



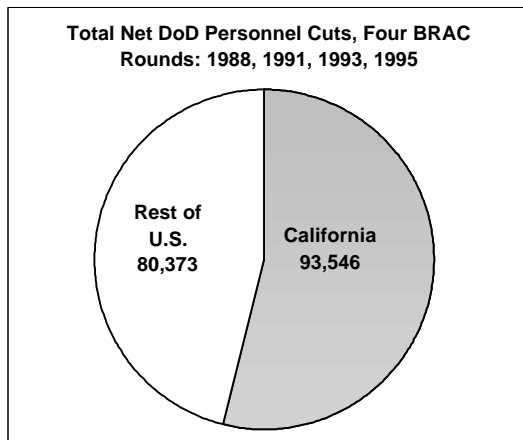
California Institute Special Report: California's Past Base Closure Experiences and the 2005 BRAC Round

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By mid-May, the Department of Defense will announce which military bases it thinks should be closed. Expected to dwarf prior closure cycles, the 2005 BRAC round comes 10 years after a series of closures that targeted California for far more cuts than other states. Despite these past reductions, the military in California remains a significant economic force, and the state's base communities are girding for a potentially difficult year. In that context, this paper seeks to provide some background regarding past actions, current status, and future processes. We intend it to complement and support an upcoming report prepared by the California Council on Base Support and Retention, appointed by the Governor to oversee preparation for the upcoming BRAC round. This report, supporting material, and other base and defense information will be posted at <http://www.calinst.org/defense.htm>.



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On May 16, 2005, Secretary of Defense Donald Rumsfeld will release a list of military bases recommended for closure and realignment. The 2005 Base Realignment and Closure (BRAC) round, sought by the Pentagon and authorized by Congress, may reduce the military's current installation capacity by as much as one fourth, in the process deciding the fate of hundreds of military bases and hundreds of thousands of Department of Defense (DoD) personnel throughout the United States and around the world.¹

¹ Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2002, Department of Defense, March 2004.

Citing a need to reduce unnecessary spending and better distribute defense assets, the Pentagon uses the BRAC process to close purportedly less effective installations and realign forces, capital, weaponry, funds and other limited resources to maximize the military's effectiveness. A Government Accountability Office report estimates that four recent rounds of base closures—conducted in 1988, 1991, 1993 and 1995—have saved the defense budget more than \$35 billion to date.²

However, despite the military and budgetary benefits BRAC may yield, the base closure process stirs enormous concern and consternation at the local level. Entire communities risk losing an important, if not essential, source of economic, cultural, and social support. Politicians worry about the potential harm to their regions' constituents, businesses, and tax bases. Military contractors wonder how the closure of bases might affect their employees and shareholders. The angst surrounding BRAC is exacerbated by the private nature of the process. For the most part, closure and realignment decisions are made internally at the Pentagon with little input from outside sources. If a base appears on the Secretary's list for closure, it is extremely difficult to alter its fate.

More than any other state, California has an intimate understanding of the pain base closures can cause and how unevenly that pain can be distributed. In the four most recent BRAC rounds, California absorbed 54 percent of the nation's overall personnel cuts, losing more than 93,000 jobs and nearly 30 major bases.³ Many communities have still not fully recovered from the closure of local bases. Analysts estimate that the base closures cost the state \$9.6 billion in annual revenue.⁴

Despite the disproportionate cuts, today California still hosts more military bases and personnel than any other state in the nation. California's 424 military locations, including 26 large and medium installations, support nearly 200,000 military and civilian Department of Defense personnel.⁵ DoD directly spends more than \$40 billion annually in the state, yielding considerably more in overall benefit to the state's economy.⁶ Thus, even though California experienced severe losses in the first four rounds of base closures, the military still plays a very important role in the state.

On the eve of yet another round of base closures, the California Institute for Federal Policy Research compiled this report to review California's history with base closure, the presence of the military in California today, and the BRAC process in general. The report deliberately avoids speculating over the fate of current military installations in California or the U.S. Rather, it offers a broad overview of the base closure process in an effort to demonstrate

² *Military Base Closure: Updated Status of Prior Base Realignments and Closures*, U.S. Government Accountability Office, GAO-05-138, January 2005, <http://www.gao.gov/new.items/d05138.pdf>.

³ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. (for bases) Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel).

⁴ State of California, Commerce and Economic Development Program, *Business & Community Resources: Military Base Revitalization*, Sacramento, CA http://commerce.ca.gov/state/ttca/ttca_htmldisplay.jsp?iOID=17884&sFilePath=/ttca/detail/BCR_MBR.html&path=Business+%26+Community+Resources&childPath=Military+Base+Revitalization&sTableName=TTCA_NAV.

⁵ *Base Structure Report: Fiscal Year 2004 Baseline*, Department of Defense, Office of the Deputy Under Secretary of Defense (Installations & Environment), http://www.defenselink.mil/pubs/20040910_2004BaseStructureReport.pdf, and, *Distribution of Personnel By State and Selected Locations*, Department of Defense, Directorate for Information Operations and Reports, http://www.dior.whs.mil/mmid/M02/fy03/M02_2003_Personnel.pdf.

⁶ *Atlas/Data Abstract for the United States and Selected Areas*, Department of Defense, Directorate for Information Operations and Reports, <http://www.dior.whs.mil/mmid/L03/fy03/Atlas-2003-Summary.pdf>.

how past closure rounds affected the state and discuss the ongoing importance of defense expenditures to the state's economy.

This report, with its accompanying tables and graphics, is available on the California Institute website at <http://www.calinst.org/defense/base1a.htm> or in printable (pdf) format at <http://www.calinst.org/defense/base1a.pdf>. In addition, the report and further information regarding military bases, closures, and defense procurement is available on the California Institute's base and defense page, <http://www.calinst.org/defense.htm>.

After release of the DoD list of proposed closures, and at other points during the BRAC process, the Institute will provide additional information at <http://www.calinst.org/defense.htm>.

California's Base Closure Experiences

The four recent rounds of base closures in 1988, 1991, 1993 and 1995 collectively comprise a distressing chapter in California's military, political and economic history. The state suffered remarkably disproportionate cuts in military personnel in each of the four rounds. Once the dust settled, the military's presence in California was sharply reduced from pre-BRAC levels.

The raw statistics for California are jarring. Before the 1988 BRAC round, California had by far the largest military presence of any state, housing 335,979 (14.7 percent) of the 2,275,264 Department of Defense personnel and 91 (18.3 percent) of the 495 major military bases in the country.⁷ By the end of the four BRAC rounds, California lost 93,546 military and civilian jobs within the Department of Defense, a staggering 53.8 percent of the 173,919 net Department of Defense cuts for the entire country.⁸ Said slightly differently, and rather starkly, California shouldered the loss of nearly 100,000 jobs, whereas the other 49 states *combined* absorbed just 80,373 net cuts. While California lost 27.8 percent of its personnel between 1988 and 1995, the rest of the nation saw its military personnel reduced by just 3.6 percent.⁹

Comparing the number of military bases rather than personnel, California fared slightly better. According to the *1995 Defense Base Closure and Realignment Commission Report to the President*, the four BRAC rounds closed 98 "major" installations throughout the country.¹⁰ Of those, 24 (25 percent) installations were in California.¹¹ The BRAC rounds also led to the realignment of 65 major installations, of which 8 (11 percent) were in California.¹²

However, if the base closures are examined with a focus on the size of closed installations, the magnitude of California's losses becomes more apparent. The Golden State absorbed 30 percent of the closures at installations with more than 1,000 personnel, 59 percent of the closures at installations with more than 5,000 personnel, and 100 percent of the closures at installations with more than 10,000 personnel.¹³

The BRAC process's disproportionate treatment of California was surprising, particularly to the state's elected officials and residents. Some charge that California's lopsided reductions

⁷ Dick Munson and Matt Kane, *Military Base Closings: A Regional Analysis of Past Actions*, Northeast Midwest Institute, December 2001, 3, and, *Base Closures*, California Office of Military and Aerospace Support, http://www.omas.ca.gov/Retention/brac/pdf/History_Base_Losses.pdf.

Virginia housed the second largest count of personnel, 207,003 (9.1 percent).

⁸ Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel)

⁹ Ibid.

¹⁰ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. The term "major" is never defined in the report.

¹¹ Ibid.

¹² Ibid.

