Overseas Base Closures: Prospects and Impacts

Dr. Craig College, February 28, 2012
Overseas Base Closures: Prospects & Impacts

- Budget
- Europe Reductions
- Overseas Base Closure
- Impact on Domestic Installations
- European Perspective on Base Closures
The Fiscal Driver

Federal Deficit/Surplus

40-year average (1969-2009): -2.6%
FYDP average (2011-2015): -5.4%

FY08 – ($459B)
FY09 – ($1413B)
FY10 – ($1500B)
FY11 – ($1341B)
FY12 – ($915B)

FYDP average (2011-2015):
-5.4%

CBO 5 Mar 10 Projection
The Defense Budget Over Time

- Discretionary spending is ~35% of total federal budget – Defense budget is ~50% of discretionary spending
- Increasing emphasis on reducing spending/deficit – Congress and the Administration
- Historically, funding levels have decreased as military demand decreases

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The Army Budget

[Bar graph showing the Army budget from FY01 to FY13, with categories labeled Base, OCO, and OCO Request.]
Supporting Infrastructure

Reductions

Installations & sites returned to the Host Nation
- FY06: 07 Sites Returned (211 Acres, PRV .36B)
- FY07: 29 Sites Returned (2,986 Acres, PRV 2.48B)
- FY08: 26 Sites Returned (11,305 Acres, PRV 2.53B)
- FY09: 20 Sites Returned (7,816 Acres, PRV 2.71B)
- FY10: 08 Sites Returned (68 Acres, PRV .50B)
- FY11: 07 Sites Returned (298 Acres, PRV .51B)
Total: 97 (27 Major Closures* @ 23,224 Acres $9.1B PRV)

Announced Site Closures / Pending Actions (FY12-16)
- 22 Sites to Return 6,550 Acres $4.931B PRV
- 1 Garrison (USAG-BW) To Inactivate

DoD Agency Closure: (FY06-11)
- 22 DoDD Schools (- 578 staff positions)
- 14 DeCA Commissaries (-198 staff positions)
- 7 AAFES Main Post Exchanges / 74 other AAFES facilities

Inactivated 6 Garrisons
* AKA Wurzburg
** AKA Hanau
Franconia * FY06
Giessen FY07
Hessen ** FY08
Darmstadt FY08
Heidelberg FY10
Mannheim FY11

* Using OSD BRAC 05 Rules, Site w/$100M PRV = Major Closure
**USAREUR Transformation Overview**

**IMCOM-Europe Related Actions:**

- **Garrison Restructuring:** Close 2* and convert 2 Garrisons to sub-sites of their parent garrison
- **Site Reductions:** Close 9 sites (~$39.7M Annual Savings)
- **Logistics Transfer:** Region CPSSO, Consol Maint / Garrison DOLs to AMC FY13?
- **Build up of the Receiving (Enduring) Garrisons**
  - Maintain the Region’s Centralized SRM Account to support USAREUR Transformation
  - Establish the New USAG Vicenza Dal Molin site to support 173rd BCT consolidation

**USAREUR Units Relocations**

1. Returned 1st AD to Ft. Bliss (2011)
2. Relocate V Corps HQs to Wiesbaden (~2011)
3. Relocate USAREUR HQ to Wiesbaden (~2012-13)
4. **Inactivation of the 170th** (FY12) & 172nd HBCT (FY13)
5. Consolidate 173rd ABCT in Italy (2014)

* Pending HQDA TAA14-18 Force Structure decisions
USAREUR HQs C2 Consolidation

Consolidation at Wiesbaden Permits:
- Consolidation of USAREUR HQ, V Corps HQ, 5th Signal Cmd and 66th MI Bde
- Closure of 3 non-enduring communities; Mannheim, Heidelberg & Darmstadt
- Provides improved force protection, expansion capability and enhanced communications

$112M Annual Savings w/ROI of 3.4 Yrs

* 28 Closed / 20 Pending Closure

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USAG Schinnen Relocation

Leased Site Reduction

$3.7M Annual savings, ROI = 2.9 Years

NL Gov’t is funding $14M to Support the Move
Germersheim Army Depot

IMCOM-E use of Host Nation Payment-In-Kind (PIK) / SRM to fill in for recently cancelled /deferred MILCON

Germersheim Army Depot

MILCON Projects

- FY12 Central Distr. Facility for AAFES $21.0M
  - Allows for closure of AAFES Giessen Depot
  - Status: 95% design in progress
  - Construct 16,000 SF admin building (Renovate Brks Bldg)
  - Construct 48,000 SY container hardstand (Build Smaller)
  - Renovate 13 warehouses (Limit Scope)

- FY12 Infrastructure Upgrade (entire depot) $16.5M
  - Status: Design started 22 Nov 2011
  - 135,000 SY road construction & repair (Deferred)
  - Upgrade electrical service (Limit Scope)
  - Install water & gas lines (Limit Scope)

- FY09 Logistics Distr. Center, DLA $21.0M
  - Allows DDDE to relocate from “Big O” facilities
  - 235,000 SF warehouse & operations center
  - 10,000 SF admin facility
  - 6,000 SY concrete warehouse aprons

* Large Deferred Maintenance Bill

- $5.3M Annual BASOPs Cost*
Overseas Base Closure

1. IMCOM-Europe and USAREUR consult and determine which sites or entire installations would be excess to need.

2. USAREUR, nominates the site/installation to EUCOM for return.

3. EUCOM Staff reviews the proposal and coordinates to see if any other service could use. EUCOM coordinates with the affected Embassy to conduct a host nation sensitivity study. If no major issues, forward to Joint Staff. *(Staffing & Embassy coordination until EUCOM approval ~30 days)*

4. Joint Staff reviews, coordinates with the services and if no objections, forwards to OSD.

5. OSD Staff reviews, determines policy or NATO impact, notifies/coordinates w/ State Department, sends to Office of SECDEF for signature.
Overseas Base Closure

6. OSD returns signed approval memorandum to EUCOM.

7. EUCOM coordinates with USAREUR to set an official Host Nation notification date. EUCOM coordinates with Embassy to conduct classified Host Nation notification to affected Ministry of Defense/Federal Government.

8. USAREUR & IMCOM Public Affairs Officers coordinate a "Public Announcement" packet.
   a. USAREUR Liaisons notify state government officials.
   b. USAREUR Civilian Personnel Division notifies Local National Head Works council.
   c. Garrison Commanders notify affected Mayors, Local National Works Councils, and employees/family members of the action.
   d. Once notifications are complete, USAREUR & IMCOM-E Public Affairs release an official news release to U.S. and Local National news organizations.
WE JUST DO NOT KNOW FOR SURE……

• WHICH UNITS?
  • Recent announcement: (Army Times, 27 FEB 2012)
    - 170th Brigade (Baumholder) by Oct 2012.
    - 172nd Brigade (Schweinfurt/ Grafenwoehr) by end of 2013.
  • CG USAREUR has offered other units that may be better used in CONUS.
    - Military police companies, Engineer Brigade HQS, truck companies, logistic units

• WHEN & WHAT OTHER UNITS?
  • Await decision from the National Command Authority (President through Secretary of Defense)
Impact on Domestic Installations

• Primary:
  • The Army is drawing down to 490K from 569K
  • No authorities that permit Army to execute stationing decisions without standard Congressional notification
  • Potential BRAC

• Secondary:
  • Potential Overseas Base Closure
  • Not clear what will happen with other USAREUR units
  • Don’t know what other units will deactivate or relocate to CONUS
  • Reductions may relieve Installation / IMCOM budget constraints