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BASE REALIGNMENT AND CLOSURE (BRAC): A CRITICAL LOOK

BY

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United States Army

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ABSTRACT

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The United States adopted the BRAC process as a national strategy to resolve the political, economic and military issue of excess base capacity. The excess capacity was created by the collapse of the former Soviet Union and the U.S. victory in the cold war. These events quickly lead to the demand for peace dividends and the downsizing of the military, and a shift of money to other programs. The savings from closing excess bases according to the Government Accounting Office (GAO) based on the twenty year net present value of savings from the Department of Defense's (DOD) recommendations will be 17.3 billion dollars, with annual recurring savings of almost 1.8 billion dollars. The intent of this article is to take a critical look at BRAC to determine how the process has worked and how it could be improved.

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Introduction

Thesis

The Base Realignment and Closure Act of 1990 (BRAC) is arguably one of the most controversial issues to come from inside the beltway in the last several decades. The strategic, legal and financial impacts are immense and the stakes high for the communities affected. The need for BRAC was created by the collapse of the former Soviet Union and the U.S. victory in the cold war. These events quickly lead to the demand for peace dividends and the downsizing of the military, and a shift of money to other programs. Before the last tanks rolled off the ships at home port after Desert Storm, force structure reductions had already taken place. As forces were drawn down, excess base capacity was created. The intent here is to take a critical look at the BRAC process, discuss the strategy of the process, review the financial aspects of BRAC, discuss the legal precedents of the process and look at where BRAC should go in the future. Lastly, some recommendations will be given on the BRAC process.

History

After the Korean War and throughout the sixties, the Department of Defense had little difficulty closing bases or realigning them as force structure or missions changed. Under the direction of President John F. Kennedy, the

President and Congress in September 1995.

Discussion

BRAC Process

Public Law 101-510 was enacted in November 1990 and has been amended twice. The law required a list of base closures or realignments to be prepared in 1991, 1993 and 1995. The law based reductions on established force structure and a list of criteria approved by Congress, and established rigid timelines for each of the steps in the process. The Secretary of Defense started the process by compiling a list of base closures and realignments and provided it to the commission. The commission then held hearings, visited sites and made any changes to it based on their findings. Most of the hearings were open to the public, with closure criteria and the list itself published in the Federal Register. The proposal next went to the President who could approve or disapprove it in its entirety. The President had fifteen days to review the proposal. If he disapproved the list it went back to the commission who had forty-five days to consider the President's questions and forward it back to the President. If the President disapproved it again, the list was cancelled and the commission disbanded. If the President approved the proposal, it then went forward to Congress. Congress could disapprove the list by passing a joint resolution within forty-five days or do nothing, in

which case it was automatically approved. The list at each phase was all-or-nothing reviews meaning no one could pick and choose one base to change to prevent "cherry picking."[4]

The law has withstood several legal challenges. Justice David Souter wrote his concurring opinion in Dalton v. Spector stating:

> Neither the President or Congress may add a base or 'cherry-pick' one from it. This mandate for prompt acceptance or rejection of the entire package of base closings can only represent a considered allocation of authority between the Executive and Legislative branches to enable each to reach important, but politically difficult objectives.[5]

The BRAC process is uniquely constructed to try to take politics out of the very difficult task of closing bases and saving money to reinvest in other programs. The Government Accounting Office (GAO) estimates that the twenty year net present value of savings from the Department of Defense's (DOD) recommendations will be 17.3 billion dollars, with annual recurring savings of almost 1.8 billion dollars.[6] These numbers represent substantial savings which could be plowed back into domestic programs or simply used to reduce the deficit. The savings however, have not kept pace with the reductions in the defense budget. Currently, DOD projects that its fiscal year 1996 budget represents, in real terms, a 39-percent reduction to its fiscal year 1985 peak. The BRAC recommendations for 1995 represent

cumulative reductions of only 21 percent in the inventory of major domestic bases since 1988.[7] Thus, base closures lag budget reductions by 18 percent. With the budget crisis upon us we can no longer afford this excess capacity. Let us now focus on the strategy of the BRAC process that has attempted to reduce the capacity - force structure mismatch.