¹³ Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>; internal calculations.

were at least partly due to a lack of preparation for the base closure process and to political disunity at the local, state and national levels.¹⁴ Instead of cooperating to consolidate and strengthen California's preeminent position as a home for the military, some communities within the state fought against one another over the dwindling number of bases. Although some collaborations within the state may have proved effective, when they are compared with campaigns waged by some other states, lawmakers neither organized a broad statewide effort to protect California's military interests nor used their strength to protect the state. In fact, some observers have speculated that decision-makers within the Pentagon relied on disunity within California in targeting the state for drastic cuts, convinced that rivalries would prevent the state from mounting an effective organized defense of its bases and personnel.¹⁵

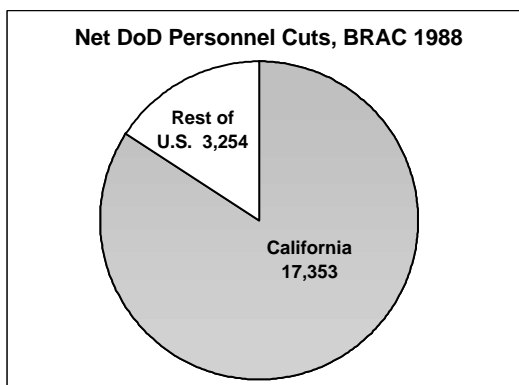
Throughout the state, the base closures had a dramatic ripple effect on the economy. In particular, the aerospace industry, most heavily concentrated in Los Angeles County but significant to many other regions, experienced a severe recession that negatively impacted the economic health of the state for at least a decade. At the same time, communities from San Francisco to San Diego were forced to undergo the slow, often painful process of designing and implementing transition and reuse plans for closed bases. A number of closed facilities in California are still not fully transitioned to non-military use. For some parts of California, the cumulative effect of the 1988, 1991, 1993 and 1995 rounds of base closures was nothing less than disastrous. Analysts estimate that the state experiences approximately \$9.6 billion in annual economic loss from the BRAC processes.¹⁶

Each of the four BRAC rounds was similarly harsh on California. Unlike other states, where one round hit hard while others had no effect at all, California's share of reductions was grossly disproportionate at every turn.

The following capsules offer brief description of the four base closure rounds for California, including personnel and base losses.

BRAC I: 1988

In the 1988 BRAC round, California had four major military installations closed, zero realigned, and lost 17,353 Department of Defense jobs.¹⁷ Nationally, this round of closures eliminated a net total of 20,607 DoD jobs and 16 major bases.¹⁸ Thus, California sustained 84 percent of the nation's net personnel cuts and 25 percent of base closures.¹⁹ In California, the 1988 BRAC round closures included George Air Force



¹⁴ See Julia Reynolds, "Bracing for More Base Closures," *Monterey Herald*, March 6, 2005, at <http://www.montereyherald.com/mld/montereyherald/news/11066393.htm>.

¹⁵ Ibid.

¹⁶ State of California, Commerce and Economic Development Program, http://commerce.ca.gov/state/tca/tca_htmldisplay.jsp?iOID=17884&sFilePath=/tca/detail/BCR_MBR.html&path=Business+%26+Community+Resources&childPath=Military+Base+Revitalization&sTableName=TTCA_NAV.

¹⁷ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. (for bases) Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel)

¹⁸ Ibid, internal calculation.

¹⁹ Ibid, internal calculation.

Base (Victorville, San Bernardino County), Mather Air Force Base (Sacramento, Sacramento County), Norton Air Force Base (San Bernardino, San Bernardino County), and the Presidio Army Base (San Francisco, San Francisco County).²⁰ Additionally, Naval Station Hunters Point, (San Francisco, San Francisco County), which was not classified as major by the Pentagon, lost more than 4,000 personnel from this round of base closures.²¹

With a strategic perch overlooking the entrance to the San Francisco Bay, the Presidio of San Francisco served three countries militarily for more than 200 years,²² functioning as headquarters for the Western Defense Command during World War II and later the Sixth Army. Its lush environment, expansive views, and proximity to San Francisco made the Presidio one of the most desirable posts in the nation, and that desirability waned little when it was transitioned to non-military use.²³ A unique public-private partnership, the Presidio Trust has managed the area, and its 500 historic buildings, since the facility was transferred to the National Park Service.

George Air Force Base, located in the Mojave Desert began as a flight training school during World War II, and became a training hub for the ubiquitous F-4 Phantom fighter. Five years after the 1988 closure announcement, George was among a small number of facilities slated for fast track transfer for reuse, but the military remains a central player at the former George, now the Southern California Logistics Airport. Calling itself “a dedicated air cargo facility and a 5,000-acre multimodal business complex integrating manufacturing, industrial and office facilities,” SCLA began efforts to extend the main runway in order to accept larger cargo jets and better serve the more than 70,000 troops that annually pass through the airport on their way to and from the Army’s Fort Irwin training center.²⁴ The base serves multimodal distribution functions, with interfaces to truck and rail shipping, though smaller hangers and global weakness in the air freight industry have countered some benefits of the successful runway expansion. A recent estimate found that approximately one-fifth of George’s 7,500 jobs had been replaced.²⁵ Considering its relatively remote location in the Mojave Desert, many consider George’s recovery from closure a success.

The former Mather Air Force Base near Sacramento, now called Sacramento Mather Airport and operated by the County of Sacramento was another facility eyed for its trade and distribution potential. Despite substantial later successes,²⁶ Mather in some respects began as one example of what can go wrong in closing a base. Relatively new to the business of selling real estate, the Air Force thought it could make some money on the base’s 1,000 housing units. Rejecting Sacramento County’s \$3 million bid, the Air Force held firm to its \$25 million asking

²⁰ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995.

²¹ Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations.

²² The Spanish established the Presidio in 1776, Mexico assumed it in 1821, and the U.S. Army took it over 25 years later during military operations that would lead to California’s inclusion in the United States.

²³ The Army apparently placed a premium on successful transition of the Presidio. Cleanup at 60 environmental response sites on the base were completed by 2003 at a cost of \$128 million – a relatively small amount for DoD environmental remediation but several-fold more than the total spent at any other completed installation.

²⁴ See <http://logisticsairport.com/index.php>.

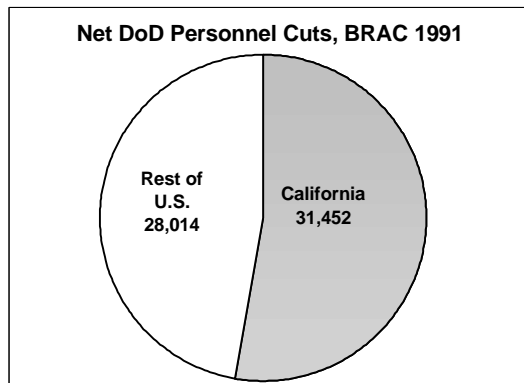
²⁵ See *Victorville Daily Press*, January 10, 2005, as excerpted by California Pilots Association, <http://www.calpilots.org/html/article.php?sid=130>.

²⁶ Although fully transferred out of the federal government, Mather for a time performed military services, with some defense contractors using it as overflow when an airfield at nearby Travis Air Force Base underwent renovation. It continues to develop as a cargo center. Delivery companies Emery and Airborne moved their operations from Sacramento International Airport to Mather in 1996, UPS followed suit two years later, and the base now employs 3,700 in technology, manufacturing, operations, educational centers, government agencies, and recreational facilities.

price, and negotiations stalemated. By the time the buildings were finally sold many years later for only \$2.5 million, most were so damaged by deterioration and vandalism that they had to be torn down.

BRAC II: 1991

Pursuant to the 1991 BRAC round, California had eight major military installations closed, three realigned, and lost 31,452 Department of Defense jobs.²⁷ Nationally, this BRAC round closed 26 major bases, realigned 19 others, and eliminated 59,466 military jobs. California sustained 31 percent of major base closures, 16 percent of major realignments, and 53 percent of the nation's personnel cuts.²⁸ In California, the 1991 closures included Castle Air Force Base (Merced/Atwater, Merced County), Fort Ord Army Base (Marina/Seaside, Monterey County), Hunter's Point Annex (San Francisco, San Francisco County), Long Beach Naval Station (Long



Beach, Los Angeles County), Marine Corps Air Station Tustin (Tustin, Orange County), Naval Air Station Moffett Field (Mountain View, Santa Clara County), Sacramento Army Depot (Sacramento, Sacramento County), and the Naval Electronics Systems Engineering Center San Diego (San Diego, San Diego County).²⁹ Beale Air Force Base (Marysville, Yolo County), Naval Weapons Center, China Lake (Ridgecrest, Kern County), and the Pacific Missile Test Center Point Mugu (Oxnard, Ventura County) were realigned.³⁰

Fort Ord is often cited as an example of what can be done right in a military base conversion. The Department of Defense transferred much of the sprawling 28,000 sandy acres of agricultural land and Monterey Bay beachfront in 1994, except for 800 acres the Army retained as a reserve center and an annex for the Presidio of Monterey. California sanctioned a Fort Ord Reuse Authority (FORA) to oversee the handoff,³¹ and the base now houses the new and growing campus of the California State University Monterey Bay.³² The campus takes up 1,365 acres, leaving much of the former base property unused. Recent development has begun providing housing for local military stationed at nearby facilities and has improved landscaping, facilities, infrastructure, and access. However, many challenges remain. The area's unique geography houses a sensitive environment and some protected species, such as the threatened California tiger salamander. Also, cleanup of a wide array of potentially unexploded ordinance, toxic spills, and abandoned and dilapidated buildings will take many years and considerable funding. Nevertheless, the area's geographic desirability and high housing prices auger well for the base's future.

