

## **Chapter 5**

# **Implementation**

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### **Introduction**

Public Law 101-510, besides establishing the procedures for selecting bases to be closed or realigned, establishes procedures for carrying out approved closures and realignments. The law also describes the applicability of other public laws and Federal regulations to the implementation of base closures and realignments (see Appendix A).

### **Requirement to Close and Realign Bases**

The Secretary of Defense must close and realign all military installations recommended for closure and realignment by the Commission, unless the President does not approve the recommendations or a Congressional joint resolution of disapproval is enacted.

The Secretary must initiate all the closures and realignments within two years and complete all the closures within six years, beginning from the date the President approves the recommendations.

### **Implementation Procedures and Funding**

The Secretary may (in implementing the approved base closures and realignments) acquire land, construct replacement facilities, and plan and design for relocating activities.

Public Law 101-510 establishes a special Department of Defense Base Closure Account 1990, to fund costs associated with closing and realigning bases. The Secretary may also use the Account to provide: economic adjustment assistance to communities; community planning assistance; and, outplacement assistance to civilian employees. There is a separate base closure account for implementing the recommendations of the 1988 Base Closure Commission.

The Secretary may use the Account to provide for environmental restoration and mitigation at closing and realigning bases. The Secretary is required to ensure that environmental restoration of property made excess as a result of closing or realigning bases be carried out as soon as possible with funds available for such purposes.

## **Property Disposal**

The Administrator of General Services is required to delegate to the Secretary of Defense the Administrator's property disposal authorities under public law to: utilize excess property; dispose of surplus property; grant approvals and make determinations; and, make excess or surplus property available for wildlife conservation purposes. The Secretary is required to follow General Services Administration property disposal regulations in carrying out his authorities.

Before the Secretary can dispose of any surplus real property or facility, he is required to consult with the Governor of the State and the heads of local governments about the local community's plans for the use of the property. For over 30 years, DoD has helped local communities plan for the reuse of closing bases. This program, managed by DoD's Office of Economic Adjustment, is discussed later in this chapter.

The Secretary may transfer real property or facilities at a closing or realigning base to a Military Department or the Coast Guard, with or without reimbursement. This authority is important to help ensure DoD retains its best assets in cases where the need for transfer from one Department to another could not be identified during the base closure and realignment selection process.

### **Applicability of the National Environmental Policy Act**

The National Environmental Policy Act (NEPA) will apply to the actions DoD takes in implementing approved base closures and realignments. NEPA will apply in disposing of property and in relocating functions from a base being closed or realigned to a receiving base. However, in applying NEPA to property disposal or relocating functions, DoD need not consider: (1) the need for closing or realigning the base; (2) the need for transferring functions to a base selected as a receiving base; or (3) alternatives to the closing, realigning or receiving bases.

### **Congressional Oversight**

DoD is required to report annually to the Defense Committees of Congress the following information concerning implementation of approved base closures and realignments:

- o A schedule of closure and realignment actions for the year,
- o The costs required and savings to be achieved,
- o An assessment of the environmental effects of the actions,

- o A description of actions at receiving bases, and
- o An assessment of the environmental effects at the receiving bases.

Finally, DoD is required to report to the Congress the funds remaining in the Base Closure Account after the Account has terminated. Unobligated funds which remain in the Account after termination will be held in the Account until transferred by law.

### **Easing the Impact**

Closing military bases is difficult, especially for the people affected. DoD has for years managed programs designed to assist communities, homeowners and employees in adjusting to the closure of bases. We intend to improve the existing programs and to create new economic growth initiatives (see Appendix C).

### **Economic Adjustment Assistance**

Economic adjustment assistance for communities can alleviate local impacts of Defense program changes. Impacts may result from major base closure or realignment actions that reduce local employment. Other actions may increase Defense activity and place new demands on communities for increased public services (sewer, water, roads, schools, etc.). Changes can impact on individuals and have secondary effects on area businesses, local governments, and other elements of the local economy.

