

Alaska politicians pledge to oppose military base cutbacks

By DAN JOLING

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Defense Secretary Leon Panetta's announcement that the Pentagon will seek new rounds of military base closures drew a swift response from Alaskans who watched a similar process nearly gut Eielson Air Force Base in Fairbanks in 2005.

Alaska's congressional delegation and Gov. Sean Parnell issued a joint statement saying they will stand together to resist attempts to close or shrink Alaska bases.

"Alaska's military bases provide essential defense for the nation," Sen. Mark Begich, D-Alaska, said in the statement. "They are even more important with the administration's new focus on security concerns in the Pacific and with international attention on the changing Arctic."

Panetta at a news conference Thursday said the Army will be cut by 80,000 soldiers, from 570,000 to 490,000, by 2017. He also called for additional rounds of base closures and realignment.

Under the closure process, defense officials submit a list of bases to a Base Closure and Realignment Commission. The commission analyzes the recommendations and sends its own list to the president, who can ask for more evaluation. The president eventually sends the report to Congress, which can pass a joint resolution to reject the full report. If Congress does not pass the joint resolution, the report becomes law.

The military in May 2005 recommended closure of 33 major bases and substantial reductions at 29 more. That included the recommended partial shutdown of Eielson Air Force Base, the sprawling air field in the Fairbanks North Star Borough, which housed a squadron of F-16 fighters and A-10 Thunderbolts. The Defense Department recommended Eielson for "warm" status, a part-time base where squadrons from other bases could use for training.

Begich, Parnell, U.S. Sen. Lisa Murkowski and Rep. Don Young on Thursday stressed Alaska's strategic importance to the nation, but an underlying issue is the role the military plays in the state's economy — 32 installations, more than 23,000 active duty service members, more than 37,000 active family members. It adds up to more than 13 percent of the state economy.

The Pentagon in 2005 projected Eielson's loss at 2,821 military jobs and 319 civilian jobs — just under 4 percent of the Fairbank North Star Borough population without counting 3,300 dependents. The military estimated a savings of \$2.7 billion over 20 years at Eielson.

When the BRAC commission visited Fairbanks a month after the announcement, the community responded with fervor. More than 3,000 residents filled a civic center for the hearing. The late U.S. Sen. Ted Stevens, retired Air Force General Pat Gamble and retired Army Maj. Gen. Mark Hamilton, the current and former presidents of the University of Alaska, made impassioned statements in opposition to Eielson changes, noting its strategic importance on polar air routes and its location at the mid-way point of the trans-Alaska pipeline.

The testimony and show of community support worked. The base lost its A-10 warthogs but kept the F-16s and most permanent employees.

Young called Panetta's announcement unwelcome and not surprising, but said it's only the beginning of a long process that will include opportunities to support Alaska's military installations.

Begich said he supports saving money in nearly every area of the federal budget, including the cutting of overseas military bases, which are more expensive to operate and maintain.

"But requesting congressional approval to begin another domestic BRAC process in 2013, shortly after spending billions to complete the most recent BRAC round just doesn't make sense," he said.

Murkowski, who was serving her first term in 2005, said the military's increased commitment to Asia and the Pacific underscores the importance of Alaska bases.

"If the Defense Department is true to its strategy, contribution to the military mission should grow in the coming years," she said in the statement.

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Department of Defense to Request Additional Base Closures and Realignments: Implications for Contractors and Communities

On January 26, 2012, Secretary of Defense Leon Panetta unveiled key features of the Obama Administration's defense budget request for fiscal year 2013. Among the key features of the Department of Defense's (DOD's) spending priorities for fiscal year 2013 will be a request that Congress authorize at least one more round of domestic military base realignments and closures (BRAC rounds). If approved by Congress, new rounds of base closures could have both positive and negative implications for government contractors. The actual fiscal year 2013 budget request will not be transmitted to Congress until February 13.

Base realignment and closure refers to a process designed to save costs and increase operational efficiency by closing excess military installations and realigning and redistributing the asset inventory among remaining defense bases. More than 350 installations have been closed in five previous BRAC rounds: 1989, 1991, 1993, 1995 and 2005.

New legislation would be required to implement another BRAC round. If the legislation followed the process in the most recent 2005 round, then DOD would submit recommendations for closure/realignment to an independent commission (the BRAC Commission), which may accept, reject or amend the DOD recommendations. The revised list is then submitted to the President for approval. In the 2005 BRAC Round, DOD recommended 190 closures and realignments, and the BRAC Commission approved 119 with no changes and accepted 45 others with modest amendments. The Commission rejected 13 DOD recommendations and significantly modified 13 others.

Because base closures are so politically charged, recent rounds have been structured to insulate base closure recommendations from the normal political aspect of lawmaking. Under these procedures, the President certifies the recommendations of the BRAC Commission and transmits them to Congress. Fast track parliamentary procedures have been established so that the entire package of recommended base closures automatically goes into effect unless Congress adopts a joint resolution of disapproval rejecting the package within 45 days of the President's submission or the adjournment *sine die* of the session of Congress, whichever occurs earlier.

Experience with past BRAC rounds has shown that base closures and realignments can save the government money, although the savings have proved more modest than many initial forecasts.¹ There are also significant fiscal, economic and environmental consequences that flow from base closures at the state and local level, including the loss of jobs and challenges

with developing and implementing a viable base reuse plan. There are also strategic and operational considerations associated with BRAC for DOD.

