\(^38\) The decisions will inevitably be budget-driven and, absent major reforms in military health care and retirement systems, almost impossible for the Pentagon to get right.

If sequestration continues in the coming years, the military will not have sufficient resources to buy new weapons systems. The problem of imbalance between infrastructure and future force structure will be further exacerbated as the military will not have systems to replace weapons that reach the end of their operational lives.\(^39\) As a result of this process, the military will have excess infrastructure, which will increase the pressure to conduct additional base closures and realignments. Strategic planning derived from budget restrictions, rather than from a sound assessment of the international environment and future threats the U.S. and its allies might face, is an exercise in futility. Such plans always wind up wasting money in the long run, leaving the U.S. less secure.\(^40\)

What the U.S. Should Do

To ensure the best possible outcome regarding the military infrastructure of U.S. forces, the Congress should:

- **Ensure** that domestic and global estimates of military requirements are not separate processes, but inform each other and are considered at the same time. Congress should require the Administration to submit a single list of both domestic and U.S. international installations impacted by the process. This step would increase congressional awareness of the steps that the Pentagon is taking abroad already.

- **Create** an independent, bipartisan review commission that would comment on the Pentagon’s proposed list of military installations and recommended actions. The review should be made available to the Congress before its consideration of the President’s final list, along with an explanation of differences between the final list and the commission’s list.

- **Engage** with the local communities, and harness their knowledge of strengths and weaknesses in the way a particular military installation is run and managed and describe its contributions to the Pentagon’s missions.

- **Instruct** the Department of Defense and the independent military installations review commission to hold public hearings on proposed changes in the military infrastructure as a means

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39. The Air Force, for instance, will have to maintain the same number of hangars for fewer, or even no, planes.

to increase transparency of the process and involve affected communities.

- **Require** the Department of Defense to clearly define parameters and variables of the process to increase its transparency, encourage cross-service understanding and prevent miscommunication.

- **Mandate** the Department of Defense to include upper and lower estimates of environmental clean-up costs in its analysis of up-front costs. This would provide a better idea of how much the Department of Defense will need to invest up front, and avoid surprises associated with massive increases in costs later during the BRAC implementation.

- **Instruct** the Pentagon to evaluate and expand opportunities for partnerships between the public and the private sectors. Innovative approaches, such as performance-based logistics, can save the Pentagon billions of dollars and free up resources for weapons modernization accounts.

- **Direct** the Department of Defense to include capability to provide military support to civil authorities as one of the criteria for evaluation when considering military installations. This is to ensure effective response during domestic contingencies, such as after natural disasters.

- **Include** language in the National Defense Authorization Act that would direct the Pentagon to use public (open-market) sales as the standard means to dispose of its surplus property. Only if there is no interest in the property, should the Pentagon explore other options of eliminating the surplus property from its inventory.

### Conclusion

The United States must ensure that it maintains the infrastructure and the capability to protect its vital national interests. Since the end of World War II, these interests have been global in nature. While the previous BRAC rounds have focused largely on downsizing the infrastructure, the new approach must be to take a fresh look at the process, learn from the past successes and mistakes, and focus on devising the best way to manage global infrastructure. The new process must be transparent and engage local communities to the largest possible extent. It must also identify opportunities to expand public-private partnerships to increase efficiency within the Department of Defense and free up resources for much-needed modernization.

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