

CONGRESSMAN

Joel Hefley

**2351 Rayburn H.O.B.
Washington, D.C. 20515-0605
(202) 225-4422**

FOR IMMEDIATE RELEASE

FOR IMMEDIATE RELEASE

March 18, 1997

CONTACT: Maureen Cragin
Ryan Vaart
(202) 225-2539

**STATEMENT OF CHAIRMAN JOEL HEFLEY
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES**

**HEARING ON CURRENT IMPLEMENTATION ISSUES IN THE BASE CLOSURE AND RE-
ALIGNMENT PROCESS**

March 18, 1997

This afternoon, the Subcommittee on Military Installations and Facilities meets to consider the progress made by the Department of Defense and the military services in implementing the closure and realignment of military installations recommended by independent commissions in 1988, 1991, 1993, and 1995 on the advice of the Secretary of Defense and ultimately ratified by Congress.

In 1990, I supported the legislation which established the commission process that would guide base closure decisions in the last three rounds. I did so because I believed then, and I continue to believe, that the disposal of unneeded military infrastructure and overhead will ultimately save scarce resources. I did not always agree with the decisions made by either the Secretary of Defense or the Commission on Base Realignment and Closure. Frankly, we have closed installations in this process that I never thought would ever be closed – and we have closed some that we may one day wish we had not. But, there is no question that the Nation, through the difficult process of the past 10 years, has made significant reductions in military infrastructure and support.

I readily acknowledge that over a twenty year period, in terms of net present value, base closures and realignments will yield net savings to the Department of Defense. There are, however, some very significant questions about the adequacy of the costs and savings estimates upon which the Department bases its claims for savings. This is a critical issue in and of itself, but it is particularly important if the Department has made assumptions about future budgets and the savings which could be plowed back into needed programs.

It is common knowledge that revenue from the sale and disposition of land and real property have drastically fallen short of initial claims for the base closure process and that the costs of

environmental remediation and restoration were grossly understated in the Department's planning estimates. Both of these areas continue to present problems. I want to mention just three examples.

- In its budget estimates to accompany the FY1996 budget request, the Department of Defense estimated that revenues from the sale and disposal of land from BRAC I through BRAC III would amount to \$815.3 million. This year's budget submission puts the figure at \$277 million – a 66 percent reduction in estimates in just two years.
- The Department projects annual recurring savings after the implementation period ends for all BRAC rounds in FY2001 of \$5.6 billion. However, that figure does not take into account the expected cost of environmental clean-up which will be required at BRAC sites after 2001, nor does it include caretaker costs for properties the Department has not been able to convey for reuse. These costs, which at this point are a rough estimate, will, at a minimum, be \$500 million per year.
- Approximately 51 percent of the savings which the Department assumes will accrue from BRAC during the implementation period are due to assumed savings in operations and maintenance costs. Much of those assumed savings are due to reductions in civilian personnel. Are those savings the result of BRAC or are they the result of other changes which would have been made even in the absence of BRAC to reduce civilian personnel costs? Present accounting systems in the Department make that a very difficult question to answer.

Having a clear understanding of the actual costs and the actual savings that accrue from base closure and realignment will put this subcommittee in a position to come a reasoned judgment about the true effects of BRAC.

After we have sorted out the economics of BRAC, it is incumbent upon us to conduct a military assessment of BRAC. Even though each of the recommendations for closure and realignment were based upon certain force structure and strategic assumptions, I am frankly concerned that we do not have a clear understanding of what BRAC means to the Nation's national defense strategy. Although military value was the first criteria in the previous three rounds, the discussion has been focused almost entirely on the quest for real and imagined savings. I fear we may be engaged in the same type of exercise now with the Quadrennial Defense Review.

I hope this afternoon we can address some of these issues with our witnesses from the Office of the Secretary of Defense and the Congressional Budget Office.