United States General Accounting Office

GAO

Report to the Secretary of Defense

June 2003

MILITARY BASE CLOSURES

Better Planning Needed for Future Reserve Enclaves

GAO

Accountability * Integrity * Reliability

GAO-03-723

June 2003

MILITARY BASE CLOSURES

Better Planning Needed for Future Reserve Enclaves

GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-03-723, a report to the Secretary of Defense

Why GAO Did This Study

While four previous base closure rounds have afforded the Department of Defense (DOD) the opportunity to divest itself of unneeded property, it has, at the same time, retained more than 350,000 acres and nearly 20 million square feet of facilities on enclaves at closed or realigned bases for use by the reserve components. In view of the upcoming 2005 base closure round, GAO undertook this review to ascertain if opportunities exist to improve the decision-making processes used to establish reserve enclaves. Specifically, GAO determined to what extent (1) specific infrastructure needs for reserve enclaves were identified as part of base realignment and closure decision making and (2) estimated costs to operate and maintain enclaves were considered in deriving net estimated savings for realigning or closing bases.

What GAO Recommends

As part of the new base realignment and closure round scheduled for 2005, GAO is recommending that the Secretary of Defense provide the Defense Base Closure and Realignment Commission with data that clearly specify the (1) infrastructure needed for any proposed reserve enclaves and (2) estimated costs to operate and maintain such enclaves.

In commenting on a draft of this report, DOD agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-723.

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

What GAO Found

The specific infrastructure needed for many DOD reserve enclaves created under the previous base realignment and closure process was generally not identified until after a defense base closure commission had rendered its recommendations. While the Army generally decided it wanted much of the available training land for its enclaves before the time of the commission's decision making during the 1995 closure round, time constraints precluded the Army from fully identifying specific training acreages and facilities until later. Subsequently, in some instances the Army created enclaves that were nearly as large as the bases that were being closed. In contrast, the infrastructure needed for Air Force reserve enclaves was more defined during the decision-making process. Moreover, DOD's enclave-planning processes generally did not include a cross-service analysis of military activities that may have benefited by their inclusion in a nearby enclave.

The Army did not include estimated costs to operate and maintain its reserve enclaves in deriving net estimated base realignment or closure savings during the decision-making process, but the Air Force apparently did so in forming its enclaves. GAO's analysis showed that the Army overestimated savings and underestimated the time required to recoup initial investment costs to either realign or close those bases with proposed enclaves. However, these original cost omissions have not materially affected DOD's recent estimate of $6.6 billion in annual recurring savings from the previous closure rounds because the Army subsequently updated its estimates in its budget submissions to reflect expected enclave costs.

Major Reserve Component Enclaves Created under Previous BRAC Rounds

Source: DOD.

Contents

Letter 1

Results in Brief 2
Background 4
Infrastructure Needs of Many Enclaves Not Identified Until after BRAC Decision Making 8
Many Initial Base Savings Estimates Did Not Account for Projected Enclave Costs 17
Conclusions 20
Recommendations for Executive Action 20
Agency Comments 21
Scope and Methodology 21

Appendix I **General Description of Major Reserve Component Enclaves (Pre-BRAC and Post-BRAC)** 24

Appendix II **Reserve Enclaves Created under Previous BRAC Rounds** 26

Appendix III **Comments from the Department of Defense** 27

Appendix IV **GAO Contact and Staff Acknowledgments** 29

Tables

Table 1: DOD Pre-BRAC and Post BRAC Base Acreage and Facilities for Bases Where Major Reserve Enclaves Were Created 11
Table 2: Estimated Annual Costs to Operate and Maintain Selected Army Reserve Enclaves 18
Table 3: Comparison of Estimated Annual Recurring Savings and Payback Periods for Selected Bases with Reserve Enclaves 18

Figures

Figure 1: Major Reserve Component Enclaves Created under Previous BRAC Rounds 7
Figure 2: Property Layout of the Former March Air Force Base 15
Figure 3: Navy Compound at March Air Reserve Base 16

Abbreviations

BRAC	base realignment and closure
COBRA	Cost of Base Realignment Actions

This is a work of the U.S. Government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. It may contain copyrighted graphics, images or other materials. Permission from the copyright holder may be necessary should you wish to reproduce copyrighted materials separately from GAO's product.

G A O
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

June 27, 2003

The Honorable Donald H. Rumsfeld
Secretary of Defense

Dear Mr. Secretary:

Since 1988, the Department of Defense (DOD) has undergone four rounds of base realignments and closures and has reportedly reduced its base infrastructure by about 20 percent, saving billions of dollars in the process. While the closure process has afforded DOD the opportunity to divest itself of property it no longer needed[1] to meet its national security requirements, it has, at the same time, retained more than 350,000 acres of land and nearly 20 million square feet of facilities, typically referred to as enclaves,[2] on closed or realigned bases for use by the reserve components. Most of the larger enclaves were established during the 1995 round of base closures and are now managed by either the Army National Guard or Army Reserve rather than the active component.

We prepared this report under our basic legislative responsibilities as authorized by 31 U.S.C. § 717 and are providing it to you because of your responsibilities in the upcoming base closure round authorized for 2005.[3] In view of this round, we undertook this review to ascertain if opportunities exist to improve the planning and decision-making processes that were used to establish reserve enclaves in the previous closure rounds. Specifically, our objectives were to determine to what extent (1) specific infrastructure needs (e.g., needs for acreage and facilities) for reserve enclaves were identified as part of base realignment and closure decision making in previous closure rounds and (2) estimated

[1] DOD reported that, as of December 2002, it had disposed of about 272,000 acres (53 percent) of an approximately 511,000 acres that it had identified during the previous base closure rounds as unneeded and being made available to others for reuse.

[2] See Defense Base Closure and Realignment Commission, *1995 Report to the President (*Washington D.C.: July 1, 1995), B-2. An enclave is "a section of a military installation that remains intact from that part which is closed or realigned and which will continue with its current role and functions subject to specific modifications."

[3] A single round of base realignments and closures in 2005 was authorized with the passage of the National Defense Authorization Act for Fiscal Year 2002.

costs to operate and maintain enclaves were considered in deriving the net estimated savings for realigning or closing bases.

In performing our work, we focused our attention on the processes used by the department to define infrastructure needs for major[4] reserve enclaves for the Army in the 1995 round and for the Air Force in the earlier rounds. We did not validate the need for any of the department's enclaves nor the specific infrastructure needs for those enclaves. Of the 10 major reserve enclaves created during the previous closure rounds, 7 are within the Army and 3 are within the Air Force. Neither the Navy nor the Marines have formed a major enclave (see app. I for a brief description of DOD's major reserve component enclaves). We visited five major Army enclaves—Fort Hunter Liggett, California; Fort Chaffee, Arkansas; Fort Pickett, Virginia; Fort McClellan, Alabama; and Fort Indiantown Gap, Pennsylvania—that were created during the 1995 closure round and account for nearly 90 percent, or more than 310,000 acres, of DOD's total major reserve component enclave acreage. We also visited two of three major Air Force enclaves at Grissom Air Reserve Base in Indiana (a 1991 round action) and March Air Reserve Base in California (a 1993 round action). We also visited a smaller Air Force enclave at Rickenbacker Air National Guard Base in Ohio (a 1991 round action) to gain a perspective on Air Guard enclave formation processes. Our review efforts were constrained by the limited availability of officials (owing to the passage of time) who had participated in previous rounds of base closure decision making and the general lack of planning documentation regarding enclave infrastructure needs and estimated costs.