The Department takes the lead in efforts to alleviate these problems. An Economic Adjustment Program was initiated for this purpose in May 1961. Since 1970, adjustment assistance has been enhanced through the President's Economic Adjustment Committee (EAC) which is composed of 23 Federal Departments and Agencies, and chaired by the Secretary of Defense. The DoD Office of Economic Adjustment (OEA) serves as the permanent staff for the Committee.

The EAC works with local, state and Federal Agency representatives to develop strategies and coordinate action plans to generate new job opportunities and to alleviate social and economic impacts resulting from Defense program changes. Whenever possible, former military bases are converted for productive civilian uses, i.e. airports, industrial parks, schools, hospitals, recreational areas, etc. Available Federal, state and local government resources are utilized to spur private sector investments and jobs.

DoD plans to increase significantly the scope of activities undertaken by OEA. OEA is responsible for leading DoD's efforts to work with communities severely affected by base closures and other reductions in defense spending. OEA works

closely with other federal, state, and local government organizations in order to bring the full range of assistance programs to bear on affected communities. DoD will increase OEA's budget dramatically from about \$8 million in FY 1992 to nearly \$30 million in FY 1993.

With its increased budget, OEA will offer grants to help community organizations transition from a planning function to an operational entity. Previously, OEA funded the planning function only. OEA also plans to invite grants from states to support local community adjustment and business assistance programs; up to \$2.5 million is earmarked for this purpose. OEA will also make grants to help states and local governments develop community adjustment and economic diversification plans and establish demonstration projects in four areas.

### **Economic Growth Results**

The Office of Economic Adjustment periodically surveys the economic progress of nearly 100 communities affected by base closures during the past 32 years. The survey measures job replacement generation and reuses for the former bases, as accomplished and reported by the communities themselves. The survey findings are conservative since they exclude secondary and off-base jobs. The 1990 survey found:

- o **New jobs replace DoD civilian losses.** A total of 158,000 civilian jobs are now located on former defense facilities to replace the loss of 93,000 former DoD civilian and contractor jobs.
- o **New educational opportunities.** Many four-year colleges and post-secondary vocational technical (vo-tech) institutes or community colleges, as well as high school vo-tech programs have been established at former bases. The reuse of the former Defense facilities for new vocational technical education has provided a strong job-inducement contribution to future community economic development programs.
- o **Student enrollments.** There are 73,000 college and post-secondary students; 20,000 secondary vo-tech students; and 62,000 trainees now receiving education and training at 57 former Defense bases.
- o **Industrial and aviation uses.** Office industrial parks or plants have been established at 75 of the former Defense bases. Forty-two of the former bases are being used as municipal or general aviation airports.

Currently, OEA is working with 38 communities near bases recommended for closure by the 1988 and 1991 Base Closure Commissions (see Appendix F). OEA has provided \$10 million, over the last three years, in Community Planning Assistance Grants to affected locations for economic adjustment organization costs and to help develop local base redevelopment plans. Working through the EAC, OEA is also helping these communities implement their adjustment plans. With funds transferred from DoD, the Economic Development Administration of the Department of Commerce, will make 33 grants totalling \$50 million for utility infrastructure improvements, business loan funds, and state level adjustment planning activities. Similarly, with DoD funds, the Department of Labor has made 45 grants totalling \$40 million for worker adjustment assistance and retraining.

Until the property at the closing bases is disposed of for public and private use, redevelopment is understandably limited. Most of the bases recommended for closure in 1988 and 1991 have yet to close. However, several communities affected are solidly on the way to economic recovery helped by DoD's willingness to temporarily lease portions of bases before closure. Lockheed Aerospace has leased hangars at Norton AFB for aircraft overhaul and maintenance, creating 800 jobs. A major trucking company, J.B. Hunt, recently opened a truck driver training center at the England Industrial Air Park and Community (former England AFB). At the Pease International Tradeport (former Pease AFB) a variety of new activities have created more than 1,000 jobs. Among the major tenants are the U.S. Passport and Visa Processing Center and the Business Express (Delta Airlines) maintenance facility. And at the former Naval Air Station Chase Field in Beeville, Texas, 400 family housing units have been leased, and Prostar Aircraft, a manufacturer of small planes used primarily for agriculture and recreational purposes, began production at the base in March 1993.