For affected communities and contractors alike, the ability to ensure potential candidates for closure or realignment survive can often depend on making a case that such action would be inconsistent with evaluation and closure criteria. It is not too early for state and local governments whose installations will be under scrutiny to begin developing a national security and business case to resist closure or realignment.

For contractors with business operations at military installations subject to potential closure or realignment, particularly companies in the construction and service industries, the prospect of another BRAC round can have significant financial consequences. At this stage, it is important to assess which bases with company operations are the most likely candidates for closure or realignment. Ultimately, business judgments will have to be made about whether and in connection with which bases a company should wage a campaign (because that is what it will take) to shape the perceptions and decisions of DOD and a future BRAC Commission.

Given the political environment, it seems unlikely Congress will authorize another round of base closures and realignments in an election year. Nevertheless, given the size of the federal deficit and debt ceiling, the weak economy and the imperative for DOD to achieve real long term savings required by the Budget Control Act of 2011² (not to mention the threat of sequestration), one or more future rounds of base closure seem inevitable. As Deputy Secretary of Defense Ashton Carter recently said, "If we have ... unneeded basing structure in our armed forces in a time when we're trying to deal with the deficit reduction, national security imperative that we face, how can we not put on the table unneeded basing structure?"³ Businesses and communities that stand to be affected by another BRAC round should anticipate this eventuality and begin preparing now to protect their interests and be meaningful participants in the process.

¹ See, e.g., U.S. General Accounting Office, GAO/NSIAD 96-67, Military Bases: Closure and Realignment Savings Are Significant, but Not Easily Quantified, (Apr. 1996); U.S. Government Accountability Office, GAO-08-315, Military Base Realignment and Closures: Higher Costs and Lower Savings Projected for Implementing Two Key Supply-Related BRAC Recommendations, (Mar. 2008).

² Pub. L. 112-25.

³ Interview of Deputy Secretary of Defense Ashton Carter, PBS News Hour, Jan. 26, 2012, at <http://video.pbs.org/video/2190617039/#>.

Panetta: 'Sequestration' Would Upend Military Strategy

By Karen Parrish
American Forces Press Service

WASHINGTON, Jan. 8, 2012 – The Defense Department's new 10-year strategy will go "out the window" if the federal Budget Control Act's additional spending cuts go into effect next year, Defense Secretary Leon E. Panetta said.

"If we had to do over a trillion dollars in cuts in this department, I have to tell you that the strategy that we developed, we'd probably have to ... start over," Panetta said during an interview with Rachel Martin that aired today on the NPR program "Weekend Edition."

President Barack Obama unveiled the strategy in a rare Pentagon appearance Jan. 5 alongside Panetta and other DOD leaders, saying he called for the strategy review to inform the budget process. The strategy is based on \$487 billion in budget cuts over ten years.

The Budget Control Act, which Congress passed and Obama signed in August, includes automatic spending cuts across government, including about \$500,000 to the Defense Department, to go into effect in 2013. The sequestration cuts, as they are known, were triggered by a congressional committee's inability to agree on specific cuts last fall. Those across-the-board cuts will be in addition to the \$487 billion the administration has proposed in DOD savings, unless Congress takes additional action.

Officials would not discuss specific cost-cutting proposals before the budget is due out early next month. But Panetta said last week he knows many proposals in the fiscal 2012 budget request will be politically sensitive.

"There is no doubt that the fiscal situation this country faces is difficult, and in many ways we are at a crisis point. But I believe that in every crisis there is opportunity," he said on Jan. 5. "Out of this crisis, we have the opportunity to end the old ways of doing business and to build a modern force for the 21st century that can win today's wars and successfully confront any enemy, and respond to any threat and any challenge of the future."

The strategy calls for reducing the number of men and women in uniform. The secretary told NPR "the human side" of defense spending cuts makes difficult choices even harder.

"What's going to happen to those people that come back to this country from the battle zones? How are we going to deal with them? What kind of jobs are we going to be able to provide them? How are we going to care for them?" he said.

During the strategy's rollout at the Pentagon, Panetta repeated his often-stated pledge that DOD will "not break faith" with service members.

"I commit to you that I will fight for you and for your families," he said.

Troop cuts also will affect the military's ability to bring troops to bear quickly, Panetta told NPR.

"Part of our approach here is to make sure that we maintain a strong National Guard and a

strong reserve,” he said. “They have been fully operational — we have brought them into battle zones. They have gained as much experience as the active force. But ... if we are dealing with a leaner and meaner force, if we have to mobilize, there's only one place to go — and that's to the National Guard and to our reserve units.”

The new, leaner military will retain the ability to fight on multiple fronts, Panetta emphasized.

“That's the most important message the American people have to know,” he said. “This force is going to be able to fight any enemy, any aggressor that tries to take us on.”

The secretary said despite the strategy's emphasis on the Asia-Pacific region as a defense focus, he does not view China's military buildup as a direct threat to the United States.

“The fact is, as a major power, they have that capability,” he added. “What we have to ensure is that it's used for the right reasons.”

China and the United States face common threats in the region, the secretary said: “The whole issue of Korea and the stability of Korea, the whole issue of nuclear proliferation, the whole issue of providing free access to our ships that are operating in that area.”

Panetta said he intends for the military to work with China and other Pacific nations “to make sure that we secure that area for the future.”

Biographies:

Leon E. Panetta

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