Results in Brief

The specific infrastructure needed for many reserve enclaves was generally not identified until after the base closure and realignment commission for a closure round had rendered its recommendations. According to Army officials, while the Army had generally decided it wanted much of the available training land for its enclaves prior to completion of commission decision making during the 1995 round, time constraints precluded the Army from fully identifying specific training acreages and facility needs until after the commission made its recommendations. Consequently, while some of the commission's

[4] For the purpose of this report, we defined "major" as exceeding 500 acres. The amount of acreage has no bearing on the relative importance of the missions being performed at these or other enclave locations.

recommendation language[5] for the 1995 closure round suggested that many Army reserve enclaves would be small, it was nevertheless sufficiently general to allow, in practice, the Army wide flexibility in creating such enclaves. Subsequently, the Army created several enclaves that were nearly as large as the closing bases on which they were located. In contrast, the infrastructure needed for Air Force enclaves was more defined during the decision-making process and subsequent commission recommendations were more specific than those provided for the Army. Moreover, the department's enclave-planning processes generally did not include a cross-service analysis of the needs of military activities or organizations near the enclaves that may have benefited by inclusion in them. Without more complete data regarding the extent of needed enclave infrastructure and cross-service needs—important considerations in the decision-making process, the risk continues that a future base closure commission will not have sufficient information to make informed judgments on the establishment of proposed enclaves, including informed decisions on the facility needs of these enclaves, decisions that can affect expected closure costs and savings. Nor can the department be assured that it is taking advantage of opportunities to achieve operational, economic, and security benefits—such as enhanced readiness, savings, and enhanced force protection—that cross-servicing can provide. However, the department recently issued guidance for the upcoming base closure round that addresses the potential benefits of considering cross-service needs in its infrastructure analyses.

Although the Army did not include estimated costs to operate and maintain most of its major reserve enclaves in deriving net estimated base savings during the decision-making process, the Air Force apparently did so in forming its enclaves. The Army Audit Agency reported in 1997[6] that about $28 million in estimated annual costs to operate and maintain four of the Army's major enclaves were not considered in the bases' savings calculations as part of the 1995 closure round. Our analysis showed that the omission of these costs had a significant impact on the estimated

[5] See Defense Base Closure and Realignment Commission, *1995 Report.* The report recommendation language generally provided that the Army bases be "closed, except that minimum essential ranges, facilities, and training areas" be retained for reserve component use.

[6] U.S. Army Audit Agency, *Base Realignment and Closure: 1995 Savings Estimates*, Audit Report AA97-225 (Washington, D.C.: July 31, 1997).

savings and payback periods[7]—important considerations in the realignment and closure decision-making process—for several of these bases. In particular, the estimated savings were overstated and the estimated payback periods were understated for those specific bases. For example, if expected enclave costs would have been considered at one Army location, the annual recurring savings estimate for the base would have been reduced by over 50 percent. However, these original cost omissions have not materially affected the department's recent estimate of $6.6 billion in annual recurring savings from the previous closure rounds because the Army has subsequently updated its savings estimates to reflect expected enclave costs. On the other hand, Air Force officials told us that it had considered expected costs to operate and maintain its proposed reserve enclaves in deriving its base closure savings estimates.[8] We were unable to verify this point, however, because of the passage of time and lack of available supporting documentation. In the absence of more complete data regarding cost and net savings estimates, a base closure commission may be placed in the position of recommending realignment or closure actions without sufficient information on the financial implications of those proposed actions.

We are making recommendations that are intended to ensure that data provided to the Defense Base Closure and Realignment Commission for 2005 round actions clearly specify enclave needs and costs to operate and maintain any proposed enclaves. In commenting on a draft of this report, DOD concurred with our recommendations.

Background

To enable DOD to more readily close unneeded bases and realign others to meet its national security requirements, the Congress enacted base realignment and closure (BRAC) legislation that instituted base closure rounds in 1988, 1991, 1993, and 1995. A special commission established for the 1988 round made recommendations to the Committees on Armed Services of the Senate and House of Representatives. For the remaining rounds, special BRAC commissions were set up to recommend specific base realignments and closures to the President, who in turn sent the

[7] A payback period is the time required for cumulative estimated savings to exceed the cumulative estimated costs incurred as a result of implementing BRAC actions.

[8] An exception is the commission-recommended enclave on the former Homestead Air Force Base; DOD did not submit this as a recommendation to the commission and therefore had not considered any costs related to this action in its submission.

commissions' recommendations with his approval to the Congress. The four commissions generated nearly 500 recommendations—on 97 major base closures and hundreds of realignments and smaller closures.

As a result of the BRAC process, DOD has reported that it reduced its infrastructure[9] by about 20 percent; has transferred over half of the approximately 511,000 acres of unneeded property to other federal and nonfederal users and continues work on transferring the remainder; and generated about $16.7 billion in estimated savings through fiscal year 2001, with an estimated $6.6 billion in annual recurring savings expected thereafter.[10] We and others who have conducted reviews of BRAC savings have found that the DOD's savings are substantial, although imprecise, and should be viewed as rough approximations of the likely savings.[11] Under the property disposal process, unneeded DOD BRAC property is initially made available to other federal agencies for their use. After the federal screening process has taken place, remaining property is generally provided to state and local governments for public benefit and economic development purposes. In other cases, DOD has publicly sold its unneeded property.

Under the decision-making processes during the last 3 BRAC rounds, DOD assessed its bases or activities for closure or realignment using an established set of eight criteria covering a broad range of military, fiscal, environmental, and other considerations. DOD subsequently forwarded its recommended list of proposed realignments and closures to the BRAC Commission for its consideration in recommending specific

[9] The BRAC legislation—the Defense Authorization Amendments and Base Realignment Act (P.L.100-526, as amended) for the 1988 round and the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510, as amended) for the 1991, 1993, and 1995 rounds—was applicable to military installations in the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and any other commonwealth, territory, or possession of the United States.

[10] See U.S. General Accounting Office, *Military Base Closures: Progress in Completing Actions from Previous Realignments and Closures*, GAO-02-433 (Washington, D.C.: Apr. 5, 2002).