The transition period (often 3-5 years) from military to civilian use of a former base can be difficult for many communities. Yet, the experience of communities affected by earlier base closures clearly indicates successful adjustment is possible. Moreover, communities become more diversified and economically stable. The Department of Defense is committed to helping affected communities throughout transition.

## **Environmental Restoration at Closing Bases**

**DoD is obligated under the Defense Environmental Restoration Program and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) to restore contaminated sites on military bases, whether they are closing or not.**

**DoD is committed to restoring closing bases to safe condition within the capabilities of technology and the availability of funds. The Base Closure Account, described earlier in this chapter, is used to fund this environmental restoration at closing bases or at realigning bases where the cleanup action is driven by requirements of the realignment.**

**DoD wants to ensure, wherever possible, that environmental cleanup is not a barrier to economic recovery. DoD has spent and will continue to spend significant defense resources on environmental restoration, but will need help from Congress and the Environmental Protection Agency to streamline the process.**

**DoD has several initiatives underway to expedite the environmental restoration process and thereby speed local economic recovery.**

**In 1990, DoD formed an environmental response task force which, in October 1991, reported on ways to: improve interagency coordination of environmental response actions; streamline and consolidate regulations, practices and policies; and, improve environmental restoration at bases that were being closed under the Base Closure and Realignment Act of 1988. This task force is being reconvened in fiscal year 1993 and will provide yearly reports to Congress until the base closure process is completed.**

**DoD has established a model program which will test: expediting clean-up; accelerating the contracting process; alternatives for avoiding disputes; concurrent regulatory review; and, options for local reuse while clean-up is in progress.**

**DoD, in conjunction with the Environmental Protection Agency (EPA), the Military Services, State and local regulatory offices, and State and local reuse/redevelopment organizations, is conducting a series of base closure and realignment (BRAC) Interagency Acceleration Initiatives Conferences. These conferences, organized on an EPA regional basis, promote discussions between appropriate parties and foster the potential implementation of some 47 acceleration initiatives at closing installations. The acceleration initiatives, in five major categories of management, process, technology, contracting, and training, were developed to promote the timely environmental restoration and fast return of closing DoD installations.**

## **Homeowners Assistance Program**

The Homeowners Assistance Program (HAP) was authorized by Congress to assist eligible military and federal civilian homeowners who, through no fault of their own, face a financial loss when selling their homes in an area where real estate values have declined because of a base closure or realignment.

In general, HAP works in three ways. The Government helps eligible employees who cannot sell their homes within a reasonable time by either: buying their homes for 75 percent of their pre-closure announcement value; or reimbursing them for most lost equity should the homeowners sell the house for less than the pre-closure announcement value. The program also provides relief for displaced employees facing foreclosure.

To be eligible for HAP benefits, the applicant must be a military member (Coast Guard included), federal civilian or non-appropriated fund employee assigned or employed at or near the installation announced for closure or realignment, and be the owner-occupant on the announcement date. Eligibility is also extended under certain conditions to personnel on overseas tours or those ordered into on-base housing within a specified period prior to the closure or realignment announcement.

The program is initially funded with appropriated funds; however, the fund is replenished with the proceeds from the sale or rental of houses purchased by the Government under the program.

## **Civilian Employee Assistance**

The DoD Priority Placement Program is another program that was established to help DoD civilian employees adjust to the base closures of the 1960s.

A state-of-the-art automated referral system is currently in operation. Over the years since its inception, the referral system has helped more than 106,000 employees find new assignments. This system supports the Priority Placement Program and is cost effective. Periodic surveys have shown that 99 percent of placements are considered successful by the supervisors with whom the employees have been placed. Over two-thirds of the employees placed through the system have maintained their pay grades and salaries, or have advanced. Nearly the same number of placements have been within the commuting area of the original jobs. When that is not possible, relocation expenses are paid when an employee is placed in a job outside the present commuting area. The program has successfully placed nearly every employee willing to relocate.