Some observers have opined that the lessons of Mather's stutter-step reuse were learned by the time the Sacramento Army Depot was closed. The transfer from DoD was accomplished at high speed. The day the Army flag came down, the city leased the facility to Packard Bell,

²⁷ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. (for bases) Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel)

²⁸ *Ibid.*

²⁹ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995.

³⁰ *Ibid.*

³¹ See <http://www.fora.org/>.

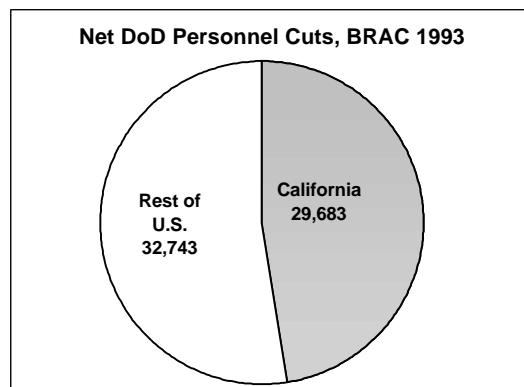
³² See <http://csumb.edu/>.

which transferred 5,000 employees from its former headquarters in Southern California.³³ Unfortunately, the technology company's fortunes faltered, and by the close of 2000, all of the employees had been laid off. Sacramento Army Depot serves as a reminder that the economic recovery of a base depends on both controllable factors (transfer speeds, usability of land) and uncontrollable factors (the strength of the local economy and the success of individual businesses.)

BRAC III: 1993

In the 1993 BRAC round, California had seven major military installations closed and two realigned, leading to the loss of 29,683 Department of Defense jobs.³⁴ Nationally, this round of closures closed 28 major bases, realigned 13 major installations, and eliminated 62,426 jobs, meaning California sustained 25 percent of base closures, 15 percent of realignments, and 48 percent of the nation's personnel cuts.³⁵ For this round, Pentagon closures included El Toro Marine Corps Air Station (Irvine, Orange County), Mare Island Naval Shipyard (Vallejo, Solano County), Alameda Naval Air Station & Depot (Alameda, Alameda County), Naval Hospital Oakland (Oakland, Alameda County), Naval Training Center San Diego (San Diego, San Diego County), and Treasure Island Naval Station (San Francisco, San Francisco County). Marine Corps Logistics Base Barstow (Barstow, San Bernardino) and Naval Weapons Station Seal Beach (Seal Beach, Orange County) were realigned.³⁶ Additionally, the Naval Public Works Center, Oakland (Oakland, Alameda County) was disestablished and March Air Force Base (Riverside, Riverside County) was significantly realigned.³⁷

The 1993 round of closures decimated the Oakland/Alameda naval operation. The Naval Air Station Alameda and Depot, the Oakland Naval Hospital, and the Naval Public Works Center were eliminated, complementing the fellow San Francisco Bay closures of Mare Island Naval Shipyard and Treasure Island. Once housing 18,000 personnel, NAS Alameda was transferred to the City of Alameda in 1997, and the city's initial tenants included the federal government's Maritime Administration (MARAD) and a local reuse authority. A mixture of tidewater, submerged land, and dry land, the facility was built by diking off muddy flats and filling in with dredging material. Environmental issues are also raised by the site's past use as an oil refinery and a borax processing plant. Some sites have been successfully reused by nonprofit organizations.



Initially christened as a shipyard in 1853 at the North end of San Francisco Bay, the Mare Island Naval Shipyard served as a major refueling and renovation facility for ships, including those powered by nuclear energy. It also built more than 500 new vessels, from a paddlewheel

³³ The company's previous operations were damaged by the January 1994 Northridge earthquake.

³⁴ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. (for bases) Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel)

³⁵ *Ibid.*

³⁶ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995.

³⁷ Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations.

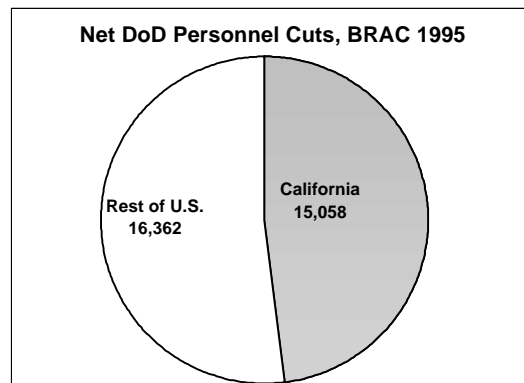
gunboat in 1859 to a nuclear submarine in 1970. The facility closed in 1996, a relatively swift decommissioning. However, not surprisingly given the diversity and age of the facility, Mare Island remains heavily contaminated with myriad toxins, including PCBs, asbestos, solvents, oil and petroleum products, and aging ordinance, not to mention the byproducts of several decades conducting work on nuclear submarines.

BRAC IV: 1995

In the 1995 BRAC round, California had five major military installations closed and three realigned, leading to the loss of 15,058 Department of Defense jobs.³⁸ Nationally, this round of closures closed 28 major bases, realigned 22 major installations, and cut 31,420 military jobs, meaning that California sustained 18 percent of major base closures, 14 percent of major realignments, and 48 percent of the nation's personnel cuts.³⁹ Closed bases include: Long Beach Naval Shipyard (Long Beach, Los Angeles County), McClellan Air Force Base (Sacramento, Sacramento County), Oakland Army Base (Oakland, Alameda County), Ontario International Airport Air Guard Station, and the Defense Distribution Depot McClellan (Sacramento, Sacramento County).⁴⁰ Onizuka Air Force Base (Sunnyvale, Santa Clara County), Fort Hunter Liggett (Monterey County), and Sierra Army Depot (Herlong, Lassen County) were realigned.

Well before it was slated for closure in 1995, the Long Beach Naval Shipyard had already begun to experience reductions. Three dozen ships associated with Naval Station Long Beach were assigned elsewhere when that base went on the 1991 closure list, taking with them an estimated 17,000 jobs when it was ultimately closed in 1994. The nearby shipyard, built on Terminal Island largely during World War II and highly respected for its workmanship, was slated for closure one year later. It closed its military gates in September 1997, and more than two-thirds of the acreage has been transferred to other entities in various parcels. The City of Long Beach assumed most of the land and drydocks, with other parcels transferred to the Army, Air Force, nonprofit organizations, and to a developer for housing for a college and a preparatory school. Final transfer is expected in September 2005.

Once a major DoD technology repair center employing 13,500 workers before 1995, McClellan Air Force Base North of Sacramento became a battleground regarding political influence over the BRAC process. McClellan, and a second base outside San Antonio, Texas, were on the BRAC list proposed by the Air Force, but the Clinton Administration pledged to retain base employees as long as possible and to privatize many of those jobs—thereby raising the eyebrows and ire of many BRAC proponents.⁴¹ The facility later returned to the more traditional closure pipeline and was shuttered in 2001, but not until after widespread criticism that the Clinton Administration tampered with a supposedly apolitical base closure process in order to better his and Democrats' 1996 election prospects in two key states. Many believe that lingering



³⁸ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995. (for bases) Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations (for personnel)

³⁹ *Ibid.*

⁴⁰ *Defense Base Closure and Realignment Commission, 1995 Report to the President*, July 1, 1995.

⁴¹ The Clinton Administration proposed to "privatize in place" a large portion of the positions at the two bases, citing the negative economic impact of the closures in the two surrounding communities.

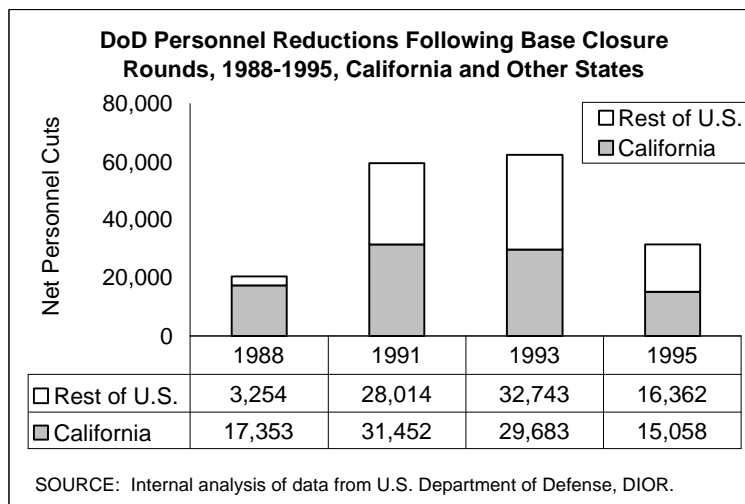
resentment among Republicans over the President's breaking of rules by choosing favorites of McClellan and Kelly, was responsible for the 10-year hiatus in the military base closure process.

Past BRACs in Context: Geography and Defense Contracts

As evidenced by these details, California found no refuge from the bad news throughout four rounds of base downsizing. More than half of the nation's net personnel reductions were taken from California facilities.