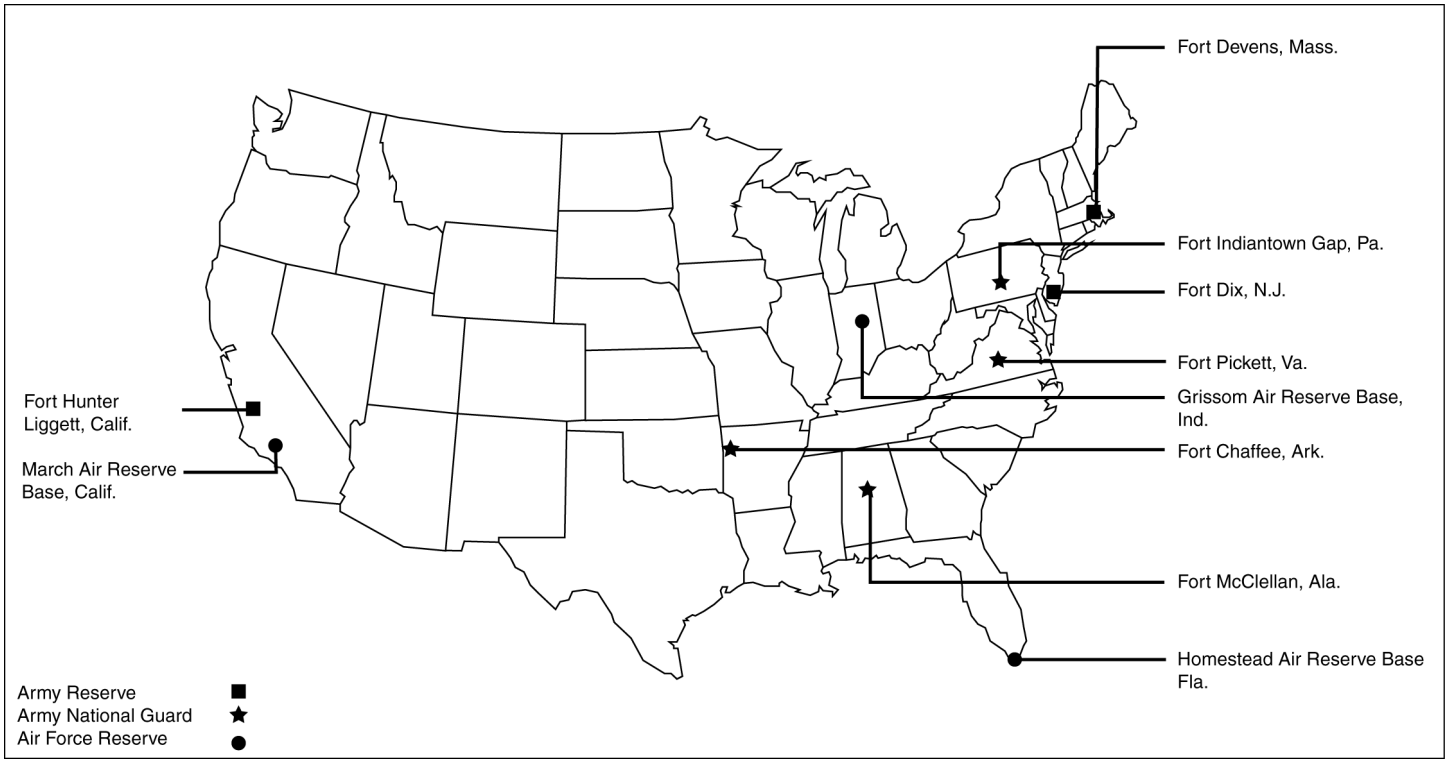
[11] See GAO-02-433 and U.S. General Accounting Office, *Military Base Closures: DOD's Updated Net Savings Estimate Remains Substantial*, GAO-01-971 (Washington D.C.: July 31, 2001); Congressional Budget Office, *Review of the Report of the Department of Defense on Base Realignment and Closure* (Washington D.C.: July 1, 1998); Department of Defense, Office of the Inspector General, *Audit Report: Cost and Savings for 1993 Defense Realignments and Closures*, Report No. 98-130 (Washington D.C. May 6, 1998); and U.S. Army Audit Agency, *Base Realignment and Closure: 1995*.

realignments and closure actions. Although military value considerations such as mission requirements and impact on operational readiness were critical evaluation factors, potential costs and savings, along with estimated payback periods associated with proposed closure or realignment actions were also important factors in the assessment process. To assist with the financial aspects of proposed actions, DOD and the BRAC Commissions used a quantitative analytical model, frequently referred to as the Cost of Base Realignment Actions (COBRA), to provide decision makers with a relative assessment of the potential costs, estimated savings, and payback periods of proposed alternative realignment or closure actions. Although the COBRA model was not designed to produce budget-quality financial data, it was useful in providing a relative financial comparison among potential alternative proposed base actions. DOD generally provided improved financial data for each of the services in its annual BRAC budget submission to the Congress following a BRAC Commission's recommendations.[12]

The four previous BRAC Commissions recommended 27 actions in which either a reserve enclave or similar reserve presence was to be formed at a base that was to be realigned or closed (see app. II). In many instances, these actions were relatively minor in that they involved only several acres, but in other cases the actions involved creating enclaves with large acreages and millions of square feet of facilities under reserve component management to conduct training for not only the reserve component but also the active component as well. Figure 1 shows the locations of DOD's 10 major (i.e., sites exceeding 500 acres) reserve component enclaves established under the previous BRAC rounds.

[12] An exception to this involves the Air Force, which did not routinely update its savings estimates from the COBRA model as part of BRAC decision making.

Figure 1: Major Reserve Component Enclaves Created under Previous BRAC Rounds



Source: DOD.

As shown in figure 1, the Army has 7 enclave locations; all of these enclaves, with the exception of Fort Devens (a 1991 round action), were created during the 1995 round. The Air Force has the remaining 3 enclaves: Air Reserve—Grissom Air Reserve Base (a 1991 round action); Homestead Air Reserve Base (a 1993 round action); and March Air Reserve Base (a 1993 round action). Neither the Navy nor the Marines created any major enclaves.[13]

[13] We have excluded any joint reserve bases established by a BRAC Commission, such as the Navy-managed Joint Reserve Base-Ft. Worth in Texas, because they do not conform to the definition of an enclave as previously defined.

Infrastructure Needs of Many Enclaves Not Identified Until after BRAC Decision Making

Many of DOD's specific enclave infrastructure needs were not identified until after the commission for a BRAC round held its deliberations and had rendered its recommendations. Although the Army's enclave planning process—particularly for the 1995 BRAC round—began before the issuance of commission recommendations,[14] specificity of needed infrastructure was not defined until after the recommendations were finalized. The subsequent size of several of these enclaves was much greater than seemingly reflected in commission recommendations that called for minimum essential facilities and land for reserve use. On the other hand, the Air Force's planning process was reportedly further along and enclave needs were better defined at the time the commission made its recommendations. In addition, DOD's enclave-planning processes generally did not include a cross-service[15] analysis of the needs of military activities or activities in the vicinity of a realigning or closing base with a proposed enclave. As a result, the commission often held deliberations without the benefit of some critical information, such as the extent of the enclave infrastructure needed to support training and potential opportunities to achieve benefits by collocating nearby reserve components on enclave property.

Army Enclave Infrastructure Needs Not As Well Defined As Those of the Air Force during BRAC Decision Making

While the Army's enclave planning process for the 1995 round began previous to completion of the BRAC Commission's deliberations, specific enclave infrastructure needs were not identified until after commission recommendations had been issued on July 1, 1995. Army officials told us that it was recognized early in the process that the Army wanted to retain the majority of existing training land at some of its bases slated for closure or realignment that also served as reserve component maneuver training locations, but time constraints precluded the Army from fully identifying specific enclave needs before the commission completed decision-making. According to a 1999 DOD report on the effect of base closures on future mobilization options, the retention of much of the Army maneuver training acreage at the enclave locations served not only to meet current training needs but also could serve, if necessary, as future maneuver bases with new construction or renovation of existing facilities for an increased force

[14] This advance planning was based on the recommendations for an enclave having already been included in the recommendations of the Secretary of Defense, which were forwarded to the BRAC Commission for its review.

[15] Various service component (both active and reserve) units travel to and conduct training at many reserve enclaves.

structure.[16] In testimony before the commission, the Army had indicated that much of the training land should be retained, but the Army was less specific on the size and facility needs (i.e., in total square footage) for the enclaves. Most facility needs fall within the enclaves' primary infrastructure (or cantonment area)[17] necessary to operate and maintain the enclaves.