Strategy

The United States adopted the BRAC process as a national level strategy to resolve the political, economic and military issue of excess base capacity. The Joint Chiefs of Staff (JCS) Pub 1 defines national strategy as, "the art and science of developing and using the political, economic, and psychological powers of a nation, together with its armed forces, during peace and war, to secure national objectives.[8] General Maxwell D. Taylor characterized strategy as consisting of ends, ways and means. Arthur F. Lykke expressed General Taylor's concept as an equation: "Strategy equals **Ends** (objectives towards which one strives) plus **Ways** (courses of action) plus **Means** (instruments by which some end can be achieved)."[9] In the case of the BRAC process our strategy equals the Ends (reducing base capacity thus saving money for other uses) plus the Ways (a non-partisan base commission) plus the Means (the BRAC process which was designed to take the politics out of the system). The means (the BRAC process)

was necessitated due to the difficulties that Congress and the President had in closing bases. They faced the unpopularity of closing bases in states and districts which would cause the potential loss revenues and jobs. It was the fear of voter anger over base closures that made politicians refuse to make closure decisions prior to BRAC. Congress, the President and DOD recognized the dilemma facing them and devised the BRAC process as a strategy to close bases and save money while sparing the political fallout through the use of an independent commission. Let us now review how this strategy worked at the operational level.

Management

To be successful in this venture, the first step was to establish goals. The establishment of goals was a function of management, in this case, the President, Congress, the Commission and the military establishment. After much review, it was determined that goals were established in some areas, were not established in others and those that were established were either not achieved, monitored or individuals responsible not held accountable. For example, DOD required that its components explore opportunities for the cross-service use of common support assets. DOD organized cross-service review groups to propose alternatives for savings in the following areas: (1) maintenance depots, (2) laboratories, (3) test and

evaluation facilities, (4) undergraduate pilot training, and (5) medical treatment facilities. Each cross-service group identified excess capacity which was considerable (see Table 1 page 33)[10]. Except for depot maintenance, no capacity reduction goals were established.[11] The military departments and the cross-service work groups therefore, were left to their own devices to determine how much to cut. Each service was relied upon to decide where to consolidate and build consensus independently. This lack of direction resulted in lost opportunities for savings that could amount to billions of dollars, clearly a failure in management at Defense level, Congress and the President. In this case the ways and means did not produce the ends possible.

Another shortcoming of management in the 1995 BRAC process was the lack of standardization among the services in identifying candidate bases or activities for closure or realignment. Each of the services established their own unique organization and process for base recommendations and forwarded their lists to the Secretary of Defense. Each service established the military value of installations differently, categorized the bases differently, determined the community, environmental and economic impacts differently and evaluated the results differently.[12] The Vice-Chairman of the Joint Chiefs of Staff tried to assert some discipline in this system to no avail, and recently

announced his retirement effective in February 1996. The Deputy Secretary of Defense issued policy guidance to the services which indicated an overall goal for reduction of plant replacement value of 15 percent but did not break that goal down for each of the services. Nowhere in Public Law 510-101 (title XXIX) does it establish any definitive standards for reduction. It only lists guidance for selecting bases (table two page 33).[13] Without standardization, the data collected and the decisions made were based on the individual services interpretation of how to accomplish the mission. Congress who wrote the law, must share the blame along with DOD and the commission for not clearly establishing the working parameters. Because of a lack of specificity in the Ways (a management policy that articulated goals), the Ends were not achieved to the level necessary.