Each BRAC round battered California's military base communities, but the results were far from uniform across the state. The military presence in the Bay Area has been nearly eliminated by recent base closures, with the bulk of the reductions effected by the 1993 base closure round. Once the dust had settled, the Bay Area had experienced a net reduction of more than 44,000 personnel; the area's 46,741 gross personnel reductions were offset by a mere 2,617 in personnel gains.⁴² In addition, most of the 17,306 reductions from the Central Coast region came from Fort Ord, which is often associated with the Bay Area as well.⁴³

In contrast, the San Diego area was a net receiver; the closures in the area resulted in the elimination of more than 24,000 positions, but DoD elected to relocate more than 30,000 personnel to San Diego installations by the time the BRAC process had come to a close, yielding a net increase of 6,099 personnel for the San Diego area.⁴⁴



	Personnel Out			Personnel In			Net Gain or Loss		
	Total	Mil.	Civ.	Total	Mil.	Civ.	Total	Mil	Civ
Bay Area	(46,741)	(25,460)	(21,281)	2,617	1,725	892	(44,124)	(23,735)	(20,389)
Central Coast	(17,306)	(14,092)	(3,214)	0	0	0	(17,306)	(14,092)	(3,214)
Central Valley	(25,010)	(10,329)	(14,681)	8,162	6,656	1,506	(16,848)	(3,673)	(13,175)
Desert	(3,489)	(3,225)	(264)	6,132	5,028	1,104	2,643	1,803	840
Greater LA	(29,530)	(22,107)	(7,423)	5,947	3,764	2,183	(23,583)	(18,343)	(5,240)
Other	(427)	(53)	(374)	0	0	0	(427)	(53)	(374)
San Diego	(24,256)	(21,379)	(2,877)	30,355	25,258	5,097	6,099	3,879	2,220

Source: Analysis of DoD data from the Directorate of Information Operations and Reports.

⁴² Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations.

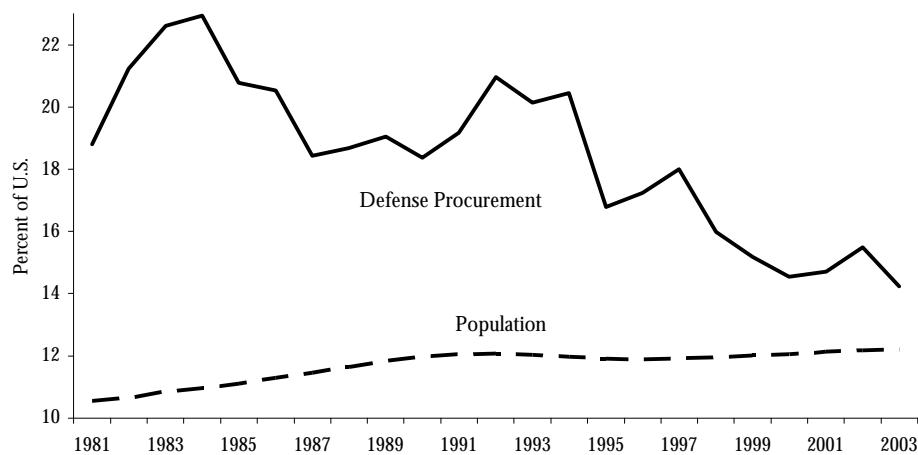
⁴³ Ibid.

⁴⁴ Ibid.

Two other California areas saw vast reductions in personnel: the greater Los Angeles region declined by nearly 24,000 personnel, and Central Valley installations saw totals fall by more than 17,000 jobs.⁴⁵

At the same time that California was experiencing disproportionate decreases in numbers of military bases and personnel, California suffered the parallel blow of a steep decline in federal defense procurement expenditures. According to the U.S. Census Bureau, California's share of contract procurement spending for national defense was once as high as 23 percent—in 1984, the Department of Defense spent \$29 billion on contracts in California and \$141 billion in all states.⁴⁶ After a slow but steady decline, by 2003, the state received just 14.2 percent of defense contract expenditures, \$26 billion of the \$201 billion total distributed nationwide. In the aftermath of base closures, contract spending in all states had risen by \$60 billion (42 percent), whereas spending in California declined \$3.2 billion (-11 percent). DoD procurement spending in California is now roughly half of its inflation-adjusted 1984 levels.

California Share of Defense Procurement, & Population, 1981-2003



When DoD contracts are considered alongside salary and other defense spending, California experienced a similar, and starker, decline. In 1984 through 1986, total defense spending in California hovered near the \$40 billion mark, accounting for more than 20 percent of the nation's \$197 billion in total 1984 defense spending in all states.⁴⁷ Nearly two decades later, California's share of total 2003 defense spending nationwide, including salaries, contracts, and other categories, was just 13 percent—or \$39 billion of the nation's \$320 billion total spending in all states. Thus, 2003 defense spending in California remained \$2 billion (-5 percent) less than in 1984 (even before adjusting for inflation), whereas spending in all states had grown by \$89 billion (38 percent) during the same period.

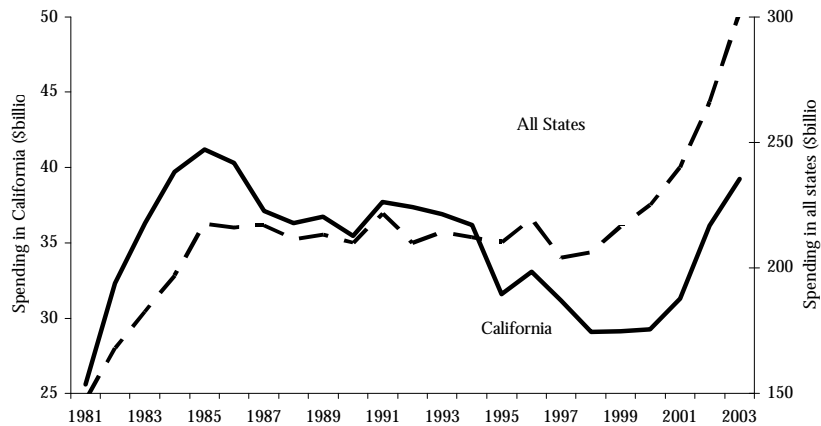
⁴⁵ Department of Defense BRAC Publications, April 4, 2001, <http://emissary.acq.osd.mil/oea/oealibrary.nsf/ec91d1b654c75644852567eb005ae6ab?OpenView>, internal calculations

Los Angeles area reductions of 29,634 far more than outweighed nearly 6,000 personnel transferred to bases in the area. In the Central Valley, 25,010 cuts offset 8,162 new arrivals.

⁴⁶ U.S. Census Bureau, *Consolidated Federal Funds Report* (Fiscal Years 1981-2003), Washington, D.C.; internal calculations. See also, California Institute for Federal Policy Research, *California's Balance of Payments With the Federal Treasury, 1981-2003*, Washington, D.C., February 2005.

⁴⁷ Ibid.

Total Federal Defense Spending, California and All States, 1981-2003



The base closures and concomitant decline in federal defense spending in California had much to do with the changing, post-Cold War world. While many credit U.S. defense spending on bases, personnel, and procurement with hastening the fall of the Soviet Union, maintaining force strength and defense spending at Cold War levels after the end of the conflict made little sense. After essentially spending itself to victory, it was not surprising that the United States pared back on military spending—terminating weapons programs, downscaling recruitment, and closing existing installations.

While California had a particularly negative experience with base closures, the Pentagon views the first four BRAC rounds as a collective success, effectively reducing excess force capacity and cutting costs. A January 2005 Government Accountability Office (GAO) report to Congress measured net savings from the four prior BRAC rounds through fiscal year 2003 at \$28.9 billion.⁴⁸ The Department of Defense estimates approximately \$7 billion in savings for FY 2004 and every year thereafter, generated mostly from reduced operating expenses. As of September 30, 2004, DoD data shows that 72 percent of 504,000 acres of closed base land had been transferred to federal or non-federal entities.⁴⁹

The same GAO report examines how individual military bases and their surrounding communities have recovered from the closure process. While the data is not comprehensive or incisive enough to paint a full picture of these communities' experiences, the report concludes that "most communities have recovered or are recovering from the impact of base closures."⁵⁰ In 2002, nearly 70 percent of the 62 BRAC communities reviewed by the GAO had unemployment rates lower than the national average, and 48 percent had annual real per capita income growth rates above the U.S. average.⁵¹ Furthermore, as of October 31, 2003, 92,921 (72 percent) of the 129,649 Department of Defense civilian jobs lost on 73 military bases as a result of closures have been replaced at those locations.⁵²

California's overall recovery, measured by civilian jobs replaced, has been worse than the national average. The 18 California bases examined in the GAO report lost approximately 42,800

⁴⁸ *Military Base Closure: Updated Status of Prior Base Realignment and Closures*, United States Government Accountability Office, GAO-05-138, January 2005, <http://www.gao.gov/new.items/d05138.pdf>, 3.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*, 29.

⁵¹ *Ibid.*, 41-44.

