



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2005

H.J. Res. 65 **Disapproving the Recommendations of the Defense Base Closure and Realignment Commission**

*As ordered reported by the House Committee on Armed Services
on September 27, 2005*

H.J. Res. 65 would disapprove the recommendations of the 2005 Defense Base Closure and Realignment Commission, preventing the Department of Defense from implementing those recommendations. Enacting the joint resolution would not affect direct spending or revenues. It would significantly affect spending subject to appropriation—because implementation of the Commission’s recommendations is likely to cost money in the near term, but save money over time. CBO has not prepared an estimate of such discretionary costs and savings; however, a summary of the Commission’s estimates is included below.

The Defense Base Closure and Realignment Act of 1990 set up a process by which military installations would be recommended for closure or realignment by an independent commission. The Department of Defense (DoD) would implement the recommendations unless the Congress were to enact a joint resolution disapproving them. Public Law 107-107, the National Defense Authorization Act for Fiscal Year 2002, authorized a new round of base closures and realignments for 2005, the first time since 1995, and authorized the establishment of a commission to review recommendations from DoD and to submit a final list of recommended closures and realignments to the President of the United States.

On September 8, 2005, the Commission released its recommendations, which called for closing or realigning the activities at 182 installations. When measured in 2005 dollars, the Commission's analysis indicates that these actions would cost \$5.5 billion over the 2006-2011 period, but would save \$4.2 billion annually after that implementation period, assuming that appropriations are reduced accordingly. Over 20 years, the Commission estimates that DoD could save over \$35 billion, including \$20 billion in savings associated with eliminating some military personnel positions at closed installations. However, since DoD's current force structure plans do not include a reduction in military personnel, the Commission notes that these savings are unlikely to be realized, and estimates that actual savings would be about \$15 billion over the 2006-2025 period.

The President concurred with the Commission's recommendations and transmitted them to the Congress on September 15, 2005. Under current law, if no action is taken by the Congress, DoD will begin closing and realigning the affected bases in 2006. Therefore, enactment of H.J. Res. 65 would cost money relative to current law because savings from the base closures would be forgone. All costs and savings related to those base closures and realignments would be subject to appropriation action. CBO has not prepared an independent estimate of the magnitude of the costs involved.

H.J. Res. 65 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is David Newman. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.