

# **Executive Summary**

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## **Introduction**

**This report describes the Department of Defense recommendations for base closures and realignments to the 1993 Defense Base Closure and Realignment Commission (the Commission). The recommendations were submitted by the Secretary of Defense to the Commission in March of 1993, as authorized by the National Defense Authorization Act for Fiscal Year 1993 (Public Law 101-510, as amended). The recommendations were also transmitted to the Congress and filed with the Federal Register, as required by the Act.**

**The list of military installations inside the United States for closure or realignment is based on the force structure plan and the final criteria, as required by the Act. The list includes 31 major bases recommended for closure, 12 major bases recommended for realignment, and 122 smaller base or activity reductions.**

**These recommendations support the national goals of maintaining military effectiveness while drawing down the force, reducing the deficit, and reinvesting in America.**

**The Department of Defense overall base closure policy is an important part of this effort. The policy has five compelling characteristics:**

- o It saves money that would otherwise go to unnecessary overhead.**
- o It supports military effectiveness by reducing the competition for ever scarcer resources.**
- o It is fair and objective.**
- o It hits bases overseas harder than those at home.**
- o It supports the investment necessary to foster economic growth.**

**As the Department implements the policy, DoD will recognize its special obligation to the people -- military and civilian -- who won the cold war. DoD will meet that obligation.**

## **Saving Taxpayer Dollars and Maintaining Military Effectiveness**

Closing military bases worldwide saves taxpayer dollars; permits DoD to invest properly in the forces and bases it keeps in order to ensure their continued effectiveness; and frees up valuable defense assets (people, facilities and real estate) for productive private sector reuse.

The defense budget will decline by more than 40 percent in real terms from 1985 to 1997, and military personnel in the United States will be reduced by 30 percent. Base closures have lagged behind this overall drawdown. No bases were closed until two years ago, following decisions made in the 1988 and 1991 rounds of base closures. Under those two rounds, domestic base structure was reduced by only nine percent, measured by plant replacement value.

Plant replacement value is what it would cost to replace all the buildings, pavements, and utilities at a base. DoD measures its progress in terms of plant replacement value because it is a better measure of magnitude than simply counting large bases and small bases equally.

Failure to close bases in line with reductions in budgets and personnel constitutes a double hit: Resources are drained into bases not needed, and, therefore, resources are not available to buy the things DoD does need.

### **The Planned 1993 Round of Closures Will Save \$3.1 Billion Per Year**

The following table shows the costs and savings associated with the 1993 closures and realignments:

Net costs in FY 1994 through 1996	\$1.7 billion
<u>Net savings in FY 1997 through 1999</u>	<u>\$5.7 billion</u>
Net savings during implementation	\$4.0 billion
Annual savings thereafter (\$FY99)	\$3.1 billion

The 1993 program, coupled with the previously approved 1988 and 1991 closures, will reduce the domestic base structure by about 15 percent (measured by replacement value). All three rounds of closures together, when complete in 1999, will produce \$5.6 billion in annual recurring savings, measured in FY 1999 dollars.

## **Being Objective and Fair**

**Congress has given the Executive Branch extraordinary authority to close domestic bases, provided the Executive Branch follows the established rules strictly and keeps faith with the Congress.**

**This means using an objective, fair analytical process for closing bases that will withstand scrutiny by the Defense Base Closure and Realignment Commission, the General Accounting Office, Congress and the public. The process which has worked well so far, is described in Chapter One of this report.**

**The Military Departments and Defense Agencies made their recommendations to the Secretary of Defense on February 22, 1993. The Joint Staff and the Office of the Secretary of Defense reviewed the recommendations and underlying analyses to ensure that the law and DoD policies were followed.**

**The Military Department and Defense Agency recommendations were founded on the final selection criteria and a 6-year force structure plan. Chapter Two of this report describes the criteria and Chapter Three contains the unclassified version of the force structure plan.**

**The Secretary's recommendations are consistent with a six-year force structure plan. The plan DoD has used is the Bush Administration's "base force." The legal deadline for recommendations precluded DoD from making changes based on future force reductions not yet decided.**

**The "base force" has twelve active Army divisions; DoD will have room to station all of them. It has twelve carriers; DoD will have room to berth all of them. It has 1,098 active Air Force fighters; DoD will have room to beddown all of them.**

**Unless the force structure is increased above the "base force," DoD has all the bases it needs.**

**The Department is confident, therefore, that future changes will decrease force structure, and will require more, not fewer, base closures than those recommended at this time. The Secretary of Defense did not recommend any base for closure that would conceivably be kept open under a revised force structure plan. The Secretary's list of military installations inside the United States recommended for closure or realignment, a summary of the selection process that resulted in each recommendation, and a justification for each recommendation is in Chapter Four of this report.**

While the recommendations stand on their own merits, it is important to note two additional points. First, with respect to maintenance depots, there was not sufficient time for the Office of the Secretary of Defense to review all potential interservicing possibilities. The Secretary suggested that the Commission examine those possibilities. Second, some installations host non-defense government activities, and it was not possible to evaluate fully the net impact of the recommendations on those activities. The Secretary suggested that the Commission devote some attention to those potential impacts.