The Army formed an officer-level committee—a "Council of Colonels"—that reviewed reserve component enclave proposals but did not approve them for higher-level reviews until July 7, 1995—about 1 week after the BRAC Commission had issued its recommendations. Following the Council of Colonels' approval, a General Officer Steering Committee worked with the Army reserve components to refine the infrastructure needs for the enclaves, needs that the steering committee approved (except for Fort Hunter Liggett[18]) in October 1995—more than 3 months following the 1995 BRAC Commission's recommendations.

Although Army approval for most of its enclaves' infrastructure needs occurred in late 1995, the number of acres and facilities for some installations changed as various implementation plans took effect to establish the enclaves. Changes occurred as a result of Army decisions and community reuse plans for property disposed of by the department, as illustrated in the following examples.

- At Fort Hunter Liggett, the number of facilities to be retained in the enclave increased over time based on an Army decision to retain some of the family housing (40 units); morale, welfare, and recreation facilities (9 facilities) and other training-related facilities (3 barracks and 2 classrooms) that had originally been excluded from the enclave.
- At Fort McClellan, the expected cantonment area decreased considerably from an initial proposal of about 10,000 acres (excluding about 22,200 training-range acres) to about 286 acres in response to concerns raised by the local community.

[16] Office of the Deputy Under Secretary of Defense (Installations), *Report on the Effect of Base Closures on Future Mobilization Options* (Washington D.C.: Nov. 10, 1999).

[17] A cantonment area is that part of a base containing the majority of the facilities and most areas that are not part of the training areas.

[18] The infrastructure needs for the Fort Hunter Liggett enclave were not approved until November 1997.

The Air Force's enclave infrastructure needs were reportedly more defined than those of the Army at the time of commission deliberation and decision making. Air Force officials told us that the base evaluation process for the 1991 and 1993 rounds—the rounds when the Air Force's major reserve enclaves were created—included a detailed analysis of the infrastructure needed for the enclaves, including enclave size, identification of required facilities, and expected costs to operate and maintain its proposed enclaves prior to commission consideration of its proposals. These officials did note that some revisions in the sizing of the enclaves and associated enclave boundaries were minor and have occurred over time as plans were further defined, but stated that these changes did not materially affect enclave costs. Although documentation on the initial plans was not available (due to the passage of time), we were able to document some enclave revisions made after the issuance of the BRAC Commissions' recommendations as follows:

- At March Air Reserve Base, the Air Force made at least 3 sets of revisions to its enclave size which now encompasses 2,359 acres. These revisions were relatively minor in scope, such as one revision that expanded the boundaries by about 38 acres to provide a clear zone for flight operations.
- At Grissom Air Reserve Base, the Air Force has made one revision—an exchange of about 70 acres with the local redevelopment authority[19]—to its enclave configuration, which now encompasses 1,380 acres. In addition, base officials are negotiating with the redevelopment authority for acquisition of a small parcel to improve force protection at the enclave's main gate.
- At Rickenbacker Air National Guard Base, the Guard made several revisions prior to reaching its current 168-acre enclave, including the transfer of 3.5 acres of unneeded property to the local redevelopment authority after the Guard relocated its fuel tanks for force protection reasons.

The degree of specificity in a commission's recommendation language for proposed enclaves varied between the Army and the Air Force. In general, the recommendation language for the Army's 1995 round enclaves was based largely on the Army's proposed language, specifying that the bases were to be closed, except that minimum essential ranges, facilities, and training areas be retained for reserve component use. In contrast, for Army and Air Force enclaves created in earlier rounds, the

[19] A local redevelopment authority is the DOD-recognized local organization whose role is to coordinate efforts of the community to reuse assets of a former military base.

recommendation language was more precise—even specifying specific acreages to be retained in some cases.

Acting on the authority contained in the commissions' recommendations, the Army and Air Force created enclaves that varied widely in size (i.e., from several acres to more than 164,000 acres). Table 1 provides a comparison of the reported size and number of facilities of pre-BRAC bases with those of post-BRAC enclaves for DOD's 10 major enclaves.

Table 1: DOD Pre-BRAC and Post BRAC Base Acreage and Facilities for Bases Where Major Reserve Enclaves Were Created

		Number of acres			Square footage of facilities		
Service	**Base**	**Pre-BRAC**	**Post-BRAC**	**Percent Retained**	**Pre-BRAC**	**Post-BRAC**	**Percent Retained**
Army	Fort Hunter Liggett	164,762	164,272	100	836,420	832,906	100
	Fort Chaffee	71,381	64,272	90	4,839,241	1,695,132	35
	Fort Pickett	45,145	42,273	94	3,103,000	1,642,066	53
	Fort Dix	30,997	30,944	100	8,645,293	7,246,964	84
	Fort Indiantown Gap	17,797	17,227	97	4,388,000	1,565,726	36
	Fort McClellan	41,174	22,531	55	6,560,687	873,852	13
	Fort Devens	9,930	5,226	53	5,610,530	1,537,174	27
Air Force	March Air Force Base	6,606	2,359	36	3,184,321	2,538,742	80
	Grissom Air Force Base	2,722	1,380	51	3,910,171	1.023,176	26
	Homestead Air Force Base	2,916	852	29	5,373,132	867,341	16
Total		**394,430**	**351,386**	**89**	**46,450,795**	**19,823,079**	**43**

Source: DOD.

Note: "Major" reserve enclaves refer to those enclaves with more than 500 acres. "Pre-BRAC" refers to base data at the time of the BRAC Commission recommendation while "Post-BRAC" refers to enclave data as of the end of fiscal year 2002. Percentages are rounded to nearest whole number.

As shown in table 1, the vast majority—nearly 90 percent—of the pre-BRAC land has been retained for the major reserve enclaves with most enclaves residing in Army maneuver training sites (e.g., Forts Hunter Liggett, Chaffee, Pickett, and Indiantown Gap). While the management of these Army enclaves has generally shifted from the active to the reserve component, the training missions at these Army bases have remained, although the extent of use[20] has decreased slightly in some instances and

[20] Comparative data on training day usage were not readily available at the Ft. Devens location.

increased in others (see app. I). On the other hand, the Air Force enclaves are generally much smaller in acreage than those of the Army due in large part to the departure of active Air Force organizations and associated missions from the former bases. While the Army retained much of the pre-BRAC acreage, it generally made greater reductions in the amount of square footage for its enclave facilities. Many of these reductions were due in part to the demolition of older unusable facilities built during World War II, and the transfer of other facilities (such as family housing activities once required for the departing active personnel) to local redevelopment authorities. At Fort Indiantown Gap, for example, the Army has reportedly demolished 349 facilities since the Army National Guard assumed control of the base in 1998. As shown in table 1, the Air Force significantly reduced the amount of its facilities' square footage for 2 of its 3 major enclaves.

While the language of the 1995 BRAC Commission recommendations regarding enclaves allowed the Army to form several enclaves of considerable size, these enclaves are considerably larger than one might expect from the language, which provided for minimum essential land and facilities for reserve component use. In this regard, the Army's Office of the Judge Advocate General questioned proposed enclave plans during the planning process. For example, the Judge Advocate General questioned Fort Indiantown Gap and Fort Hunter Liggett enclave plans,[21] calling for retention of essentially the entire former base while the commission's recommendation would suggest smaller enclaves comprising a section of the base. Nonetheless, the Army approved the implementation plans based on mission needs. Having more complete information regarding expected enclave infrastructure would have provided previous commissions with an opportunity to draft more precise recommendation language, if they chose to do so, and produce decisions having greater clarity on enclave infrastructure and expected costs and savings from the closure and realignment actions.