Consolidation

Another area for discussion as a strategy shortcoming of BRAC was consolidation of redundant service capability in the area of training and logistics integration. The 1995 BRAC commission had the responsibility to review consolidation in the areas of training and logistics to see if any significant savings would result. The Congress even gave some reduction goals and targeted specific areas for the commission to review. As stated above there were five areas established for DOD to review for potential savings.[14]

An interview was conducted with LTC Thomas Hinkle who was assigned as a member of the Joint Cross Service Group for undergraduate pilot training which was one of the targeted areas for joint consolidation by DOD. He asserts that significant savings through closures were not attained due to a poor command relationship and a lack of guidance provided to his committee. The joint committee was subordinate to each service which required them to report to the individual service. The cross service work group recommendations also went through the individual services which were mostly ignored. DOD established some goals for reduction and consolidation which were not met and were not pursued. For example, undergraduate pilot training was an area where consolidation could occur. Training Army, Navy and Air Force helicopter pilots at the same location using a single set of instructor pilots would save millions of dollars and reduce the need for infrastructure by sixty-six percent. The services could not agree to do this, so as a result little consolidation occurred. Had the committees been working for DOD, the services could have been directed to meet the goals and the joint committees would have been more effective.[15]

Logistics was another area ripe for consolidation. Overhauling a HUMMV engine was the same for the Air Force as it was for the Army. Maintenance depots, laboratories and test and evaluation facilities were redundant in each

service and some reductions occurred. However, according to LTC Hinkle, the surface has only been scratched in terms of reducing excess capacity.[16] For example, 40.1 million direct labor hours of excess depot level maintenance capacity existed after BRAC.[17]

Although much progress has been made reducing excess base capacity, the strategy has not been as efficient as it could have been. The Ends have not been attained in terms of matching the base capacity required with the force structure assigned. If BRAC continues in the future a more detailed plan with goals established and a better relationship between the Services, DOD, the Commission, Congress and the President will yield more savings and come closer to meeting a force structure - base capacity match.

Financial Analysis

The projected savings from the BRAC process was considerable and much progress was made in the analytical and technical procedures used since the initial BRAC processes of 1988, 1991 and 1993. However there were several areas that needed improvement in 1995.

After seven years of BRAC there was still a lack of precision in the processes used to gather, compare and analyze cost factors. The BRAC process used the Cost of Base Realignment Actions Model (COBRA) to estimate the costs

and savings associated with a proposed base closure or realignment action. Improvements were made in the model, but it remained a comparative tool rather than a precise indicator of budget costs.[18] COBRA incorporated data pertaining to three major costs: the current cost of operations, the cost after closure, and the cost of implementing the closure or realignment. COBRA calculated the number of years it took to generate enough savings to offset the costs associated with closing the activity. COBRA computed the Net Present Value (NPV) of the BRAC action over a twenty year period, as well as one time costs, six year savings and annual recurring costs and savings.[19]

The COBRA model took the human factor out of the comparison process and it aggregated the relevant cost data to provide a consistent comparison between closure and realignment decisions.[20] COBRA has consistently overestimated costs and underestimated savings.[21] However, if the data going in was flawed the result was also flawed, i.e. garbage in - garbage out. For example, environmental cleanup costs were not a factor in determining which bases should be closed. These costs on some installations were more than on others thus making the closure option less desirable. In addition, with additional costs generated by the closure itself, the resultant savings of base closures were obviously going to be less than projected.

Additional areas that were identified as nonstandard by the GAO included the relocation of civilian personnel if their positions were moved, the number of personnel who would receive other government jobs through the Priority Placement Program, relocation costs and military personnel reductions. The Army's expected savings from military personnel reductions was off by some forty-one million dollars for example.[22] COBRA was overused as a substitute for more precise budget estimates to implement BRAC decisions and therefore BRAC did not use sound fiscal procedures to make critical choices. In addition, the commission, DOD and the services did not revise and update initial estimates to compute savings once implementing budgets were completed.[23]

