

# ISSUE BRIEF

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## Four Priorities for the New Round of Base Realignment and Closure (BRAC)

*Frederico Bartels*

For five years, Congress has denied the Pentagon's request to save resources and better manage its bases across the country through a new round of Base Realignment and Closure (BRAC). This year, the Defense Department (DOD) has once again requested the authorization for a new round of BRAC. Congress should authorize it.

Optimally, the Congress would grant the DOD more authority to modify its infrastructure without interference from Congress. Absent those new authorities, granting a new round of BRACs is one way that Congress can support DOD efforts to spend taxpayer dollars more efficiently. It benefits the Armed Forces by reducing the need to maintain unnecessary bases, and allows resources associated with facilities maintenance to be allocated to higher priorities, particularly the rebuilding of the capabilities and readiness of the military.

BRAC opponents cite concerns that the military will close installations that might be needed in a period of military rebuilding. These concerns are unfounded: BRAC guidance can be crafted to prevent such a situation. As Congress deliberates the 2018 National Defense Authorization Act (NDAA), it must take into account the financial benefits for the Armed Forces of a new round of BRAC.

### **BRAC Enhances Military Readiness**

The first round of BRAC took place in 1988 as a compromise between the executive and legislative branches to tackle the politically challenging task of closing or modifying military bases. Due to legal restrictions created by Congress in 1977, the DOD has very little leeway to manage its own infrastructure without congressional approval.<sup>1</sup> These legal restrictions make it extremely challenging for the department to execute any closures or realignments on its own and forces it to rely on the BRAC process. After authorizing a new round of BRAC, Congress should start a review of these restrictions and aim to empower the DOD to manage a larger portion of its infrastructure on its own.

Previous rounds of BRAC have resulted in close to \$12 billion in annual recurring savings, proving to be a powerful instrument in rationalizing the DOD's infrastructure footprint. Yet it is an imperfect instrument. The failings of past BRAC rounds have been analyzed by the Government Accountability Office (GAO) and are not intrinsically associated to the BRAC process itself. In this regard, Congress can learn from past rounds to assess what has worked and what has not in order to draft BRAC language that strives for cost savings while avoiding the pitfalls of previous rounds.<sup>2</sup> Shortcomings were particularly evident in the 2005 process, where elements such as increased construction requirements and the emphasis on transforming the military footprint resulted in considerable cost overruns.

According to a March 2016 DOD report requested by Congress, the department carries at least 22 percent of excess basing.<sup>3</sup> The report further shows that every armed service carries excess infrastructure:

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The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002  
(202) 546-4400 | [heritage.org](http://heritage.org)

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the Army has 33 percent, the Air Force has 32 percent, the Navy has 7 percent, and the DOD-wide Defense Logistics Agency has 12 percent. Even this assessment underestimates excess basing capacity, since the report was based on projection of space required, not actual facilities. A more accurate assessment cannot be accomplished until Congress allows the DOD to spend funds to perform this analysis.

Supporting excess infrastructure means that DOD is currently forced to pay to maintain installations that are either extremely underutilized or completely unnecessary. The financial resources dedicated to such maintenance could have been directed to legitimate military priorities. A new round is estimated to generate \$2 billion annually in savings.<sup>4</sup>

## Principles that Should Shape the New Round of BRAC

The new BRAC round must learn from the shortcomings and successes of previous rounds. As such, Congress should authorize a new round of BRAC that: (1) mandates savings; (2) sets a specific infrastructure reduction goal; (3) assesses any reductions against the force structure contemplated in the new National Security Strategy; and (4) improves Cost of Base Realignment Actions (COBRA) and tracking of BRAC actions.

**1. Mandating that all closures and realignment generate savings.** The initial rounds of BRAC in the 1990s were “primarily focused on achiev-

ing savings by reducing excess infrastructure.”<sup>5</sup> The most recent BRAC round in 2005 focused first on transforming the military, then on fostering jointness in the force and, lastly, on producing savings. The last round was an exception that should not be repeated. The primary purpose of a new round of BRAC should be on reducing excess DOD spending, not other purposes.

The orientation toward creating savings has been outlined by The Heritage Foundation experts, who stated that a new BRAC round should “be specified to save money [and] that savings be realized in five years.”<sup>6</sup> This would be a considerable departure from the 2005 BRAC round, which had 30 recommendations that, according to the GAO, “were not expected to result in 20-year net present value savings.”<sup>7</sup>

Congress should include in its authorization a directive that every recommendation needs to generate savings within five years. This would show a strong commitment to savings in a new round. House Armed Services Committee Ranking Member Adam Smith (D-WA) includes such a requirement in his proposed BRAC legislation.<sup>8</sup>

**2. Setting a realistic infrastructure reduction goal.** Historically, BRAC rounds have each accounted for a 5 percent reduction of DOD infrastructure.<sup>9</sup> A new round should have a realistic