[21] See U.S. Army Judge Advocate General memorandum, *Review of Implementation Plan for Fort Indiantown Gap* (Washington D.C.: Aug. 22, 1995) and U.S. Army Judge Advocate General memorandum, *Legal Review of Fort Hunter Liggett Facilities Utilization Plan* (Washington D.C.: Jan. 25, 1996). These memorandums were prepared for the Army Assistant Chief of Staff for Installation Management in response to his request for a review of plans to implement BRAC actions at these specified locations.

Enclave Planning Analyses Generally Did Not Consider Cross-Service Needs

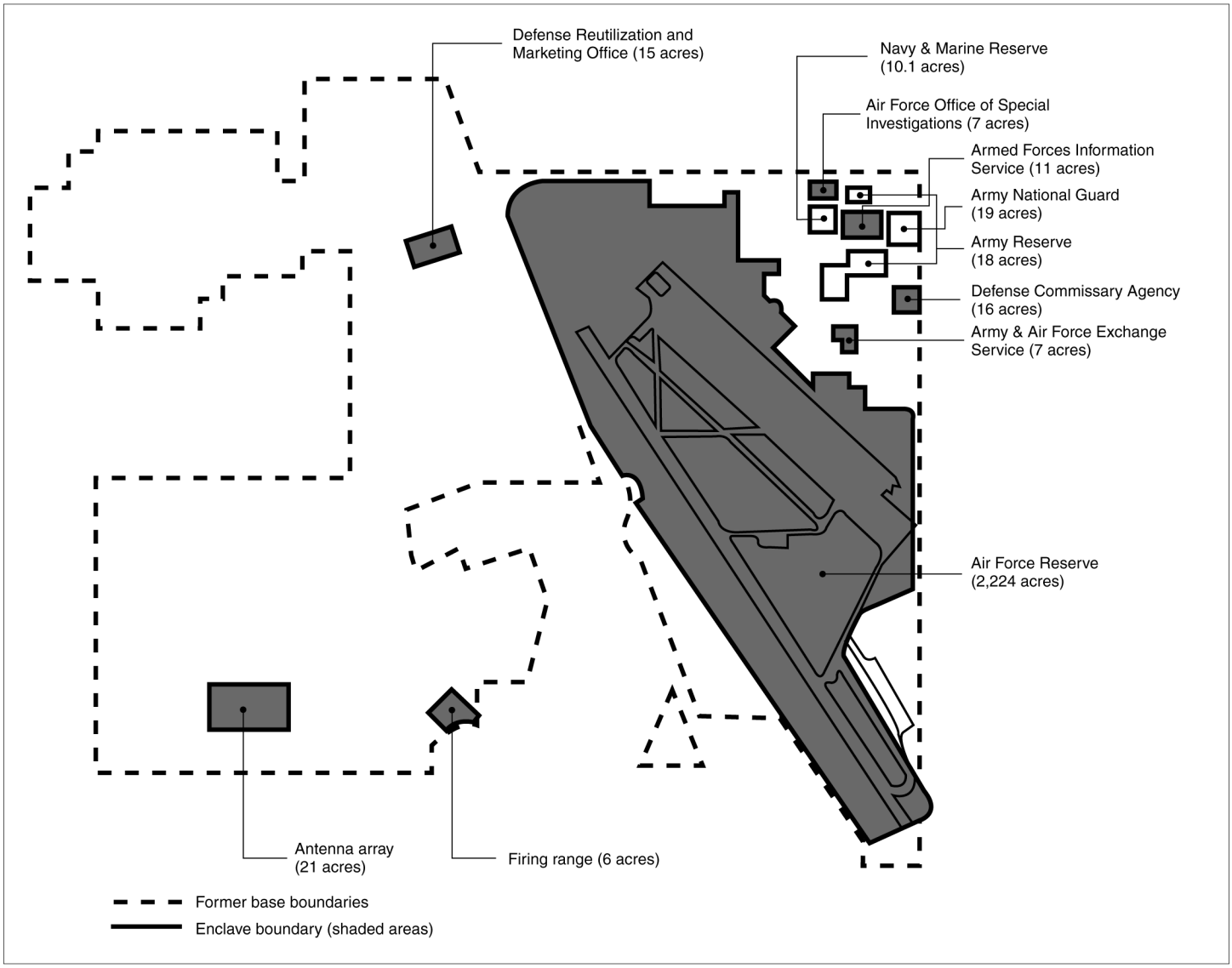
DOD generally did not consider cross-service needs of nearby military activities in planning for many of its reserve enclaves, although their inclusion may have been beneficial in terms of potential for increased cost savings, force protection, or training reasons. While some other reserve activities have subsequently relocated on either enclaves created as part of the closure decision or later on former base property after it was acquired by local redevelopment authorities, those relocations outside enclave boundaries have not necessarily been ideal for either DOD or the communities surrounding the enclaves. Ideally, enclave planning analyses would involve an integrated cross-service approach to forming enclaves and enable DOD to maximize its opportunities for achieving operational, economic, and security benefits while, at the same time, providing for the interests of affected communities surrounding realigning or closing bases.

Officials at several Air Force bases we visited told us that while other service and federal government organizations that had already resided on the former bases may have been included in the enclaves, military activities of other services in the local area were not generally considered for possible inclusion in the proposed enclaves. These officials told us that these activities were either not approached for consideration or were not considered due to service interests to minimize the size and relative costs to operate and maintain the enclaves.

Following the formation of the enclaves, some additional reserve activities have since relocated on either enclave or former base property. Some have occupied available facilities on enclaves as tenants and are afforded various benefits such as reduced operating costs, training enhancements, or increased force protection. For example, a Navy Reserve training center, originally based in South Bend, Indiana, moved its operations to an available facility at Grissom Air Reserve Base in August 2002 because the activity could not meet force protection requirements at its previous facilities in South Bend. After the move, the commander of the activity told us that his personnel have experienced enhanced training opportunities since they can now work closely with other military activities on “hands-on” duties during weekend reserve drills. This opportunity has led, in turn, to his assessment that both his recruiting efforts and readiness have improved.

On the other hand, the relocation of some activities to the former base, or those remaining on the former property outside the confines of the enclave, has resulted in a less-than-ideal situation for both the department and the communities surrounding the former base. For example, at the former March Air Force Base in California, other service activities from the Army Reserve, Army National Guard, Navy Reserve and Marine Corps Reserve reside outside the enclave boundaries in a non-contiguous arrangement. This situation, combined with the enclave itself and other enclave "islands" established on the former base, has resulted in a "checkerboard" effect, as shown in figure 2, of various military-occupied property interspersed with community property on the former base.

Figure 2: Property Layout of the Former March Air Force Base



Source: U.S. Air Force.

Note: Army, Navy, and Marine Corps Reserve properties are owned by DOD but are not a part of the enclave.

Further, some of the activities located outside the enclave boundaries have incurred expenses to erect security fences, as shown in figure 3, for force protection purposes. These fences are in addition to the fence that surrounds the main enclave area.

Figure 3: Navy Compound at March Air Reserve Base

Source: GAO.

Local redevelopment authority officials told us that a combination of factors (including the dispersion of military property on the former base along with the separate unsightly security fences) has made it very difficult to market the remaining property.

In its April 16, 2003, policy guidance memorandum for the 2005 BRAC round, DOD recognizes the benefits of the joint use of facilities. The memorandum instructs the services to evaluate opportunities to consolidate or relocate active and reserve components on any enclave of realigning and closing bases where such relocations make operational and economic sense. If the services adhere to this guidance in the upcoming round, we believe it will not only benefit DOD but also will mitigate any

potential adverse effects, such as the checkerboard base layout at the former March Air Force Base, on community redevelopment efforts.