A key tool used to compare savings over an extended period of time as the value of the dollar changed was the discount rate. According to the 1995 GAO report on BRAC, "all 1995 COBRA costs and savings were projected over a twenty year period and were adjusted, or discounted, to fiscal year 1996 dollars."[24] This rate was also used to determine the amount of time needed to realize a return on investment based on the closure action. DOD followed Office of Management (OMB) guidance in using discount rates for 1991 and 1993. In 1995 the DOD used the U.S. Treasury's borrowing rate which OMB authorized in 1992. At the time most of the COBRA analysis was done, the discount

rate used was 2.75 percent for twenty year programs. However, in February of 1995 the rate changed to 4.85 percent due to Treasury Department updated estimates. DOD did not change its assessments to reflect the higher rate based on an oversight.[25] The difference in computations of the discount rate totaled more than five million dollars. This number was relatively small but considering they were used to compare one base versus another base, the difference could mean the difference between one base remaining open and one that closed. As discussed, there was generally a lack of precision in the financial procedures used during this process.

The next issue for discussion was how operational and policy considerations were used to make BRAC financial decisions. After much work to ensure the data provided and analyzed by the COBRA model was accurate and correct, the ultimate decisions on base closure often were overridden by the military services based on "military judgement". This was a process that was used not only by the services but also by the Joint Chiefs, the warfighting CINCs, the Secretary of Defense and the Commission itself.[26] This procedure was appropriate and certainly should be considered according to the Deputy Secretary of Defense to ensure the "the current and future mission requirements and the impact on operational readiness of DOD's total force were considered in the closure process."[27] This procedure could

completely obviate the financial aspects of the COBRA model and eliminate the objectivity of the process if abused by those involved. The commission's job was to oversee these judgements and give an impartial view to ensure that the military's decisions were not arbitrary. There was not sufficient data available to make a determination on how this oversight responsibility was accomplished. What can be ascertained was that little effort was made at the joint level to consolidate among the services to ensure that redundant capacity or capability was considered. As mentioned in the discussion on cross service efforts in this paper, this was an area not sufficiently explored. The potential for additional savings was lost as a result and decisions on which facilities to close or keep open may have been made based on the independent service needs versus joint capability.

The next area for review was the economic impacts on affected communities. This was one of the eight criteria established by Congress to make decisions on BRAC. According to the April GAO report, "the services and defense agencies were required to assess the economic impact of their recommendations for potential closure or realignment in each of the BRAC rounds. Economic impact assessments were intended to define the impact BRAC recommendations could have on the affected community's economy in terms of total job change."[28]

This is a significant consideration in areas with large military populations.

> Arkansas has lost 6,776 military and civilian personnel from a total of 14,185 in 1988, a drop of 48 percent. Indiana began the late 1980s with 20,823 military and civilian personnel working at its bases. After base closures in 1988, 1991 and 1993, the state dropped 7,994 jobs a decrease of 38.2 percent. California lost 82,127 jobs, of 335,979, a decrease of 24 percent.[29]

While economic impact was one of the criteria to be used by the commission in deciding on the closure list, it was ranked sixth in importance with military value and return on investment placed above it.

The 1995 GAO report on BRAC highlighted DOD's improvement in this area over the two previous rounds. This report praised DOD's sensitivity to this issue as the cumulative impacts of closures were increased. The report cited the use of more a comprehensive set of basic economic data more closely associated with each individual economic area and the use of cross service work groups to assess the economic impacts jointly rather than by individual service.[30]

This report has not eliminated all the criticism of the BRAC process. Senator Barbera Boxer from California, an advocate for her state said, "the 1995 commission was derelict in its duty in not focusing on the cumulative economic impact."[31] Although there has been improvement in this area, there was only one change to recommendations from

the services, DOD and the commission based upon the consideration of economic impacts.[32] Given the large numbers of losses of bases and jobs in some areas of the country it seems reasonable that additional changes to the list should have occurred based on economic impact.