⁵² *Ibid.*, 35.

civilian jobs from DoD payroll.⁵³ As of October 31, 2003, those bases had only regained 24,179 jobs (57 percent).⁵⁴ The remainder of the closed bases in the U.S. considered by the GAO report regained approximately 68,742 of 86,849 eliminated jobs, a 79 percent recovery rate.⁵⁵ California had four of the 18 BRAC-affected locations (22 percent) with unemployment rates higher than the U.S. average, including two of the three communities with the highest unemployment rates (Merced, 16 percent, and Salinas, 11 percent).⁵⁶ In terms of average annual real per capita growth rates for BRAC communities, California fared better, housing only 5 of 33 BRAC locations with growth rates below the US average (15 percent).⁵⁷ San Francisco and San Jose had the two highest average annual real per capita income growth rates of any of the 62 communities included in the report.⁵⁸ The federal data paints a mixed picture of California's recovery, certainly not as optimistic as the overall GAO report.

The speed of a bases recovery from closure also depends on factors beyond economics. Most closed and closing bases require some environmental remediation work to render them suitable for alternative uses. The cost of cleanup activities at bases previously slated for closure far exceeds the federal resources that have been committed to them to date, and the backlog of unpaid costs will continue rising with any new closures. Federal cleanup resources have barely scratched the surface of an environmental remediation problem whose total cost may not be fully appreciated for decades.

Through the Defense Environmental Restoration Program (DERP), DoD works to ameliorate environmental problems at open, closing, and closed military bases. DERP spending on active cleanup activities at all types of bases through fiscal year 2003 totaled \$21.7 billion, of which \$5 billion was spent in California.⁵⁹ Of the California amount, \$3 billion had been spent at installations slated for closure in one of the four BRAC rounds.

In addition, DERP estimated total cleanup expenditures that will still be required between 2004 and the cleanup's completion (which in some cases may be many decades away). Although notoriously difficult to predict, DERP estimates spending still required at all open, closed, and closing bases nationwide at \$33 billion, with \$6.6 billion required in California. DERP estimated ongoing cleanup (from 2004 through completion) at California bases closed by the 1988-95 BRAC is \$1.8 billion.⁶⁰

Liability for clean-up costs—and in some situations including damages from environmentally-focused tort lawsuits—have been a major bone of contention among the major transactional players: DoD, state and local governments, previous property owners, and new tenants. Other environmental and structural issues make former bases less desirable than private sector alternatives, and often military facilities were not constructed in compliance with local building codes. Because of the complexity of the reuse process, the transformation of closed bases can take decades. There still remain more than 130,000 acres of land on previously closed bases that have not yet transitioned to non-military use.⁶¹

With the 2005 BRAC process already underway, it is important that California not overlook the lessons of the four earlier base closure rounds. While it is unclear whether earlier

⁵³ Ibid, internal calculations.

⁵⁴ Ibid, internal calculations.

⁵⁵ Ibid, internal calculations.

⁵⁶ Ibid, 41-42.

⁵⁷ Ibid, 43-44.

⁵⁸ Ibid.

⁵⁹ DoD, Defense Environmental Restoration Program, *FY2003 DERP Annual Report to Congress*, Washington, D.C.

⁶⁰ Ibid.

⁶¹ *Military Base Closure: Updated Status of Prior Base Realignment and Closures*, United States Government Accountability Office, GAO-05-138, January 2005, <http://www.gao.gov/new.items/d05138.pdf>, 3.

and better organization by California could have produced a more favorable outcome, it is certain that California suffered disproportionately from DoD decisions. The state bore 54 percent of overall personnel cuts in the Department of Defense, despite having housed only 15 percent of U.S. DoD personnel in 1988. California lost nearly 28 percent of its DoD personnel during the 1988-1995 base closures; the nation's total net reduction was just 3.6 percent. By the time the four-round BRAC process came to an end, California had lost more than 93,000 DoD jobs and the state's economic activity had been dialed back by nearly \$10 billion per year. However, despite devastating defense reductions, the state still has much, and much to lose.

The Military in California Today

Whereas, nationally, California is much more closely identified with Hollywood, beaches, Silicon Valley, and agriculture, the military and the national security industry have enormous presences in the state, and much of the state's development came thanks to the financial and intellectual resources associated with defense expenditures.

Bases and Personnel

Despite the large military base and personnel cuts California experienced during the first four rounds of base closures, the state still houses the most installations and personnel of any state in the country. According to the Department of Defense's Fiscal Year 2004 Base Structure Report, the military has 3,727 "locations" in the U.S.—93 large installations, 99 medium installations and 3,535 small installations/locations.⁶² California has the most total locations of any state, with 424, accounting for 11.3 percent of all locations, 175 more than Montana which is second with 249.⁶³ California's military strength becomes even more apparent when its large and medium installations are compared to the rest of the country. The Golden State has 15 large and 11 medium installations within its borders, 13.5 percent of the bases in those two categories.⁶⁴ No other state has more than six large installations, and only one state, Virginia, with 11, has more than six medium installations.

California's bases are most heavily concentrated in Southern California, particularly in the San Diego area and other areas south of Los Angeles County. The center of the Navy's Pacific operations is located in San Diego, with at least 6 important bases in the area. There are,

⁶² *Base Structure Report: Fiscal Year 2004 Baseline*, Department of Defense, Office of the Deputy Under Secretary of Defense (Installations & Environment), http://www.defenselink.mil/pubs/20040910_2004BaseStructureReport.pdf.

The Pentagon categorizes locations in the Base Structure Report by their Plant Replacement Value (PRV), a monetary calculation approximating the cost it would take to replicate an installation. A large installation has a PRV of \$1.553 billion or greater, a medium has a PRV between \$1.553 billion and \$828 million, and a small has a PRV less than \$828 million.

It is important to note that PRV is a calculation of a base's economic worth, not its strategic military value or its ability to house troops. The PRVs for some California bases may be inflated by California's high real estate value. This is particularly true for some of the bases along the high-priced California coastline, such as NAS North Island in San Diego, which has a PRV of \$2.649 billion on a site of only 2,802 acres.

Other sources count military installations differently. Most news organizations cite 425 major military installations in the US, of which approximately 60 are in California. In a Pentagon report required by Congress for the base closure process, the Department of Defense states "a working inventory of 276 major installations within the United States was used as the basis for the discussion of excess capacity." Thus, when considering bases in California, the method of accounting is less important than recognizing that the state houses more installations, large or small, by any counting method, than any other state in the country.

⁶³ *Ibid.* In Montana, 248 of the 249 locations are classified as small; most are missile silos.

⁶⁴ *Ibid.*

however, bases in nearly every region of California, ranging from the Sierra Army Depot in the Northeast section of the state, to the Naval Air Weapons Station China Lake in Ridgecrest to the Naval Air Facility in El Centro.

California is also home to more military personnel than any other state in the country. The Department of Defense's Directorate for Information Operations and Reports (DIOR), which compiles annual statistics for DoD, shows 188,104 active duty military and civilian personnel located in California.⁶⁵ That total represents 11.1 percent of all DoD personnel in the U.S. Only North Carolina (113,302), Texas (152,214) and Virginia (170,508) have more than 100,000 at bases within their states.⁶⁶

The Navy and the Marine Corps, with 74,779 and 59,636 personnel in California respectively, compromise 71 percent of all active duty personnel in the state.⁶⁷ The Marine Corps' Camp Pendleton, located north of San Diego, is by far the largest base in the state in terms of personnel, supporting a total of 37,262 DoD military and civilian personnel.⁶⁸ Various San Diego bases and Twentynine Palms also function as homes to more than 10,000 DoD personnel. Among other active military in California are 20,658 in the Air Force and 8,145 in the Army.

Civilian personnel working directly for DoD comprise another important component of California's employment base. According to DIOR data for September 30, 2003, California housed 32,745 civilian personnel associated with the Navy or Marine Corps, 10,213 with the Air Force, 7,139 with the Army, and 7,534 with other defense agencies. In 2003, the state housed 130,473 military personnel and 57,631 civilian DoD personnel.⁶⁹

In fiscal year 2003, the Department of Defense spent \$13.3 billion on payroll in California, including \$6.0 billion for active duty military pay, \$3.4 billion for civilian pay, \$427 million for Reserve and National Guard pay, and \$3.5 billion for retired military pay.⁷⁰ The Department of Defense remains one of the largest employers in California.⁷¹

Defense Spending in California

The Department of Defense affects California in important ways beyond military bases and personnel. Every year, DoD distributes hundreds of billions of dollars for contracts with private companies, universities, and other organizations to do everything from dispose of waste on bases to manufacture aircraft carriers, missiles, planes, and satellite technologies. According to DIOR, which calculates contracts slightly differently than the Census Bureau, in Fiscal Year

⁶⁵ *Atlas/Data Abstract for the United States and Selected Areas*, Department of Defense, Directorate for Information Operations and Reports, <http://www.dior.whs.mil/mmid/L03/fy03/Atlas-2003-Summary.pdf>. This figure does not include reservists.

The Department of Defense's Base Structure Report (BSR) for Fiscal Year 2004 has conflicting statistics for DoD personnel. The BSR lists the nation's personnel at 2,058,317, and California's personnel at 238,557 (11.5 percent as opposed to the DIOR's 11.1 percent.) Some observers consider DIOR data to be more reliable and internally consistent than BSR statistics. However, the BSR is the only DoD publication providing a comprehensive listing of military installations.

