

Another BRAC Now

In June 2017, Secretary of Defense James Mattis testified before the House Armed Services Committee about Department of Defense needs, praising Congress for its “willingness to discuss [base realignment and closure (BRAC)] authorization as an efficiency measure.” In fact, he insisted, “that authorization is essential to improving our readiness by minimizing wasted resources and accommodating force adjustments.”¹ Lucian Niemeyer, the assistant secretary of defense for Energy, Installations and Environment, explained BRAC is “not just a matter of finding efficiencies; it’s a matter of improving military value and [the] effectiveness and lethality of our forces.”² He told an audience at the Heritage Foundation that base closures were essential to helping the military reorganize for the future. Despite urgent calls from top Defense officials, Congress refuses to grant the Pentagon the authority it needs to address its excess overhead. By doing so, Congress is effectively forcing the US military to maintain bases around the country it neither wants or needs, harming communities in the process.

The debate over the BRAC process needs to be better informed by context and a real-world understanding of BRAC’s effects, particularly the less appreciated way closing excess facilities positively impacts communities. This article aims to provide more perspective by reviewing the BRAC process, exploring two cases in which former bases were successfully repurposed, and considers why the process has broken down. It concludes with recommendations for how the process should proceed.

Perspectives on Base Closures

The policies that govern base closures have evolved since the early 1960s, when the Department of Defense began closing bases after World War II and the Korean War. The Kennedy and Johnson administrations, led by Secretary of Defense Robert McNamara, closed hundreds of bases, often with little or no consideration of the effects such decisions would have on local economies. Since then, many bases have been closed, but typically these have occurred as part of an intense battle between the three primary stakeholders—members of Congress (and their constituents), the president, and the Pentagon. Charlotte Twilight, who studies the politics of base closures, notes that “closure announcements handled administratively

in ways anathema to Congress historically have given rise to cycles of restrictive legislation curtailing DOD's flexibility to implement major military base closures or realignments."³ Congress often successfully took steps to prevent the military from closing bases. In other instances, the Pentagon or the president would threaten a base closure to coerce a representative or senator to support a particular policy demand. By the 1970s, Congress gained the upper hand, effectively blocking all base closures for more than a decade.

But in the mid-1980s, the Pentagon was determined to regain control of installation management with assistance from sympathetic members of Congress. The result was the Defense Authorization Act Amendments and Base Realignment and Closure Act (Public Law 100-526) signed into law 24 October 1988. This legislation created the basic framework for the BRAC process and helped end the stalemate. It provided the authority for the Pentagon to identify its long-term infrastructure needs and to recommend measures to close or consolidate unneeded facilities. DOD performs assessments of the probable threats to national security, the expected military force structure, the inventory of military installations, and the infrastructure needed to support the projected force structure. The department also surveys all domestic military installations using several metrics, including the condition of facilities, technological use, and military value, to make objective comparisons. Based on its assessments DOD develops a list of recommended realignments and closures for an independent BRAC commission. The commission then reviews the list, makes changes if deemed warranted, and votes on a final list. The president is then required to accept or reject the commission's recommendations in their entirety, and, if approved, the commission's recommendations go to Congress. The Senate and House have 45 days to pass a joint resolution rejecting the BRAC list in its entirety. If they do not, the recommendations become law. This all-or-none voting process prevents individual members from blocking the recommendations that affect their communities. Although the BRAC process has undergone incremental changes as a result of legislation authorizing subsequent rounds, the framework has generally remained the same.