1. Daniel H. Else, “Military Base Closures: Frequently Asked Questions,” Congressional Research Service *Report for Congress*, March 19, 2004, <https://fas.org/sgp/crs/natsec/R43425.pdf> (accessed June 21, 2017).
2. U.S. Government Accountability Office, “Military Bases: Opportunities Exist to Improve Future Base Realignment and Closure Rounds,” *Report to Congressional Committees*, March 2013, <https://www.gao.gov/assets/660/652805.pdf> (accessed June 21, 2017).
3. U.S. Department of Defense, *Infrastructure Capacity*, March 2016, <http://defensecommunities.org/wp-content/uploads/2015/01/2016-4-Interim-Capacity-Report-for-Printing.pdf> (accessed June 21, 2017).
4. James Mattis, “Written State for the Record,” testimony before the Committee on Armed Services, U.S. House of Representatives, June 12, 2017, <http://docs.house.gov/meetings/AS/AS00/20170612/106090/HHRG-115-AS00-Bio-MattisJ-20170612.pdf> (accessed June 21, 2017).
5. Brian J. Lepore, “Military Base Realignments and Closures: Key Factors Contributing to BRAC 2005 Results,” testimony before the Subcommittee on Readiness, Committee on Armed Services, U.S. House of Representatives, March 8, 2012, p. 8, <http://www.gao.gov/products/GAO-12-513T> (accessed June 21, 2017).
6. Thomas Spoehr and Rachel Zissimos, “Preventing a Defense Crisis: The 2018 National Defense Authorization Act Must Begin to Restore U.S. Military Strength,” Heritage Foundation *Background* No. 3205, March 29, 2017, p. 10, <http://www.heritage.org/defense/report/preventing-defense-crisis-the-2018-national-defense-authorization-act-must-begin>.
7. U.S. Government Accountability Office, “Military Bases: Opportunities Exist to Improve Future Base Realignment and Closure Rounds,” p. 53.
8. Military Infrastructure Consolidation and Efficiency Act of 2017, H.R. 753, 115th Cong., 1st Sess.
9. U.S. Department of Defense, *Infrastructure Capacity*, March 2016, p. 2, <http://defensecommunities.org/wp-content/uploads/2015/01/2016-4-Interim-Capacity-Report-for-Printing.pdf> (accessed June 21, 2017).

reduction goal to guide the work of both the DOD and BRAC commissioners. The 1995 BRAC round sought to reduce infrastructure by at least 15 percent.<sup>10</sup>

Conversely, the 2005 round did not include any such goal, demonstrating the focus on transformation rather than reduction of excess. A realistic target would rebuild trust with lawmakers that currently oppose the BRAC process, as well as alleviating initial DOD infrastructure management problems.

**3. Assessing BRAC guidance that meets force structure requirements.** The force structure used in the March 2016 Capacity Assessment was reflective of the plans of the Obama Administration for 2019. Most DOD officials and many lawmakers consider the force structure levels detailed in that guidance to be insufficient; a subsequent assessment of excess capacity on this guidance is therefore not reflective of the future needs of the military.

Congress should frame its BRAC guidance to DOD around new assessments of force structure requirements such as the new National Security Strategy, which the Trump Administration is currently developing. This would reflect a fresh assessment of military capacity requirements that many predict will be more realistic.

**4. Improving COBRA and tracking of BRAC outcomes.** Many military analysts and politicians found the most damaging aspect of the 2005 BRAC round to be the cost overruns associated with mandated construction in realigned bases. As stated by the GAO, “14 of the 182 BRAC recom-

mendations accounted for about 72 percent of the cost increase, or about \$10.2 billion”<sup>11</sup> and “the cost increases were mostly a result of increased military construction costs.”<sup>12</sup>

To avoid these cost overruns, Congress should require an update to the COBRA software. In 2005, COBRA did not account for all of the costs associated with BRAC actions, which partly contributed to unforeseen cost overruns associated with that round’s actions.

Additionally, the DOD should improve how it tracks the financial outcomes of BRAC actions.<sup>13</sup> The technological improvements in modeling and financial management should contribute to better accounting and better cost comparisons. After all, the last time the DOD executed a BRAC, the first iPhones were a pipe dream.

### **The Way Forward for Rebuilding the Military Needs to Include BRAC**

As Secretary of Defense James Mattis argued recently, “BRAC is one of the most successful and significant efficiency programs” in which the DOD has engaged.<sup>14</sup> The 115th Congress should have the courage and discipline to authorize a new round of BRAC. The authorizing legislation should avoid cost overruns, emphasize closings and realignments that save money in five years, and be based on a realistic future force structure. U.S. Armed Forces and tax dollars are too precious to waste on needless bases, infrastructure and maintenance.

—*Frederico Bartels is Policy Analyst for Defense Budgeting in the Center for National Defense, of the Kathryn and Shelby Cullum Davis Institute for National Security and Foreign Policy, at The Heritage Foundation.*

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10. U.S. Government Accountability Office, “Military Bases: Opportunities Exist to Improve Future Base Realignment and Closure Rounds,” p. 43.

11. Brian J. Lepore, “Military Base Realignments and Closures: Key Factors Contributing to BRAC 2005 Results,” testimony before the Subcommittee on Readiness, Committee on Armed Services, U.S. House of Representatives, March 8, 2012, p. 4, <http://www.gao.gov/products/GAO-12-513T> (accessed June 21, 2017).

12. *Ibid.*, p. 7.

13. U.S. Government Accountability Office, “Military Base Realignments and Closures: Updated Costs and Savings Estimates from BRAC 2005,” *Report to Congressional Committees*, June 29, 2012, <http://www.gao.gov/products/GAO-12-709R> (accessed June 21, 2017).

14. James Mattis, “Written State for the Record,” testimony before the Committee on Armed Services, U.S. House of Representatives, June 12, 2017, <http://docs.house.gov/meetings/AS/AS00/20170612/106090/HHRG-115-AS00-Bio-MattisJ-20170612.pdf> (accessed June 21, 2017).