⁶⁶ *Ibid.* California's ratio of DoD personnel to population is lower than all three of those states.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ None of the counts for active duty military personnel include approximately 30,000 California-based personnel who were afloat with the Navy or Marine Corps at the time the counts were taken.

⁷⁰ *Ibid.*

⁷¹ Reliable data regarding the largest employers in California is difficult to obtain. The following website provides some information, but it is by no means comprehensive. <http://www.acinet.org/acinet/oview6.asp?soccode=&stfips=06&from=State&goto=/acinet/state1.asp%3Fstfips%3D6&id=&nodeid=12> 3/11/05

2004, the Department of Defense awarded \$203 billion in prime contract awards.⁷² Of those awards, California companies and other recipients won \$27.9 billion, 13.7 percent of all contracts. Other states with large total awards include Virginia, with \$23.5 billion (11 percent) and Texas with \$21.0 billion (10 percent). On a per capita basis, however, California ranks 16th out of the fifty states and the District of Columbia, with \$786 dollars in spending per person; the District of Columbia (\$6,212/person), Virginia (\$3,181/person), and Connecticut (\$2,583/person) are the three states with the highest per capita prime contract awards.⁷³

Among the military services, procurement spending by the Air Force is the most California-centric. Air Force contract spending of \$12.8 billion in 2003 was nearly 24 percent of the \$53.3 billion total spent nationwide. On a per capita basis, Air Force contracts provided California \$183 for every man, woman, and child in the state—exactly twice the national per capita amount of \$91. Nationwide, total procurement spending by the Navy was slightly higher, at \$54.1 billion, but California’s \$7.3 billion represented a much smaller share (13.6 percent) of total Navy contracts. Historically, California’s share of Army contracts has been smaller; the state received \$3.7 billion (7.8 percent) of the nation’s \$48 billion total.

Los Angeles, San Diego, and Santa Clara Counties led the way in 2004 as recipients of prime contract awards, receiving \$9.7 billion, \$5.1 billion, and \$3.8 billion respectively.⁷⁴ In fiscal year 2003 (sub-county contract data were not yet available for FY 2004), the five corporations receiving more than \$1 billion in contracts in California were The Boeing Company (\$5.3 billion), Lockheed Martin Corporation (\$4.3 billion), Northrop Grumman Corporation (\$3.3 billion), Health Net Inc (\$1.8 billion), and Science Applications International Corporation (\$1.0 billion).⁷⁵ In part because expenditures for some programs are classified, it is difficult to determine an exact figure for how many jobs these prime contract awards directly support. Some estimate the number of positions outside of DoD payroll that are supported by DoD spending in California at considerably more than 100,000.⁷⁶

Prime contract awards are not necessarily related to the presence of bases in a given area. However, the relative concentration of contract awards in California is at least in some part linked to the large military presence in the state. It is not a coincidence that California, Virginia and Texas rank first, second, and third in terms of both prime contract awards and personnel. Furthermore, as discussed above, California’s disproportionate decline in defense spending over the past 20 years is at least partly due to past base closures. If California were to lose a significant number of bases in the upcoming closure round, the state would expect to lose some portion of DoD contract spending as well.

Economic Impact

Few industries of any type impact California’s economy more than the military. Combined, Department of Defense payroll and prime contract awards in California accounted for \$42 billion in federal spending for fiscal year 2003. For comparison, according to the California Department of Food and Agriculture, the agriculture industry—sometimes viewed as California’s largest industry—had an aggregate economic impact of \$27.8 billion in fiscal year 2003.

⁷² *Prime Contract Awards by State Fiscal Year 2004*, Department of Defense, Directorate for Information Operations Reports, <http://www.dior.whs.mil/peidhome/geostats/P06-P09/FY2004/P06-P09-State-County-2004.pdf>.

⁷³ Ibid, internal calculations

⁷⁴ Ibid.

⁷⁵ *Atlas/Data Abstract for the United States and Selected Areas*, Department of Defense, Directorate for Information Operations and Reports, <http://www.dior.whs.mil/mmid/L03/fy03/Atlas-2003-Summary.pdf>.

⁷⁶ Reynolds, “Bracing for More Base Closures,”

<http://www.montereyherald.com/mld/montereyherald/news/11066393.htm>.

As with most industries, the effect of Department of Defense spending in California reaches well beyond payroll and prime contract award totals. Military personnel use their wages to purchase goods at non-military stores throughout the state. Civilian personnel buy goods, services, and homes near the installations where they work. Employees working for the corporations that win DoD contracts also recirculate their earnings throughout California's economy. With that multiplier effect in mind, it is likely that DoD spending in California has an annual impact on the state that exceeds \$100 billion.

The final section of this report discusses the 2005 BRAC round, including its origins and milestones, and California's efforts to limit base closures in the state.

The 2005 Base Closure Round

The birth of the 2005 BRAC round occurred in 2001 with the passing of the National Defense Reauthorization Act of Fiscal Year 2002. In that bill, which President Bush signed on December 28, 2001, Congress gave the Secretary of Defense the authority to implement a new round of base closures in 2005, the first in more than a decade. The authorizing language required that the Pentagon "consider all military installations within the United States equally without regard to whether the installation has been previously considered for closure or realignment by the department."⁷⁷ Furthermore, the bill initiated the procedural steps that will ultimately culminate in a final list of bases designated for closure or realignment by December 22, 2005.

The push for another round of base closures began almost as soon as President Bush and Defense Secretary Rumsfeld assumed office.⁷⁸ Since the start of the first Bush Administration, DoD has been working to reshape the force structure of the military by making it smaller, sleeker and more agile. Secretary Rumsfeld has pointed to base closures as an opportunity to trim ineffective and wasteful installations while simultaneously realigning the current force structure into a more effective and efficient organization. In an analysis required by the BRAC process and submitted to Congress in March, 2004, the Department of Defense estimated that it was currently supporting 24 percent excess installation capacity.⁷⁹ DoD found that "recent events have exacerbated the need to rapidly accomplish transformation and reshaping...[E]xcess infrastructure does exist and is available for reshaping or needs to be eliminated."⁸⁰ On March 29, 2005, Secretary Rumsfeld indicated that the upcoming round of base closures may not cut as deeply as 24 percent. In comments to reporters at the Pentagon, he stated that the reductions may be less than 20 percent, as opposed to the previously established 24 percent. Even with the lower estimate, the 2005 BRAC round will be enormous, larger than any previous round.

In 2003, the Department of Defense had a worldwide workforce of 2,098,901 personnel, including active duty military and civilian personnel.⁸¹ A 24 percent cutback in personnel would result in the reduction of over 500,000 Department of Defense jobs. For California, the same cuts would result in more than 45,000 job losses. For reference, the four previous rounds of base closures eliminated a total of 173,919 jobs, a mere 8 percent reduction in DoD personnel.

⁷⁷ *National Defense Reauthorization Act of Fiscal Year 2002.*

⁷⁸ President Clinton also pushed for base closure rounds, but was unable to pass them through Congress. In the FY2000 budget proposal, the Clinton Administration pushed for a 2001 and a 2005 BRAC round. In 2000, Clinton suggested a single round in 2003.

⁷⁹ Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2003, Department of Defense, March 2004, pg. 3. The estimates varied by branch of the Armed Services: Army (29%), Navy (21%), Air Force (24%), DLA (17%).

⁸⁰ *Ibid.*

⁸¹ *Selected Manpower Statistics*, Department of Defense, Directorate for Information Operations and Reports, <http://www.dior.whs.mil/mmid/M01/fy03/m01fy03.pdf> .

Important Upcoming Dates in the 2005 BRAC Process	
Date	Action
May 16, 2005	The Secretary of Defense publishes a proposed list of bases for realignment and closure in the Federal Register.
September 8, 2005	The BRAC Commission submits to the President its recommendations for closures and realignments, including all changes to the Secretary of Defense's initial list. Additionally, the Commission makes available to Congress the information it used to craft its recommendations.
September 23, 2005	The President approves or disapproves of the Commission's recommendations. If the President approves, the list of closures and realignments is sent to Congress for its approval. If the President disapproves, he can ask the Commission to revise and resubmit its recommendations.
October 20, 2005 (if necessary)	If the President disapproves of the Commission's initial recommendations from September 23, 2005, the Commission must resubmit its recommendations to the President by this date.
November 7, 2005 (if necessary)	If the President disapproves of the Commission's initial recommendations from September 23, 2005 and the Commission resubmits recommendations by October 20, 2005, the President must approve or disapprove of the revised list by this date. If the President approves, the list of closures and realignments is transmitted to Congress for its approval. If he disapproves, the BRAC process dies.
December 22, 2005	Both Houses of Congress must approve, by simple majority, the closures and realignment recommendations transmitted to it by the President. If Congress approves, the recommendations take the force of law and closures and realignments begin. If Congress disapproves, the BRAC process dies.

