



Highlights of [GAO-04-558T](#), a report to Subcommittee on Readiness, Committee on Armed Services, House of Representatives

Why GAO Did This Study

The National Defense Authorization Act for Fiscal Year 2002 authorized an additional Base Realignment and Closure (BRAC) round in 2005. The legislation requires the Department of Defense (DOD) to provide Congress in early 2004 with a report that addresses excess infrastructure and certifies that an additional BRAC round is needed and that annual net savings will be realized by each military department not later than fiscal year 2011. GAO is required to assess this information as well as the selection criteria for the 2005 round and report to Congress within 60 days of DOD's submission. The legislation also retains the requirement for GAO to assess the BRAC 2005 decision-making process and resulting recommendations.

This testimony addresses (1) the BRAC process from a historical perspective, (2) GAO's role in the process, and (3) GAO's initial observations on key issues DOD is required to address in preparation for the 2005 round. Because DOD had not submitted its required 2004 report at the time we completed this statement, this testimony relies on our prior work that addressed issues associated with excess capacity and BRAC savings.

www.gao.gov/cgi-bin/getrpt?GAO-04-558T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman (202) 512-8412 or holmanb@gao.gov.

MILITARY BASE CLOSURES

Observations on Preparations for the Upcoming Base Realignment and Closure Round

What GAO Found

GAO's work in examining lessons learned from prior BRAC rounds found that the prior legislation and the framework it outlined served the process well, and that it should provide a useful framework for a future round. Furthermore, the legislation and its implementation provided for checks and balances to ensure the integrity of the process.

GAO has played a long-standing role as an independent and objective observer of the BRAC process. GAO has operated in a real-time setting and has had access to significant portions of the process as it has evolved, thus affording DOD an early opportunity to address any concerns GAO might identify. GAO's role in the 2005 round remains the same, and GAO has been observing the process since DOD began work on the 2005 round. Timely access to DOD data is key to fulfilling GAO's role.

GAO's initial observations on key issues DOD is required to address in its 2004 report are as follows:

- The selection criteria for the 2005 round are basically sound and provide a good framework for assessing alternatives. Nevertheless, GAO provided DOD with comments on the draft criteria that focused on the need for clarification of how DOD intends to consider total costs to DOD and other federal agencies and environmental costs in its analyses. The department has indicated that it would be issuing clarifying guidance.
- DOD plans to estimate its excess capacity using a methodology that it used in 1998 for similar purposes. While this methodology provides a rough indication of excess capacity for selected functional areas, it has a number of limitations that create imprecision when trying to project a total amount of excess capacity across DOD. A more complete assessment of capacity and the potential to reduce it must await the results of the current BRAC analyses being conducted by DOD during the 2005 round.
- DOD financial data suggest that, assuming conditions similar to those in the 1993 and 1995 BRAC rounds, each military department could achieve annual net savings by 2011. While we believe that the potential exists for significant savings to result from the 2005 round, there are simply too many unknowns at this time to say conclusively to what extent annual net savings will be realized by 2011. For example, in 2005 DOD is placing increased emphasis on jointness and transformation and is likely to use BRAC to incorporate any force redeployments from overseas locations that may result from ongoing overseas basing reassessments. This suggests a need for caution in projecting the timing and amount of savings from a new BRAC round.