In general, BRAC has failed to meet the appropriate level of savings based on the downsizing of the force structure. If an analysis of the numbers were to be done, it could be ascertained that the lack of savings was in fact correct and the magnitude immense. Considering the force drawdown and resultant budget reduction of 39 percent from predrawdown numbers of 1985, BRAC has only achieved a 21 percent cumulative reduction of base capacity. This 21 percent reduction has yielded estimated savings of 17.3 billion dollars. If closures had kept pace with downsizing, the total savings could be estimated at 32.13 billion dollars, an increase of 14.83 billion or 48 percent.

The recurring annual savings could also have been significantly increased using this same rationale. Again, using the 21 percent reduction in base capacity yielding an annual recurring savings of 1.8 billion dollars, an increased reduction of base capacity in line with the 39 percent reduction in budget outlay, would result in a recurring annual savings of 3.34 billion dollars. This is an increase of 1.54 billion dollars per year or the same 48 percent increase identified above. If computed over twenty

years, the savings would be 66.8 billion dollars instead of36 billion dollars current BRAC closures would produce. The difference could be immense and points out that, as painful as closures have been to communities, the potential savings outweigh those concerns. The potential exists for a peace dividend that would be considerably higher than currently under consideration. According to a recent speaker at the War College, "The Services require 65 billion dollars more in procurement and research and development to meet the reduced force structure needs of the 1995 military."[33] BRAC reductions could help fund this requirement. Let us now look at some of the legal aspects involved in the BRAC process.

Legal Aspects of BRAC

The BRAC process was uniquely constructed to try and take politics out of the very difficult task of closing bases. However the unique construction of the Act also posed some very real judicial review questions of the national strategy to resolve the political and economic issue of reducing the excess base capacity through the sharing of powers between the President and Congress. There have been several challenges in the courts on the legality of the BRAC process.

Administrative Procedures Act

The first challenge to the BRAC process came as a

violation of the Administrative Procedures Act. The Administrative Procedures Act was enacted in 1946 as an attempt to provide some measure of checks and balances on the increasing size of federal agencies. The act established procedures to guide agencies according to the principle of fairness. The act was a good effort to provide a "constitution" for administrative agencies such as BRAC.[34] Section 701 of the act precludes judicial review of administrative agency action under two circumstances: one, Review is precluded by statute and two, The action has been committed to agency discretion. The BRAC process met both of these circumstances. However section 706 of the Administrative Procedures Act states that judicial review can occur for "any person suffering legal wrong because of agency action ... any action by an agency can be set aside by the reviewing court if the action was found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law."[35] Several court challenges to BRAC have been initiated under section 706 of the Administrative Procedures Act which will be discussed below.

The act also poses a "Catch 22" in that the action of the BRAC Commission was not reviewable by the court because it was not "final agency action" before the closing list was forwarded to the President. The President is not an agency under the act, so his actions are not reviewable.[36] With this very narrow interpretation of the Administrative

Procedures Act by the Supreme Court, very little of what the BRAC Commission did was subject to judicial review opening the door for agency rule.

Legal Challenges

There have been numerous legal challenges to the questions raised here. The cases of Chicago and Southern Airlines v. Waterman SS Corporation (1948), Chevron, U.S.A., Incorporated v. Natural Resources Defense (1984), Franklin v. Massachusetts (1992) and Dalton v. Specter (1994) all raised questions under the Administrative Procedures Act some of which are useful for our discussion on the legality of the BRAC process.

Just two years after the passage of the Administrative Procedures Act, the first test of the reviewability of agency action occurred in the case Chicago and Southern Air Lines v. Waterman S.S. Incorporated which would establish legal precedents for BRAC challenges. This case involved an airline that was denied an international air route by the Civil Aeronautics Board. The Supreme Court held that the case was unavailable for judicial review:

> The dilemma faced by those who demand judicial review of the Board's order is that before Presidential approval it is not a final determination . . . and after Presidential approval of the whole order, both in what is approved without change as well as in amendments he directs, derives its vitality from the exercise of unreviewable Presidential discretion.[37]