The Pentagon has implied that the domestic pain of this round of closures may be eased by closures of overseas bases. As many as 77,000 overseas personnel may return to domestic bases, officials note.⁸² However, closer analysis of DoD data regarding overseas personnel suggests that a reduction of 77,000 overseas jobs would not necessarily lessen the pressure to

⁸² See the *Navy Times*, <http://www.navytimes.com/story.php?f=1-292925-674328.php>.

downsize domestic bases and might in fact increase it.⁸³ In any case, the 2005 round of base closures is expected to be massive, affecting hundreds of bases and communities and hundreds of thousands of DoD personnel.

Already, the Pentagon has submitted force structure projections that extend through 2024, and Congress has approved DoD's Final Criteria for determining the status of existing bases and deciding which bases to close and realign. After the White House in mid-March, 2005, announced the preliminary BRAC nominations—recommended by Congressional party leaders and the Administration itself—President Bush on April 1 used his recess-appointment power to confirm the nine commissioners.⁸⁴ The Commission will wait until May 16, 2005, for the official release by the Secretary of Defense of the bases identified for closure or realignment (although it could be released before that date). Once the list has been announced, the Commission has until September 8, 2005 to review, analyze, and modify the Secretary's recommendations. During that time period, the Commission will hold public sessions at all of the bases recommended for closure. In an important change from past BRAC rounds, seven of nine votes on the Commission are required to add a base to the closure list; a simple majority, five of nine votes, can remove an installation from the list. By September 23, 2005, the President must approve the Commission's list of closures and realignments or disapprove and send it back to the Commission for further modification. If the President disapproves of the Commission's list, they have until October 20, 2005 to revise it. The President must transmit the closure and realignment list to Congress by November 7, 2005, or the BRAC process dies. Finally, by December 22, 2005, Congress must approve or disapprove of the list transmitted to them by the President. If they disapprove, the BRAC process dies; if they approve the list, the closures and realignments assume the power of law and bases will begin to close.

The criteria published in February 2004 for determining closures and realignments focus primarily on military value. Of the eight published criteria, the first four factors, which form the core of the criteria, address military value. They are as follows:

1. The current and future mission requirements and the impact on operational readiness of the total force of the Department of Defense, including the impact on joint warfighting, training, readiness, and research, development, test, and evaluation of weapons systems and equipment.
2. The availability and condition of land, facilities, infrastructure, and associated air and water space...at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future force requirements at both existing and potential receiving locations to support operations, training, maintenance, and repair.
4. Preservation of land, air, and water space, facilities, and infrastructure necessary to support training and operations of military forces determined to be surge requirements by the Secretary of Defense.⁸⁵

The final four criteria address “other considerations” and will generally be used as tiebreakers between bases that are considered equal under the military value criteria.

⁸³ *Selected Manpower Statistics for Fiscal Year 2003* shows 252,764 active duty military personnel (not including civilian personnel) overseas. There is no data for the number of civilian personnel employed by DoD overseas. Assuming that the military employs the same ratio of military personnel to civilian personnel at overseas bases as it does at domestic bases, total overseas personnel would be approximately 400,000. If that is the case, a 77,000 reduction in overseas personnel, would only be a 19 percent cut in overseas manpower.

⁸⁴ In doing so, the President circumvented the Senatorial confirmation process, which might have seriously delayed the closure round.

⁸⁵ Vol. 68 *Federal Register*, No. 246, December 23, 2003, 74222.

5. The extent and timing of potential costs and savings of base realignment and closure actions on the entire Federal budget, as well as the Department of Defense...Costs shall include those costs related to potential environmental restoration, waste management, and environmental compliance activities.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of the infrastructure of both existing and potential receiving communities to support forces, missions, and personnel, including quality of living standards for members of the Armed Forces and their dependents.
8. The environmental impact on receiving locations.⁸⁶

Two important points separate the criteria for the 2005 BRAC round from criteria for earlier rounds. First, in criteria “1”, the Pentagon included “joint warfighting” as a consideration, which refers to the shared use of resources by the various branches of the armed services. Developing joint capabilities among services has been a long-term goal of the current administration. As such, the Pentagon has explicitly stated that it will use the 2005 BRAC round to reshape the military, placing an emphasis on increasing efficiency through joint fighting capabilities.⁸⁷ Second, the Department of Defense has made a statutory change to the criteria, requiring that military value be *the* primary consideration, as opposed to one of the primary considerations, in determining which bases are closed.⁸⁸ This relegates economic impact on surrounding communities to a secondary criterion.

In the interest of avoiding political battles over base closures, the BRAC process is relatively insular, and consequently, quite difficult to influence. The Department of Defense, in conjunction with the four branches of the military, receives significant freedom to determine which bases are selected for closure and realignment. For more than a year, the Pentagon has been collecting and assessing information from all of its bases. Using that data, the Pentagon has constructed a variety of scenarios that simultaneously accomplish its long term military goal of reshaping the armed services and its base closing objectives. All of these decisions occur outside of public view, with no opportunity for public comment or criticism before the list is released. Over the past two years, a number of purported Pentagon base closure lists have surfaced on the internet or in newspapers.⁸⁹ DoD has consistently stated that any such list is not valid.⁹⁰

Despite the insulating nature of the BRAC process, base closures are not beyond the influence of politics. In general, there are three ways to affect the final list of base closures and realignments. First, before DoD publishes the list of closures and realignments, politicians, lobbyists, and community activists can use connections at DoD and in the executive branch to attempt to prevent a base from appearing on the May 16 list submitted by the Secretary of Defense. Second, the political party leaders in Congress influence the makeup of the BRAC Commission to insure that his or her constituents’ concerns are represented. Finally, once the Pentagon’s list has been released, politicians, retired military personnel, and community activists can argue the merits of their installation to the BRAC Commission at public hearings in the hope of convincing the commissioners to remove a base from the list.

⁸⁶ Ibid.

⁸⁷ *Report Required by Section 2912 of the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2003*, Department of Defense, March 2004, 41.

⁸⁸ See Frequently Asked Questions, <http://www.defenselink.mil/brac/02faqs.htm#07>.

⁸⁹ *Sierra News Herald*, November 14, 2003, <http://www.svherald.com/articles/2003/11/14/news/news2.txt>

⁹⁰ Ibid.

California, at the federal, state and local level, has already been active in attempting to protect its bases before the list is published. California's bipartisan Congressional Delegation has been unified and extremely vocal, emphasizing California's disproportionate losses from previous base closures and promoting California as an ideal home for the military.⁹¹ In November 2004, Governor Arnold Schwarzenegger created the California Council on Base Support and Retention.⁹² The Council—chaired jointly by Leon Panetta, President Bill Clinton's former chief of staff, and Donna Tuttle, a former Commerce Department official during the Ronald Reagan Administration—is charged with organizing a statewide effort to minimize the negative impact of the upcoming BRAC round on the state. In January 2005, the Council held a series of public sessions throughout the state in order to hear concerns from communities potentially affected by BRAC, and will submit a report to the Governor in April 2005. Governor Schwarzenegger and leaders of the State Legislature also have been visible in Washington in 2005, devoting a portion of their time during a February 2005 delegation to addressing the base closure issue and strategizing with the Bipartisan California Congressional Delegation and other decision makers.

Locally, a number of communities throughout the state have put together their own efforts to prepare for BRAC. These include, among others, Los Angeles Air Force Base Regional Alliance, the San Diego Regional Economic Development Corporation, the Beale Regional Alliance Committee and the Travis Community Consortium, which have raised more than \$1 million to lobby on behalf of California's bases. In January 2005, the League of California Cities, the California Chamber of Commerce, the California State Association of Counties (CSAC) and the California Space Authority (CSA) initiated a non-aggression compact, "in an effort to unite local governments, local government officials and community based organizations in support of military base retention and closure preparedness."⁹³ One base, Concord Naval Weapons Station, has even offered itself up for closure, preferring to develop the base's land, which is valued at approximately \$1 billion.⁹⁴ Already, before the release of the list of closures and realignments, California's preparation for the upcoming BRAC round is significantly more robust than for any of the previous rounds.

These pro-California preemptive BRAC campaigns serve several purposes. First and foremost, they represent genuine efforts to alert BRAC decision makers about California's BRAC history and the virtues of keeping California bases open. Because of the private nature of the BRAC process, however, it is very difficult to gauge the effectiveness of these pleas. Second,

⁹¹ In January 2004, California's 2 Senators and 50 of California's 53 Representatives sent a letter to the Department of Defense during the period for commenting on the BRAC criteria and urging changes. Requested changes/additions were as follows:

"1) Recognition of the value of intellectual capital and the synergy between the skilled civilian workers in California's communities and the critically important roles and missions they support at our military bases; 2) Consideration of the costs associated with reestablishing or realigning a military activity as it relates to the redevelopment of essential resources to the military mission, e.g. commercial suppliers, business and professional expertise, and technology clusters; 3) Broadening the concept of joint operations to include base functions and installations currently or potentially critical to the Department of Homeland Security; and 4) Recognition of the disproportionate contribution our State has already made to the streamlining of the military's base infrastructure."

Ultimately, DoD made no changes to its initial criteria.