Since 1988, Congress has authorized five BRAC rounds. The first four—1988, 1991, 1993, and 1995—were conducted during the post-Cold War drawdown. All four were successful in the sense that they allowed the military to make decisions unencumbered by undue political

interference and they saved taxpayers tens of billions of dollars. While base closures cost money up front, the data shows that savings begin to accrue almost immediately. In the 1988 BRAC round, the savings began in fiscal year (FY) 1990—the first year of implementation—at a meager \$72 million and then rose steadily to \$1.5 billion annually by FY 1995. The results from the 1991 BRAC round were even more impressive, with savings beginning at \$538 million in the first year of implementation, FY 1992, and rising to a peak of \$3.4 billion in FY 1997. The 1993 and 1995 rounds followed a similar pattern. Today, the first four BRAC rounds combined are producing an annual recurring savings of around \$8 billion.⁴

When Congress authorized another BRAC round in 2005, it differed from the earlier rounds in several ways. First, unlike the previous four rounds, the 2005 round occurred at a time of military growth as the United States was engaged in two major wars, in Iraq and Afghanistan. Second, the process focused more on transformation and realignment of military forces rather than outright closure of bases. This resulted in higher implementation costs as well as reduced and delayed savings compared to original estimates. Yet, for all its problems, the 2005 BRAC round did allow the Pentagon to redirect nearly \$5 billion in annual recurring savings to other priorities. As of 2017, the cumulative net savings exceeded the up-front implementation costs of the 2005 round. While the payback period exceeded original estimates, it is rare that other federal programs can demonstrate such a significant return on investment. Despite the criticism of the process, the savings from the previous BRAC rounds are significant and real.

The Case for Another BRAC

At the request of Congress, the Pentagon prepared an infrastructure capacity analysis in 2017 that concluded the military has 19 percent excess capacity based on the end strength and force structure from FY 2012. The Army maintains the greatest excess overhead—29 percent, per the study—while the Air Force will have a 28 percent surplus. The Navy and Marine Corps combined will have 6 percent.⁵ Furthermore, the FY 2012 end strength and force structure used in this analysis are based on levels that are higher than present day and predate the realities and impacts of sequestration. Given the current fiscal environment, growing the military back to 2012 levels seems unlikely. Even if Congress

is able to pass a budget agreement that repeals or provides some relief from sequestration, the Pentagon will still be saddled with considerable excess infrastructure capacity at a significant cost to the taxpayer. This waste of tax dollars on superfluous bases comes at a time when America's fiscal situation is dire. In addition, recovery time for military readiness and modernization efforts are being dangerously extended. In his written statement before the Senate Armed Services committee in June, Secretary Mattis wrote, "Of all the efficiency measures the Department has undertaken over the years, BRAC is one of the most successful and significant—we forecast that a properly focused base closure effort will generate \$2 billion or more annually—enough to buy 300 Apache attack helicopters, 120 F/A-18E/F Super Hornets, or four *Virginia*-class submarines."⁶ He noted in his letter accompanying the 2017 infrastructure capacity report that the department "must be able to eliminate excess infrastructure in order to shift resources to readiness and modernization."⁷ While savings from base closures alone will not solve all DOD problems, knowingly misallocating resources to maintain unwanted and unneeded bases is irresponsible. Members of Congress who oppose a new round of base closures raise two main concerns: the associated costs and the effect on the communities they represent.

Costs and Effects

Some members of Congress suggest it would be fiscally irresponsible to assume the up-front costs associated with a new BRAC round given the Pentagon's current fiscal distress. These members often cite the 2005 BRAC round to support their case. However, this argument ignores the facts. First, as previously noted, the 2005 BRAC is saving \$5 billion annually. Second, a large percentage of the unexpected up-front cost overruns was due to the Pentagon using BRAC as a way to recapitalize legacy infrastructure by constructing additional facilities to enhance capabilities or address deficiencies. And it should be noted that Congress bears some responsibility for construction cost growth as it authorized and appropriated funding for these additional construction projects. Third, many of the issues that plagued the 2005 round can be addressed in new legislation that authorizes a future round.

Some of the concern about the impact on local communities is reasonable and must be considered. Much of it, however, is either born of fear and misconception or is motivated by old-fashioned parochialism.