The same logic was applied to the BRAC Commission's list in Dalton v. Specter. The case was filed under the APA (Section 706) and the BRAC Act and sought to stop the closing of the Philadelphia Naval Shipyard which was included in the list of bases scheduled for closing. Senator Specter of Pennsylvania charged that the Secretary of the Navy violated substantive procedural requirements of the BRAC Act and section 706 of the APA because the Navy used improper criteria, failed to put relevant information in the record and held closed hearings. The Supreme Court using the Chicago and Southern Air Lines and other the cases mentioned before as precedent, denied the Specter challenge. The logic was the same in that a review was not available because the action of the Secretary was not final, the action of the President was appropriate discretion and the agency procedures were not arbitrary or capricious. The court system has upheld the legality of the BRAC process as a legitimate sharing of powers between the Congress, the President, the Commission and the affected communities.

Administrative Agencies

One of the arguments for broad discretionary powers and a limited scope of review was that members of the agencies were supposedly experts in their fields. In fact, agency members often have no real claim to expertise as in the case with many political appointees. The jobs were not sufficiently prestigious to regularly attract the best and

brightest.[38] The Senate Committee on Government Operations found in a study of regulatory appointments:

> ... that there is something lacking in overall quality. It is not a matter of venality or corruption or even stupidity; rather, it is a problem of mediocrity.[39]

Additionally, some agency employees have short tenure often taking better offers as they come along discouraging the improvement of their job skills.[40] The BRAC Commissions of 1988 and 1991 were staffed with numerous defense "experts" that were considered by Congress as politically motivated and their work unfair.[41] The Commissions of 1993 and 1995 were balanced and their work considered more impartial. The legal aspects of BRAC point to a validation of the BRAC process by the Court, and upheld the allocation of wide discretion from Congress for the commission to perform their mission, with a talent pool that was questionable in the early rounds.

Future of BRAC

Public Law 101 - 510 (title XXIX, BRAC) expires with the passage of the 1995 closing list. According to the GAO, LTC Hinkle, a member of the cross service study group, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Commission, excess base capacity will exist after the 1995 closings are implemented. The question is

where do we go from here? The Secretary of Defense recommends that additional BRAC legislation be passed in three to four years once DOD components have absorbed the closures and realignments.[42] If Congress has the political will driven by the budget demands for increased savings, another BRAC round would be justified. The next BRAC should incorporate new priorities which would move cumulative economic effects higher on the list, establish specific goals and targets for reduction particularly in the area of consolidation of capability among the services and improve financial practises. Incentives for consolidation among the services with a portion of the savings going into research and development or procurement needs and a portion going to fund other domestic programs would increase the interest in further cooperation and compliance.

The BRAC process has offered a unique solution to resolve issues between the Congress and the President. BRAC could perhaps be used to resolve other issues between Congress and the White House such as the budget. Using the BRAC law as a start point, legislation could be written that would obligate the two branches of government to the decisions of an impartial commission, nominated and confirmed before the budget process began, that would arbitrate if an impasse was reached. The commission could be comprised of Congressional Budget Office, Office of Management and Budget and impartial economic experts. This

commission would take the President's proposal and Congress's proposal and be authorized to complete a compromise based on beginning parameters agreed to by both sides such as the compromise reached with the Continuing Resolution. The key issue here would be the make up of the impartial experts. A procedure such as the one used to designate strike arbiters could be used. Congress and the President would start with a list of names and each side strike names until an appropriate number were left. The budget reached in this manner would become law without any further review or change from either side unless overriden by a two-thirds vote.

For all the criticism leveled in this paper at the BRAC process, as the GAO report states, "it has proven to be an effective mechanism for the reduction of defense infrastructure."[43] With new BRAC legislation including improvements from the lessons learned in the first three rounds, intelligent decisions can be made which will continue to align our force structure with our infrastructure requirements. The demands of the looming deficits, interest on the national debt and demands for domestic spending require additional BRAC rounds.