⁹² In January 2004, Governor Schwarzenegger also sent a letter to the Department of Defense during the period for commenting on the BRAC criteria. His recommendations emphasized California's technological strengths, ample and available land for test facilities and training grounds, and homeland security threats. He also asked that the criteria place greater importance on the loss of intellectual capital on local infrastructures and on the costs of environmental cleanup.

⁹³ Press release, *Speaking with One Voice: Local Leaders Initiate a Non Aggression Compact Over Military Base Retention*, California State Association and California Space Authority, January 5, 2005.

⁹⁴ Michael Gardener, *Concord offers to give up military base*, San Diego Union-Tribune, January 18, 2005.

with the BRAC process largely out of state and local hands, elected officials can use such pre-BRAC efforts to encourage public support and demonstrate their public commitment to the bases in their communities.

The naming of nominees for the BRAC Commission on March 15, 2005 and the subsequent recess appointment of the Commissioners by the President on April 1, 2005, presented the first quasi-public opportunity to affect the BRAC process. Because the BRAC Commission has the power to add, remove or modify the fate of any base, on or off the list, having a person on the Commission with knowledge of a particular state and its concerns can provide significant power. Congressional leaders suggest individuals to serve on the Commission, who then must receive White House approval and Senate confirmation. The Senate Majority Leader (Sen. Bill Frist, TN) and the Speaker of the House (Rep. J. Dennis Hastert, IL) were each entitled to recommend two people for the Commission, while the Senate Minority Leader (Sen. Harry Reid, NV) and House Minority Leader (Rep. Nancy Pelosi, CA) suggested one name each. The President named the final three commissioners.

On February 17, 2005, President Bush used one of his recommendations to name former Veterans Affairs Secretary and current San Diego resident, Anthony J. Principi to chair the Commission. Mr. Principi's close ties to and understanding of California could prove very valuable to the state during the Commission's work. Sen. Frist proposed Harold W. Gehman Jr. of Virginia, a retired Navy admiral and former NATO supreme allied commander, and John G. Coburn, former commanding general of Army Material Command and the service's deputy chief of staff of Logistics. Rep. Hastert recommended James V. Hansen of Utah, a Navy veteran and former congressman who served on the armed services committee, and Samuel Knox Skinner of Illinois, a former Army reservist and one-time chief of staff and secretary of transportation under President George H.W. Bush. Sen. Reid proposed James H. Bilbray of Nevada, a former Army reservist and a former congressman who served on international relations, armed services and intelligence committees.⁹⁵ Rep. Pelosi recommended Philip Coyle of Los Angeles, California, a senior adviser to the Center for Defense Information and a former assistant defense secretary. The White House accepted all of the recommendations with the exception of Coburn; Lloyd Warren Newton of Connecticut, a retired Air Force General, was named in Coburn's place.

For his final two recommendations, the President named James T. Hill of Florida, a retired Army general and former combatant commander of the U.S. Southern Command, and Sue Ellen Turner of Texas, a retired Air Force brigadier general who is a member of the American Battle Monuments Commission.

From a California perspective, the Commission's makeup appears favorable. With the naming of Principi as the Chairman of the Commission and Coyle as a Commissioner, there will be at least two people familiar with California's unique strengths when the Commission reviews and revises the Pentagon's closure and realignment list. Additionally, four of the nine Commissioners hail from the Western region of the U.S., meaning that West Coast concerns are unlikely to be ignored.

Once the Pentagon releases the closure and realignment list on May 16, 2005, the Commission begins to review the Secretary's recommendations, pouring over records and analysis provided by DoD and holding hearings across the country at bases suggested for closure or realignment. This component of the process is fully public, and provides organizations outside of the federal government with an opportunity to argue the merits of a base. As mentioned above, California has already begun preparing in anticipation of these hearings. The California Congressional Delegation, the Governor, the California Council on Base Support and Retention, and local base support organizations will present arguments about why California should not lose bases.

⁹⁵ Former Rep. James Bilbray of Nevada is the cousin of former San Diego area Rep. Brian Bilbray.

The fate of bases can change during this review period. For example, a rough count shows that in the 1995 closure round, 18 of the approximately 140 bases scheduled for closure or realignment in the Secretary's list were saved—removed from the list—by the Commissions.⁹⁶ The Commission also added 9 bases not named by the Secretary to their final recommendations for closure.⁹⁷ For most bases, however, selection for the list is close to a “death sentence,” as the vast majority of the recommendations pass to the President and Congress unchanged. The modifications to the Commission's voting rules make it more difficult than in past BRAC rounds for the Commission to alter the Secretary's closure and realignment list.

Ultimately, after hundreds of visits to bases around the county, the BRAC Commission will submit a final list of base closures and realignments that requires Presidential and congressional approval. None of the past Commissions' final recommendations have ever been rejected by the President or Congress.

Once the list is finalized, the Department of Defense begins the actual closure process, which can be long and complicated. First, DoD produces an inventory of real and other assets at each of the bases designated for closure and conducts an environmental analysis of a closed base's suitability for transfer. Then, DoD begins organizing the transfer of the property. As GAO outlines, the Department first offers the property to other federal agencies. Any closed base that is not taken by other federal agencies is considered “surplus” and is then to be “disposed of through a variety of means to state and local governments, local redevelopment authorities, or private parties.”⁹⁸

When a surplus facility is deemed ready for the military's final departure, or more often well before then, DoD and public and private successors enter into protracted negotiations over transfer. Frequently, closed bases are handed over to economic development agencies consisting of decision makers from the affected community. The development agency then becomes responsible for the implementation of a reuse plan. In other instances, DoD will sell land on closed bases to private developers. Throughout the transfer and reuse process, the Department of Defense's Office of Economic Adjustment functions as the primary contact and source of support and supplemental funding for communities affected by base closures. As demonstrated by the brief examples described in the section on the history of base closures in California, the transfer and reuse of closed bases can proceed in a variety of ways that yield results with varying levels of success.

Conclusion

For practical purposes, the current BRAC process is well underway. In all likelihood Secretary Rumsfeld has already chosen some, if not all, of the bases that he will recommend for closure or realignment. As a result, at this point, the avenues for effecting meaningful change for bases in California are limited. With the Pentagon stating that 2005 round reductions may cut as much as 24 percent of installation capacity, it is all but certain that California will lose some bases and personnel.

The breadth of statewide and local base retention activities signals that California is far better prepared for the BRAC process than it was for the four earlier rounds of base closures. It is important, however, that the California Congressional Delegation, Governor, State Legislature, Council on Base Support and Retention, and local base advocates continue to use every tool at their disposal to limit the damage to California's bases. With the release of Secretary Rumsfeld's closure and realignment list in May 2005 and BRAC Commission hearings on the horizon, base proponents are preparing strong arguments that could be presented to the BRAC Commission,

⁹⁶ See <http://www.jameslandrith.com/dbcrc/appendix-i.html> 3/7/05

⁹⁷ Ibid.

⁹⁸ *Military Base Closure: Updated Status of Prior Base Realignment and Closures*, U.S. Government Accountability Office, GAO-05-138, January 2005, <http://www.gao.gov/new.items/d05138.pdf>, 3.

touting California's military value as the "Gibraltar of the Pacific." Complaining about the state's past inequities would likely be less effective than explaining the detrimental implications for national security of an inadequate Pacific Coast defense infrastructure. If all goes well, such preparation may avert California's experiencing anything near the gross disproportionality of cuts it suffered in 1988, 1991, 1993, and 1995.

Whereas preventing bases from selection for closure may be the state's first and most immediate priority, it is also incumbent on elected officials and community leaders to look past the initial trauma of base closures and work toward minimizing their impact. Delays and poor planning for reuse of closed bases in earlier rounds exacerbated the state's bad fortune. In the likely event that bases are closed during the 2005 BRAC, smart investment and quick, careful planning can make the reuse process less damaging to local economies and may ultimately lead to long-term economic growth. Federal and state financial support during the transformation stage can make a significant difference in the outcomes for closed bases. Reuse planning organizations would do well to examine the transitions at Fort Ord, George AFB, and (ultimately at least) Mather AFB to see how best to approach life after the announcement that a base will be closed.

The 2005 BRAC round will not be the last time that the Department of Defense closes installations. The most effective inoculation against the myriad ills of inevitable future closures is to make California the best and most hospitable home to the military that it can be. Although the current deficits in the state and federal budgets limit the ability to invest in the infrastructure that supports the military, base proponents can continually plan, organize, collaborate, and act. Local governments can make land use and encroachment regulations friendlier for existing military bases. State and local government and community leaders can promote affordable housing near base sites. Coordination of infrastructure improvement could raise the state's value as a facility host in the eyes of the Department of Defense. Ultimately, California could put itself in a position to receive, rather than lose, military personnel in future base closure rounds—but only if the state takes proactive steps to be a friendlier home for the military.

Four BRAC rounds battered California's military community, and their effects are still visible throughout the state. Looking forward, the lessons of California's past base closures can inform the state's future course. A united front and strategic outlook can help the state's defense-oriented communities survive, and thrive, regardless of what the 2005 BRAC round may yield.

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