Recent analysis suggests that preventing closure of unneeded or under-used facilities actually causes more harm to a local community than the formal BRAC process. To be sure, closing a military base can be disruptive to surrounding economies, and for some communities it may be economically devastating. But such cases are the exception, not the rule. Evidence shows that most communities recover, and some do so quite rapidly. A 2005 study by the Pentagon Office of Economic Adjustment researched over 70 communities affected by a base closure and determined that nearly all civilian defense jobs lost were eventually replaced.⁸ The new jobs are in a variety of industries and fields, allowing communities to diversify their economies away from excessive reliance on the federal government. The Philadelphia Naval Shipyard and Bergstrom Air Force Base are two such examples.

Philadelphia Naval Shipyard, Pennsylvania

During World War II, Philadelphia's venerable shipyard employed nearly 50,000 workers and churned out 53 vessels.⁹ Following the war, the demand for its services collapsed. It built its last ship in 1970 and for the next two decades focused primarily on refurbishing older vessels. By the early 1990s, the proud shipyard employed fewer than 8,000 people. In 1991, Secretary of Defense Richard Cheney included the shipyard—and the adjacent Philadelphia Naval Station—on a list of bases to be closed. Political leaders including congressional delegations from three states (Pennsylvania, New Jersey, and Delaware) fought the proposal. In 1994, Pennsylvania Sen. Arlen Specter, a former Philadelphia district attorney, challenged the decision in the courts, eventually up to the Supreme Court. But in less than two months, the justices handed down their unanimous ruling in the case of *Dalton v. Specter*: Communities could not challenge the federal government's decision to close military bases. Shipyard workers toiled away for more than a year on what they knew would be their last job: an overhaul of the aircraft carrier *John F. Kennedy*. The massive ship pulled away from the pier on 13 September 1995, and the shipyard closed the next day.

Philadelphia and the state of Pennsylvania tried to keep the shipyard viable by offering incentives to private shipbuilders, with mixed success. However, in 2003, the Norwegian shipbuilder Aker Maritime ASA launched the container ship *Manukai*. This marked the first time the shipyard had turned out a new vessel in over three decades. Since then,

Philly Shipyard has built 21 ships, accounting for more than 50 percent of the entire US oceangoing commercial fleet production over that span, with 10 currently under construction.¹⁰ The more interesting part of the story is what happened to the remaining property of the old naval shipyard, known as the Philadelphia Naval Complex. Beginning in 2000, the Philadelphia Industrial Development Corporation partnered with Liberty Property Trust to redevelop 1,200 acres of the former base. The initial phases of the redevelopment plan proceeded apace and included constructing modern buildings and renovating several existing structures. The Navy Yard is now home to a diverse array of companies, including GlaxoSmithKline and the headquarters of apparel maker Urban Outfitters. By 2013, the various companies at the complex employed over 10,000 people, with an increase of over 10,000 expected in the next 15 years. In 2012, the yard generated \$30 million in city wages, and another \$47 million in state income and sales tax revenue. In short, Philadelphia is expanding with innovation, jobs, and optimism. The closure of the Philadelphia naval base did not stop this from happening; on the contrary, it may have inspired the proud city.

Bergstrom Air Force Base, Texas

Austin, Texas, had a different problem in the early 1990s—it was growing fast, and its old municipal airport was completely inadequate.¹¹ A quaint regional airport might have been sufficient if Austin continued along its gentle trajectory from the 1970s. But boom times came in 1983, and not long after, so did a common complaint: Robert Mueller Municipal Airport had to go. It could accommodate a few daily flights, but planes were required to approach at a steep angle, descending over Interstate 35, while those taking off risked a mid-air collision with US military planes from nearby Bergstrom Air Force Base.