Conclusion

BRAC 1995 was a significant improvement over previous efforts to correctly reduce base capacity to meet the

shrinking force requirements due to world events. However, as has been pointed out, there was considerable room for improvement. As a strategy, the BRAC process did not achieve all the ends possible because the ways were not sufficiently specific and oversight not aggressively pursued by all the players. The means, the BRAC process and the law that created it, could be an even more efficient tool with improvements. The BRAC process as a national strategy did not eliminate the force structure - base capacity mismatch.

The administration of financial activities was generally imprecise. The management of financial activities at all levels lacked sufficient focus to effectively achieve goals which would lead to optimum savings without reducing military efficiency. The administration of financial activities was indeed a huge undertaking. As pointed out, some improvements were made but a general lack of precision existed in financial areas. The failure to change the discount rate and update the net projected savings was not good practice. The general lack of standardization in the accumulation of data also was not acceptable practice. The COBRA model was an excellent tool for comparison but its numbers were only as good as the data collected. The COBRA model was used for budget number generation which exceeded its purpose.

The management of the BRAC process was not adequate to ensure that maximum savings and equitable closure decisions

were made. The President, Congress, the Commission and DOD all needed to establish goals at all levels and supervise to ensure that goals were enforced. DOD particularly needed to take a more joint approach breaking down interservice rivalries to maximize savings. The individual services needed to be held accountable for not attaining established goals. The BRAC Commission could have established incentives to ensure the services met their goals.

The legal precedents of BRAC have established that tough issues can resolved by a sharing of legislative and executive powers through an impartial commission. The court has upheld this unique sharing of power weighing the importance of the reduction of unneeded bases to reduce spending above the constitutional issues involved.

The potential for savings in the future is still significant since the preliminary rounds only completed part of the job. The Secretary of Defense stated "that excess infrastructure will remain after BRAC 1995, and he suggested the need for additional BRAC rounds in three to four years, after DOD has absorbed the effects of recommended closures and realignments."[44] We should follow through and complete the job.

RECOMMENDATION

BRAC as a concept is a sound process to deal with the

politically charged issue of reducing excess base capacity. The following are some recommendations for improvement in this process:

1. The President, Congress, the Commission and DOD need to front load the process with mutually agreed goals at each level. Each of the representatives above need to ensure that these goals are, in fact, met.

2. Cross service and cross agency consolidation is necessary. The cross service work groups should not be subordinate to the individual services to eliminate some of the predictable interservice rivalry. Specific targets for consolidation at the joint level should be considered and specific goals established.

3. Future cumulative economic impacts should be considered for elevation as a higher priority as guidance at all levels.

4. Incentives for the individual services should be considered. A portion of that services savings could be given back to the service to reinvest in procurement and research and development.

5. An additional round of BRAC with improvements made in the process should be undertaken in three or four years to complete the task of rightsizing our base capacity with our force structure.

6. Apply the BRAC process to other critical issues that Congress and the President can't resolve such as the budget impasse.

The BRAC process is truly a unique device that has completed a portion of a huge task. With the improvements mentioned above, along with the political will to complete the task, the force structure - base capacity mismatch can be eliminated and the money used for other more pressing demands.

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Tables

Table One

Cross-service group	Amount of excess capacity
Depot maintenance	40.1 million direct labor hours (equal to 24,830 work years)
Test and evaluation	495,000 test hours
Laboratories	9,800 work years
Medical treatment facilities	1 medical center in excess, 2 medical centers and 13 hospitals realigned
Undergraduate pilot training	33 percent airfield operations for fixed-wing and 108 percent of available ramp space for rotary wing

Table Two

Category	Criteria
Military value (priority consideration is to be given to the four military value)	1. Current and future mission requirements and the impact on operational readiness of DOD's total force 2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations. 3. The ability to accommodate contingency, mobilization and future total force requirements at both existing and potential receiving locations. 4. Cost and manpower implications
Return on investment	5. Potential cost and savings for savings to exceed the costs.
Impact	6. The economic impact on towns. 7. The ability of both the existing and potential receiving communities infrastructures to support forces, missions and people. 8. The environmental impact.