Many Initial Base Savings Estimates Did Not Account for Projected Enclave Costs

The estimated costs to operate and maintain the infrastructure for many of the Army enclaves were not considered in calculating savings estimates for bases with proposed enclaves during the decision-making process. As a result, estimated realignment or closure costs and payback periods were understated and estimated savings were overstated for those specific bases. The Army subsequently updated its savings estimates in its succeeding annual budget submissions to reflect estimated costs to operate and maintain many of its enclaves. On the other hand, Air Force officials told us that its estimated base closure savings were partially offset by expected enclave costs, but documentation was insufficient to demonstrate this statement. Because estimated costs and savings are an important consideration in the closure and realignment decision-making process and may impact specific commission recommendations, it is important that estimates provided to the commission be as complete and accurate as possible for its deliberations.

Army Enclave Costs Were Not Generally Considered in BRAC Decision-Making Process

During the 1995 BRAC decision-making process, estimated savings for most 1995-round bases where Army enclaves were established did not reflect estimated costs to operate and maintain the enclaves. The Army Audit Agency reported in 1997[22] that about $28 million in estimated annual costs to operate and maintain four major Army enclaves,[23] as shown in table 2, were not considered in the bases' estimated savings calculations.

[22] See U.S. Army Audit Agency, *Base Realignment and Closure: 1995*.

[23] The remaining two 1995 major enclaves—Fort Dix and Fort Hunter Liggett—were not reviewed by the Army Audit Agency. An Army BRAC official told us that enclave costs were considered in deriving net savings estimates for Fort Dix but not for Fort Hunter Liggett. Supporting documentation was unavailable to verify this statement.

Table 2: Estimated Annual Costs to Operate and Maintain Selected Army Reserve Enclaves

Dollars in millions

Installation	Cost[a]		
	Maintenance	**Other support**	**Total**
Fort Chaffee	$3.6	$3.2	**$6.9**
Fort Indiantown Gap	4.9	3.4	**8.3**
Fort McClellan	3.3	2.6	**5.9**
Fort Pickett	3.4	3.2	**6.6**
Total	**$15.2**	**$12.4**	**$27.7**

Source: U.S. Army Audit Agency.

Note: Estimated costs as reported by the Army Audit Agency in fiscal year 1995 dollars. Totals may not add due to rounding.

[a]Other support costs include expenses for automated target systems, environmental, personnel, integrated training-area management, and security.

Enclave costs are only one of many costs that may be incurred by DOD in closing or realigning an entire base. For example, other costs include expenditures for movement of personnel and supplies to other locations and military construction for facilities receiving missions from a realigning base. The extent of all costs incurred have a direct bearing on the estimated savings and payback periods associated with a particular closure or realignment. Table 3 provides the results of the Army Audit Agency's review (which factored in all costs) of the estimated savings and payback periods for the realignment or closure of the same Army bases shown in table 2 where enclaves were created. As shown in table 3, the commission's annual savings' estimates were overstated and the payback periods were underestimated for these particular bases.

Table 3: Comparison of Estimated Annual Recurring Savings and Payback Periods for Selected Bases with Reserve Enclaves

Dollars in millions

Base	Estimated annual recurring savings		Estimated payback period	
	1995 BRAC Commission	**Army Audit Agency**	**1995 BRAC Commission**	**Army Audit Agency**
Fort Chaffee	$13.4	$1.4	1 year	18 years
Fort Indiantown Gap	18.4	11.8	Immediate	1 year
Fort McClellan	40.6	27.4	6 years	14 years
Fort Pickett	21.8	5.9	Immediate	2 years
Total	**$94.2**	**$46.5**		

Sources: U.S. Army Audit Agency and 1995 BRAC Commission.

Note: GAO analysis of U.S. Army Audit Agency and 1995 BRAC Commission data.

Our analysis showed that the omission of enclave costs significantly affected the initial estimates of savings and payback periods at all locations except Fort McClellan as shown in table 3. For example, the omission of $6.8 million in enclave costs at Fort Chaffee (see table 2) accounted for more than 50 percent of the $12 million in estimated reduced annual recurring savings at that location. Further, the enclave cost omissions were instrumental in increasing Fort Chaffee's estimated payback period from 1 year to 18 years. On the other hand, at Fort McClellan, estimates on costs[24] other than those associated with the enclave had a greater impact on the resulting estimated annual recurring savings and payback periods.

Although it is unknown whether the enclave cost omissions or any other similar omissions would have caused the 1995 BRAC Commission to revise its recommendations for these installations, it is important to have cost and savings estimates that are as complete and accurate as possible in order to provide a commission with a better basis to make informed judgments during its deliberative process.

Although the Army omitted enclave operation and maintenance costs from its savings calculations for most of its 1995 actions during the initial phases of the BRAC process, it subsequently updated many of these savings estimates in its annual budget submissions to the Congress. In our April 2002 report on previous-round BRAC actions, we noted that even though DOD had not routinely updated its BRAC base savings estimates over time because it does not maintain an accounting system that tracks savings, the Army had made the most savings updates of all the services in recent years.[25] According to Army officials, the Army Audit Agency report provided a basis for the Army to update the annual BRAC budget submissions and adjust the savings estimates at the installations reviewed. As a result, the previous estimated cost omissions have not materially affected the department's estimate of $6.6 billion in annual recurring savings across all previous round BRAC actions due to the fact that the savings estimates for these locations have been updated to reflect many enclave costs in subsequent annual budget submissions.

[24] The cost estimates included about $19 million in annual recurring costs, about $40 million in one-time construction costs and about $26 million in one-time operations and maintenance costs related to the Fort McClellan closure.

[25] See GAO-02-433.

Because of the passage of time and the lack of supporting documentation, we were unable to document whether the Air Force had considered enclave costs in deriving its savings estimates for the former air bases we visited at Grissom in Indiana (a 1991 round action), March in California (a 1993 round action), and Rickenbacker in Ohio (a 1991 round action). Air Force Reserve Command officials, however, told us that estimated costs to operate and maintain their enclaves were considered in calculating savings estimates for these base actions. Officials at the bases we visited were unaware of the cost and savings estimates that were established for their bases during the BRAC decision-making process.

Conclusions

With an upcoming round of base realignments and closures approaching in 2005, it is important that the new Defense Base Closure and Realignment Commission have information that is as complete and accurate as possible on DOD-proposed realignment and closure actions in order to make informed judgments during its deliberations. Previous round actions indicate that, in several cases, a commission lacked key information (e.g., about the projected needs of an enclave infrastructure and estimated costs to operate and maintain an enclave) because DOD had not fully identified specific infrastructure needs until after the commission had issued its recommendations. Without the benefit of more complete data during the deliberative process, the commission subsequently issued recommendation language that permitted the Army to form reserve enclaves that are considerably larger than one might expect based on the commission's language concerning minimum essential land and facilities for reserve component use. In addition, because DOD did not adequately consider cross-service requirements of various military activities located in the vicinity of its proposed enclaves and did not include them in the enclaves, it may have lost the opportunity to achieve several benefits to obtain savings, enhance training and readiness, and increase force protection for these activities. DOD has recently issued policy guidance as part of the 2005 closure round that, if implemented, should address cross-service requirements and the potential to relocate activities on future enclaves where relocation makes operational and economic sense.