### **Considering Regional Impacts Carefully**

The Secretary of Defense carefully considered the regional economic impacts of these necessary, yet tough, closure decisions. In looking at the regional impacts, the Secretary considered the cumulative economic impact of previously approved closures as well as the ones recommended in this report. The Secretary was concerned not only about the impacts at bases on DoD's 1993 closure list, but also about the effects at bases closed by earlier rounds.

### **Reducing Overseas Bases Even More**

DoD is reducing its military forces and its overseas base structure much more than in the U.S.

DoD has, to date, announced it will end or reduce its operations overseas at sites accounting for 28 percent of replacement value.

DoD's plan is to reduce the replacement value of the overseas base structure by 35-40% as we complete our reduction in personnel stationed overseas to about 200,000.

DoD base spending overseas will also decline dramatically, both because of troop reductions and because Japan and Korea are paying an increasing share of the costs of stationing U.S. forces there.

While DoD will continue to reduce its forward deployed forces, those forces have played a fundamental role in regions vital to the national interest. Permanently stationing and periodically deploying forces overseas have been key to averting crises and preventing war. They show our commitment, lend credibility to our alliances, enhance regional stability, provide crisis response capability, and promote U.S. influence and access throughout the world.

## **Supporting the Reinvestment Necessary to Restore Economic Growth**

**Closing domestic bases and reducing DoD's weapons and equipment purchases are critical elements of a balanced defense drawdown -- one which will preserve a fully capable, albeit smaller, military.**

**Nationally, the drawdown in defense spending does not pose any extraordinary problems for the economy. The economic impact of the planned drawdown is actually smaller than the impacts after the Korean and Vietnam wars. However, the impacts are substantial in regions where the local economy depends heavily on defense spending.**

**Closing domestic military bases is difficult, especially for the communities affected. A close working relationship between the bases and local communities is essential to helping the closure process proceed smoothly. Early development of a viable reuse plan speeds the process immensely and benefits everyone--economic recovery is expedited and DoD savings are realized sooner. The Department is committed to the close cooperation needed to make this happen. Chapter Five of this report describes the base closure implementation process and the Department's programs to ease the impact.**

**In particular, DoD can help support economic growth by promoting productive private sector reuse of base facilities and real estate no longer needed by defense.**

**History shows that most local communities economically recover from base closures and actually end up better off, with more jobs and a more diverse economic base -- but in the past the recovery has been too slow and too costly.**

**DoD is developing a new reuse and reinvestment strategy with initiatives that will: close bases more quickly, thereby making them available for reuse more quickly; promote reuse opportunities, in concert with local community efforts; and, refocus DoD internally to consider, for the first time, the trade-offs between DoD needs and local community needs. The law gives the Secretary of Defense considerable authority to decide whether the land is sold or given away, and to whom it should go.**

**DoD's Office of Economic Adjustment (OEA) spearheads the President's Economic Adjustment Committee which focuses Federal assistance programs on adversely affected communities. OEA also gives planning assistance grants to affected communities. In addition, DoD funds (\$80 million in FY 1993) will help the Economic Development Administration to assist communities.**

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.

Lastly, DoD will work to create, in coordination with other Cabinet agencies, a new community economic redevelopment fund to help communities most affected by base closures. The fund will be used as a catalyst to spur new economic growth, especially where recovery would be difficult. Funding will be provided by setting aside a portion of the net savings from base closures.

### **Conclusion**

Because of the collapse of the Soviet Union and the end of the Cold War, the Department of Defense must get smaller. Closing military bases is essential to balancing the drawdown of forces and budgets with infrastructure and overhead costs.

DoD is downsizing in the way many major corporations are. Just as they are eliminating overhead and closing unneeded plants, so we are inactivating forces, eliminating overhead and closing military bases worldwide. By downsizing this way, DoD makes resources available to allow us to do the right thing in Defense: maintain the quality of our people in uniform and maintain the technological edge of their weapons.