



Highlights of [GAO-09-217](#), a report to congressional committees

## Why GAO Did This Study

The 2005 Base Realignment and Closure (BRAC) round is the biggest, most complex, and costliest BRAC round ever. In addition to base closures, many recommendations involve realignments, such as returning forces to the United States from bases overseas and creating joint bases. However, anticipated savings remained an important consideration in justifying the need for the 2005 BRAC round.

The House report on the National Defense Authorization Act for Fiscal Year 2008 directed GAO to monitor BRAC implementation. Therefore, GAO assessed (1) challenges that might affect timely completion of recommendations, (2) any changes in DOD's reported cost and savings estimates since fiscal year 2008, and (3) the potential for estimates to continue to change. To address these objectives, GAO reviewed documentation and interviewed officials in the Office of the Secretary of Defense (OSD), the services' BRAC offices, and the Army Corps of Engineers; visited installations implementing some of the more costly realignments or closures; and analyzed BRAC budget data for fiscal years 2008 and 2009.

## What GAO Recommends

GAO recommends that OSD modify its recently issued guidance on BRAC implementation status and require the services to update BRAC savings estimates. DOD concurred with GAO's recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-217](#). For more information, contact Brian J. Lepore at (202) 512-4523 or [leporeb@gao.gov](mailto:leporeb@gao.gov).

# MILITARY BASE REALIGNMENTS AND CLOSURES

## DOD Faces Challenges in Implementing Recommendations on Time and Is Not Consistently Updating Savings Estimates

### What GAO Found

DOD has made progress in implementing the BRAC 2005 round but faces challenges in its ability to meet the September 15, 2011, statutory completion deadline. DOD expects almost half of the 800 defense locations implementing BRAC recommendations to complete their actions in 2011; however, about 230 of these almost 400 locations anticipate completion within the last 2 weeks of the deadline. Further, some of these locations involve some of the most costly and complex BRAC recommendations, which have already incurred some delays and thus have little leeway to meet the 2011 completion date if any further delays occur. Also, DOD must synchronize relocating about 123,000 personnel with an estimated \$23 billion in facilities that are still being constructed or renovated, but some delays have left little time in DOD's plans to relocate these personnel by the deadline. Finally, delays in interdependent recommendations could have a cascading effect on other recommendations being completed on time. OSD recently issued guidance requiring the services and defense agencies to provide status briefings to improve oversight of issues affecting timely implementation of BRAC recommendations. However, this guidance did not establish a regular briefing schedule or require the services to provide information about possible mitigation measures for any BRAC recommendations at risk of not meeting the statutory deadline.

DOD's fiscal year 2009 BRAC budget submission shows that DOD plans to spend more to implement recommendations and save slightly less compared to the 2008 BRAC budget. DOD's 2009 estimate of one-time costs to implement this BRAC round increased by \$1.2 billion to about \$32.4 billion. Net annual recurring savings estimates decreased by almost \$13 million to about \$4 billion. Also, GAO's calculations of net present value, which includes both expected cost and savings over a 20-year period ending in 2025 and takes into account the time value of money, show that implementing the 2005 BRAC recommendations is expected to save \$13.7 billion. This compares to an estimated \$15 billion in net present value savings based on last year's BRAC budget and the BRAC Commission's reported estimate of about \$36 billion.

Although DOD is about 3½ years into the 6-year implementation period, the potential remains for BRAC cost estimates to continue to increase, but the potential for changes in savings estimates is unclear. Greater than expected inflation and increased market demands for construction materials could cause estimated construction costs to increase, although the extent of this increase is uncertain given today's economic market conditions. However, the potential for changes in savings estimates is unclear because BRAC headquarters officials at both the Army and the Air Force told us they do not plan to update their savings estimates regardless of factors that may cause those estimates to change, and OSD is not enforcing its own regulation requiring them to do so. Hence, congressional and defense decision makers could be left with an unrealistic sense of the savings this complex and costly BRAC round may actually produce, an issue that could be important in considering whether another round of BRAC may be warranted.