Recommendations for Executive Action

As part of the new base realignment and closure round scheduled for 2005, we recommend that you establish provisions to ensure that data provided to the Defense Base Closure and Realignment Commission clearly specify the (1) infrastructure (e.g., acreage and total square footage of facilities) needed for any proposed reserve enclaves and (2) estimated costs to operate and maintain such enclaves.

As you know, 31 U.S.C. 720 requires the head of a federal agency to submit a written statement of the actions taken on our recommendations to the Senate Committee on Government Affairs and the House Committee on Government Reform not later than 60 days after the date of this report. A written statement must also be sent to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of this report.

Agency Comments

In commenting on a draft of this report, the Assistant Secretary of Defense for Reserve Affairs concurred with our recommendations. The department's response indicated that it would work to resolve the issues addressed in our report, recognizing the need for improved planning for reserve enclaves as part of BRAC decision making and include improvements in selecting facilities to be retained, identifying costs of operation, and assessing impacts on BRAC costs and savings. DOD's comments are included in appendix III of this report.

Scope and Methodology

We prepared this report under our basic legislative responsibilities as authorized by 31 U.S.C. § 717. We performed our work at, and met with officials from, the Office of the Assistant Secretary of Defense for Reserve Affairs, the Army National Guard, the Air National Guard, the headquarters of the Army Reserve Command and Air Force Reserve Command, and Army and Air Force BRAC offices. We also visited and met with officials from several reserve component enclave locations, including the Army's Fort Pickett, Virginia; Fort Indiantown Gap, Pennsylvania; Fort Chaffee, Arkansas; Fort McClellan, Alabama; and Fort Hunter Liggett, California; as well as the Air Force's March Air Reserve Base, California; Grissom Air Reserve Base, Indiana; and Rickenbacker Air National Guard Base, Ohio. We also contacted select officials who had participated in the 1995 BRAC round decision-making process to discuss their views on establishing enclaves on closed or realigned bases. Our efforts regarding previous-round enclave planning were hindered by the passage of time, the lack of selected critical planning documentation, and the general unavailability of key officials who had participated in the process.

To determine whether enclave infrastructure needs had been identified prior to BRAC Commission decision making, we first identified the scope of reserve enclaves by examining BRAC Commission reports from the four previous rounds and DOD data regarding those enclave locations. To the extent possible, we reviewed available documentation and compared process development timelines with the various commission reporting

dates to determine the extent of enclave planning completed before a commission's issuance of specific BRAC recommendations. We examined available commission hearings from the 1995 round to ascertain the extent of commission discussion regarding proposed enclaves. We also interviewed officials at most of the major enclave locations as well as at the major command level to discuss their understanding of the enclave planning process and associated timelines employed in the previous rounds. We also discussed with these officials any previous planning actions or actions currently underway to relocate various reserve activities or organizations to enclave locations.

To determine whether projected costs to operate and maintain reserve enclaves were considered in deriving estimated savings during the BRAC decision-making process, we reviewed available cost and savings estimation documentation derived from DOD's COBRA model to ascertain if estimated savings were offset by projected enclave costs. We reviewed Army Audit Agency BRAC reports issued in 1997 on costs and savings estimates at various BRAC locations, including some enclave sites. Further, we analyzed how omitted enclave costs affected estimated annual recurring savings and payback periods at selected Army bases. We also discussed cost and savings estimates with Army and Air Force BRAC office officials as well as officials at bases we visited. However, as in our other efforts, we were generally constrained in our efforts by the general unavailability of knowledgeable officials on specific enclave data and adequate supporting documentation. We also examined recent annual BRAC budget submissions to the Congress to ascertain if savings estimates at the major enclave locations had been updated over time.

In performing this review, we used the same accounting records and financial reports DOD and reserve components use to manage their facilities. We did not independently determine the reliability of the reported financial and real property information. However, in our recent audit of the federal government's financial statements, including DOD's and the reserve components' statements, we questioned the reliability of reported financial information because not all obligations and expenditures are recorded to specific financial accounts.[26] In addition, we did not validate infrastructure needs for DOD enclaves.

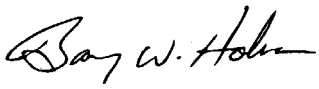
[26] U.S. General Accounting Office, *Major Management Challenges and Program Risks: Department of Defense*, GAO-03-98 (Washington, D.C.: January 2003).

We conducted our work from July 2002 through April 2003 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Secretaries of the Army, Navy, and Air Force; the Commandant of the Marine Corps; the Director, Office of Management and Budget; and interested congressional committees and members. In addition, the report is available to others upon request and can be accessed at no charge on GAO's Web site at www.gao.gov.

Please contact me on (202) 512-8412 if you or your staff have any questions regarding this report. Key contributors to this report are listed in appendix IV.

Sincerely yours,



Barry W. Holman, Director
Defense Capabilities and Management

Appendix I: General Description of Major Reserve Component Enclaves (Pre-BRAC and Post-BRAC)

Installation	BRAC recommendation	Utilization
Fort Hunter Liggett	Realign Fort Hunter Liggett by relocating the Army Test and Experimentation Center missions and functions to Fort Bliss, Texas. Retain minimum essential facilities and training area as an enclave to support the reserve component.	• Prior to BRAC 1995, the Army Reserve managed the base, assuming control of the property in December 1994 from the active Army. • In September 1997, the base became a sub-installation of the Army Reserve's Fort McCoy. The training man days have increased by about 55 percent since 1998.
Fort Chaffee	Close Fort Chaffee except for minimum essential ranges, facilities, and training areas required for a reserve component training enclave for individual and annual training.	• Prior to BRAC 1995, the active Army managed the base. The reserve components had the majority of training man days (75 percent) while the active component had 24 percent; the remaining training was devoted to non-DOD personnel. • In October 1997, base management transferred to the Arkansas National Guard. Overall training has decreased 51 percent with reserve component training being down 59 percent.
Fort Pickett	Close Fort Pickett except minimum essential ranges, facilities, and training areas as a reserve component training enclave to permit the conduct of individual and annual training.	• Prior to BRAC 1995, the Army Reserve managed the base. The reserve components had the majority of the training man days (62 percent) while the active component had 37 percent; the remaining training was devoted to non-DOD personnel. • In October 1997, base management transferred to the Virginia National Guard. Overall training has increased by 6 percent.
Fort Dix	Realign Fort Dix by replacing the active component garrison with an Army Reserve garrison. In addition, it provided for retention of minimum essential ranges, facilities, and training areas as an enclave required for reserve component training.	• Prior to BRAC 1995, the active Army managed the base. The reserve components had the majority of training man days (72 percent) while the active component had 8 percent; the remaining training was devoted to non-DOD personnel. • In October 1997, base management transferred to the Army Reserve. Overall training has increased 8 percent.
Fort Indiantown Gap	Close Fort Indiantown Gap, except minimum essential ranges, facilities and training areas as a reserve component training enclave to permit the conduct of individual and annual training.	• Prior to BRAC 1995, the active Army managed the base. The reserve components had the majority of training man days (85 percent) while the active component had 3 percent; the remaining training was devoted to non-DOD personnel. • In October 1998, base management transferred to the Pennsylvania National Guard. Overall training has increased by about 7 percent.