**The Office of Personnel Management's (OPMs) Interagency Placement Assistance Program (IPAP) and Displaced Employee Program (DEP) are newer programs also designed to help to place employees separated or about to be separated from their positions by a reduction in force. OPM is in the process of combining these programs into one.**

**DoD has also recently established the Defense Outplacement Referral System (DORS). DORS is a voluntary, automated referral system available to DoD employees and their spouses seeking employment and to employers seeking workers. Both register in the DORS system. Employers identify skills they need and individuals list the skills they possess. The system electronically provides registered employers the resumes of individuals who meet their skill requirements.**

**Recent legislation requires the Office of Personnel Management to establish a Government-wide vacancy list. Candidates seeking Federal employment will no longer have to make numerous inquiries about vacancies, but can query this one source. The Office of Personnel Management is also required to establish procedures for non-DoD Agencies to give displaced DoD employees full consideration for vacancies filled from outside their Agencies.**

**The Job Training Partnership Act (JTPA) allows the release of placement assistance and retraining monies to those employees who are to be involuntarily separated from their positions. In most situations, employees identified for separation will be eligible for these funds six months prior to separation. Employees at installations on the base realignment and closure list are eligible for these monies 24 months prior to the closure date.**

**Employees who have received reduction in force separation notices will be allowed to stay on DoD's rolls beyond the reduction in force (RIF) date if they have enough annual leave to carry them to first retirement eligibility or to meet the eligibility criteria to carry Federal Employee Health Benefits (FEHB) into retirement (five years of coverage). DoD employees who are enrolled in FEHB and who are involuntarily separated by RIF may elect to continue FEHB enrollment (for up to 18 months following separation) and pay only the employee portion of the cost.**

**A post closure hiring preference will also be afforded employees adversely affected by base closures. They will be given the right of first refusal for jobs created**

by award of contracts to prepare the base for closure or to maintain the base after closure. Employees will be notified of skills required by the contractor and will apply directly to the contractor.

Activities expecting major reductions may request Voluntary Early Retirement Authority (VERA) from OPM. Eligible employees (those 50 years of age with 20 years of service or those with 25 years of service at any age) may be offered this opportunity. Additionally, VERA may be expanded to non-downsizing organizations to create vacancies for other employees scheduled for separation.

Finally, separation pay incentives may be approved by the Office of the Secretary of Defense to be used at activities that are downsizing or at activities that are not downsizing, but where vacancies could be created to place employees who would otherwise be separated. The incentives or bonuses are to be used for targeted surplus occupations, grades and locations. The incentives are lump sum bonuses up to \$25,000 for employees who resign, or who elect early retirement or regular (optional) retirement. These incentives may not be offered in the final stage of base closure but may be used in earlier phases.

### **Tools to Help Commanders Close Bases**

The Office of the Secretary of Defense has the authority to waive dual compensation restrictions for retired military members or civilians hired at closing bases to fill critical positions. The waivers can only be granted for temporary appointments at bases within two years of their scheduled closure dates.

Job swaps allow Commanders to staff critical jobs at closing bases and create placement opportunities for employees who would otherwise be separated. Job swaps are an exception to the Priority Placement Program. Employees at closing bases may swap jobs with employees at non-closing bases who are, or will soon be eligible for retirement (including discontinued service retirement). Job swaps may be authorized only when the position at the closing base has been specifically identified as critical and continuing (one year or more) and the swap has been approved by the supervisors of both employees. This provision may also be used to fill vacant critical positions at a closing installation.

Generally, employees at closing bases are eligible for unlimited annual leave accrual (elimination of the 240 hour cap). However, employees at a realigning base who work for an activity not impacted by the realignment are not eligible (i.e., employees at the realigning base whose activity will continue in the same location after realignment are not eligible).