The greater problem was the rapid economic transformation in Austin due to technology. Money flowed to University of Texas researchers experimenting with cutting-edge computer technologies like semiconductors and personal computers. IBM had a facility in the area going back to the late 1960s and expanded it. Motorola grew. Compaq spun off from Texas Instruments, and Semantech, an ambitious public-private partnership, arrived in 1987. Then, in 1988, Michael Dell took his personal computer company public. By the early 1990s, his business was employing tens of thousands in the city and its environs. All this activity

caught the attention of tech firm investors, venture capitalists, city leaders, and state officials who realized Austin needed a new airport.

City planners initially proposed a new airport northwest of Austin. However, given concerns about costs and capacity, stakeholders urged the city to consider a dual-use arrangement with Bergstrom Air Force Base for commercial flights. But the Air Force rejected the idea.

BRAC broke the impasse. When Bergstrom wound up on the BRAC list in 1991, it was clear the Air Force would be leaving Austin, offering the former base to the city. The new civilian airport at Bergstrom was finalized in September 1993, construction began in 1995, and the airport opened to the public on 23 May 1999.¹² It cost \$585 million, financed by a surtax on travelers, and those costs were recouped within a decade. In 2016, more than 12.4 million travelers came through the shining facility that features local cuisine and live music.¹³ In this case, the question of how the community would adjust to the loss of an air force base was never seriously at issue. Veteran newsman Kirk Ladendorf, who arrived in Austin in 1981 just when the city began growing, recalled years later that “it was a natural” to close Bergstrom. “We were going so strong it was hard to see any measurable impact.”¹⁴

These are just two of many examples of how communities can benefit from a base closure. Indeed, for most communities, the closing of a base is actually the opening of land that can be put to more efficient economic use. Further, the BRAC process provides federal funding to aid that transition. Conversely, if Congress fails to authorize BRAC, land and infrastructure sit fallow and no federal funding is provided to aid economic development. This sad fact is currently harming numerous defense communities across the country.

Conclusion

In a letter to congressional leaders in 2016, then-Deputy Secretary of Defense Robert Work explained the consequences of failing to enact BRAC, both for local communities and for the military: “Under current fiscal restraints, local communities will experience economic impacts regardless of a congressional decision regarding BRAC authorization. This has the harmful and unintended consequence of forcing the Military Departments to consider cuts at all installations, without regard to military value. . . . Without BRAC, local communities’ ability to plan and

adapt to these changes is less robust and offers fewer protections than under BRAC law.”¹⁵

Tim Ford, CEO of the Association of Defense Communities (ADC), warns about the impact that this death-by-a-thousand-cuts approach is having. “The concern is that cuts are happening anyway on a smaller scale,” he said. “Downsizing is occurring, but in a piecemeal manner.”¹⁶ Unsurprisingly, an overwhelming majority of the communities ADC represents would prefer a BRAC to the current alternative. Congress has blocked closures for over a decade, and in that time the military has been forced to allocate resources away from training and equipping of our troops and toward maintaining unneeded, unwanted infrastructure. Local communities have been deprived of the support BRAC would provide and have been denied access to property that could be put to productive use.

BRAC has proven to be a fair and efficient process for making the difficult but necessary decisions related to reconfiguring our military infrastructure and defense communities. Although members of Congress have prevented base closures with the intent of helping constituents, they are actually making the problem worse. A new BRAC round must address concerns and criticisms of the 2005 round that have soured views on the benefits and value of BRAC. The foundations of the overall process remain sound. However, Congress needs to take steps to require an emphasis on savings and efficiencies, increase congressional oversight by placing controls on cost growth, and expedite executing and completing recommendations. Rather than continuing to reject the Pentagon’s request out of hand for parochial reasons, Congress should work with the Trump administration for a new BRAC and grant our military the authority to eliminate waste while providing vital defense resources where they are most needed. The US military simply must regain the flexibility to effectively manage its facilities. Ensuring our Soldiers, Sailors, Airmen, and Marines have the resources needed to defend this country is too important to be held up by parochialism or inaction. **SSQ**

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Notes

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