Installation	BRAC recommendation	Utilization
Fort McClellan	Close Fort McClellan, except minimum essential land and facilities for a reserve component enclave and minimum essential facilities, as necessary, to provide auxiliary support to the chemical demilitarization operation at Anniston Army Depot, Alabama.	• Prior to BRAC 1995, the active Army managed the base. • In May 1999, base management transferred to the Alabama National Guard. Overall training has increased 75 percent.
Fort Devens	Close Fort Devens. Retain 4600 acres and those facilities necessary for reserve component training requirements.	• Prior to BRAC 1991, the active Army managed the base. • In March 1996, base management transferred to the Army Reserve as a sub-installation of Fort Dix.
March Air Reserve Base	Realign March Air Force Base. The 445th Airlift Wing Air Force Reserve, 452nd Air Refueling Wing, 163rd Reconnaissance Group, the Air Force Audit Agency and the Media Center will remain and the base will convert to a reserve base.	• Prior to BRAC 1993, the active Air Force managed the base, with major activities being the 452nd Air Refueling Wing, 445th Airlift Wing and the 452nd Air Mobility Wing, 163rd Air Refueling Wing. • In April 1996, base management transferred to the Air Force Reserve with major activities being the 63rd Air Refueling Wing and the 144th Fighter Wing as well as tenants such as U.S. Customs.
Grissom Air Reserve Base	Close Grissom Air Force Base and transfer assigned KC-135 aircraft to the Air reserve components.	• Prior to BRAC 1991, the active Air Force managed the base with major activities being the 434th Air Refueling Wing and several Air Force Reserve units. • In 1994, base management transferred to the Air Force Reserve. Grissom Air Reserve Base houses the 434th Air Refueling Wing as well as other tenants such as the Navy Reserve.
Homestead Air Reserve Base	Realign Homestead Air Force Base. The 482d F-16 Fighter Wing and the 301st Rescue Squadron and the North American Air Defense Alert activity will remain in a cantonment area.	• Prior to BRAC 1991, the active Air Force managed the base, with major activities being the 482nd Fighter Wing and the 301st Rescue Squadron. • In August 1992, Hurricane Andrew destroyed most of the base. After the base was rebuilt and management transferred to the Air Force Reserve, operations were reinstated with major activities being the 482nd Fighter Wing and the NORAD Air Defense Alert activity.

Sources: 1991, 1993, and 1995 BRAC Commission reports and DOD.

Appendix II: Reserve Enclaves Created under Previous BRAC Rounds

BRAC Round	Bases With Enclaves	Acreage
1988	Fort Douglas, Utah	50
	Fort Sheridan, Ill.	100
	Hamilton Army Airfield, Calif.	150
	Mather Air Force Base, Calif.	91
	Pease Air Force Base, N.H.	218
1991	Fort Benjamin Harrison, Ind.	138
	Fort Devens, Mass.	5,226
	Grissom Air Force Base, Ind.	1,380
	Sacramento Army Depot, Calif.	38
1993	Griffiss Air Force Base, N.Y.	39
	Homestead Air Force Base, Fla.	852
	March Air Force Base, Calif.	2,359
	Rickenbacker Air National Guard Base, Ohio	168
1995	Camp Kilmer, N.J.	24
	Camp Pedricktown, N.J.	86
	Fitzsimmons Medical Center, Colo.	21
	Fort Chaffee, Ark.	64,272
	Fort Dix, N.J.	30,944
	Fort Hamilton, N.Y.	168
	Fort Hunter Liggett, Calif.	164,272
	Fort Indiantown Gap, Pa.	17,227
	Fort McClellan, Ala.	22,531
	Fort Missoula, Mont.	16
	Fort Pickett, Va.	42,273
	Fort Ritchie, Md.	19
	Fort Totten, N.Y.	36
	Oakland Army Base, Calif.	27

Sources: 1988, 1991, 1993, and 1995 BRAC Commission reports and DOD.

Appendix III: Comments from the Department of Defense

ASSISTANT SECRETARY OF DEFENSE
1500 DEFENSE PENTAGON
WASHINGTON, DC 20301-1500

RESERVE AFFAIRS

19 JUN 2003

Mr. Barry W. Holman
Director, Defense Capabilities and Management
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Holman:

This is the Department of Defense (DoD) response to the GAO draft report, GAO-03-723, "MILITARY BASE CLOSURES: Better Planning Needed for Future Reserve Enclaves," dated May 15, 2003 (GAO Code 350231).

An important element of the Base Realignment and Closure (BRAC) process is the timely collection of complete and accurate data used by the Department and the BRAC Commission in the evaluation process. The GAO report provides two recommendations that would require DoD to provide the Commission with specific infrastructure requirements (e.g. acreage and total square footage of facilities), and estimated operation and maintenance costs for any Reserve component enclave proposed in BRAC 2005.

I recognize that in the past, Reserve components may have been required to obtain real property in "all or none/as-is" condition that resulted in higher than projected operation and maintenance costs. However, the Secretary of Defense in his November 2002 memorandum reemphasized efficient and effective basing strategies for BRAC 2005. It is certainly more efficient to capture real property requirements for Reserve components early in the BRAC process to the maximum extent practicable, and present that data to the Commission in the same level of detail as presented for the Active components.

It is imperative that the Reserve components receive early notification of potential realignments or closures to effect efficient planning of future Reserve enclaves. I agree that when establishing a Reserve enclave, it is important to recognize the "move-in" costs associated with assuming the responsibilities of becoming an installation host. In past BRAC rounds, the Reserve components' requirements were considered later in the process, which led to less effective use of Department resources.

I concur with the recommendations as stated, and will work to resolve the issues addressed within this report and ensure that the need for appropriate planning is recognized early in the BRAC process.

Sincerely,

T.F. Hall

T.F. Hall

Enclosure

GAO DRAFT REPORT, GAO-03-723
"MILITARY BASE CLOSURES: Better Planning Needed for Future Reserve Enclaves," (GAO Code 350231).

DEPARTMENT OF DEFENSE COMMENTS TO THE RECOMMENDATIONS

RECOMMENDATION 1: As part of the new base realignment and closure round scheduled for 2005, the GAO recommended that the Secretary of Defense establish provisions to ensure that the data provided to the base realignment and closure commission clearly specify the infrastructure (e.g., acreage and total square footage of facilities) needed for any proposed reserve enclaves. (Page 20/Draft Report).

DoD RESPONSE: Concur with comment.
As the GAO stated in the report, "information provided to the commission should be as complete and accurate as possible". The Assistant Secretary of Defense for Reserve Affairs recommends that Reserve component facilities information presented to the BRAC commission should be at the same level of detail as presented for the Active components.

RECOMMENDATION 2: As part of the new base realignment and closure round scheduled for 2005, the GAO recommended that the Secretary of Defense establish provisions to ensure that the data provided to the base realignment and closure commission clearly specify the estimated costs to operate and maintain such enclaves. (Page 21/Draft Report).

DoD RESPONSE: Concur with comment.
In some cases, the Reserve components may have been required to pick up real property in "as-is" condition resulting in higher than projected operation and maintenance (O&M) costs. The Assistant Secretary of Defense for Reserve Affairs recommends that Reserve component cost data presented to the BRAC commission capture as complete and accurately as possible projected O&M costs for future Reserve enclaves.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Michael Kennedy (202) 512-8333

Acknowledgments

In addition to the individual named above, Julie Chamberlain, Shawn Flowers, Richard Meeks, Maria-Alaina Rambus, James Reifsnyder, Donna Weiss, and Susan Woodward made key contributions to this report.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to daily E-mail alert for newly released products" under the GAO Reports heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone:	Voice:	(202) 512-6000
	TDD:	(202) 512-2537
	Fax:	(202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548

PRINTED ON RECYCLED PAPER