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DEFENSE INFRASTRUCTURE

Opportunities Exist to Improve the Navy's Basing Decision Process and DOD Oversight





Highlights of GAO-10-482, a report to congressional committees

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Why GAO Did This Study

Decisions by the military services on where to base their force structure can have significant strategic, socioeconomic, and cost implications for the Department of Defense (DOD) and the communities surrounding the bases. Each service uses its own process to make basing decisions. The House Committee on Armed Services directed GAO to review the services' basing decision processes. GAO examined the extent to which (1) the services have comprehensive processes in place that are designed to result in well-informed basing decisions and (2) DOD exercises management control of these processes. GAO reviewed and analyzed DOD and service guidance, studies, and relevant documents on implementation and oversight of the services' basing processes.

What GAO Recommends

GAO recommends that the Navy better link its basing guidance documents and ensure they adequately address management control, and the Secretary of Defense identify a lead office for oversight and establish guidance on the consideration of departmentwide priorities as part of the services' basing decision processes. DOD concurred with two, partially concurred with two, and nonconcurred with one of the recommendations.

What GAO Found

The Army, Marine Corps, and Air Force basing decision processes fully incorporate the key elements, associated factors, and management control standards that GAO identified as necessary in a comprehensive process; however, the Navy needs additional guidance for its process to be complete. GAO found that while the Army, Marine Corps, and Air Force each have issued comprehensive guidance for their basing processes that describes the organizational roles and responsibilities within the service, establishes links among all of the service's strategic and environmental guidance documents, and identifies the service's basing criteria, some of the Navy's guidance documents lacked detailed information about specific actions taken during the process and defined responsibility for completing certain types of analyses. For example, the Navy's Strategic Dispersal Flow Chart—one of the five guidance documents used to implement the Navy's process—shows that some types of analyses are conducted to review a range of considerations, such as access to training areas, sailor and family quality of life, and ship size, for a particular basing decision. But the document does not describe in any detail how and by whom these analyses will be conducted. Additionally, Navy guidance does not provide a clear explanation of how its five guidance documents are linked together in implementing the Navy's overall basing process. Without comprehensive and clear guidance on all aspects of the Navy's overall basing decision process, the Navy may lack the completeness and management control to ensure that Navy basing decisions can facilitate external stakeholders' examination and scrutiny or ensure effective implementation of the Navy's basing process.

The Secretary of Defense has not set a policy or assigned an office a clear role for providing management control of the services' basing decision processes within the United States, and as a consequence may lack reasonable assurance that certain departmentwide initiatives will be fully supported in the services' basing decisions. The Office of the Secretary of Defense (OSD) officials said that OSD is promoting joint sharing of DOD facilities and seeking to ensure that domestic basing decisions support global operations. However, OSD has not fully promoted service consideration of the joint sharing, global operations, and potentially other initiatives because the Secretary of Defense has neither provided a comprehensive policy for, nor clearly assigned an office within OSD to oversee domestic service basing processes. Without OSD guidance and an office to provide effective oversight of military service basing decision processes, the Secretary of Defense lacks reasonable assurance that departmentwide initiatives are adequately considered by the services in their domestic basing decision making.

[View GAO-10-482 or key components.](#)
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Abbreviations

BRAC	Base Realignment and Closure
DOD	Department of Defense
OSD	Office of the Secretary of Defense

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Congressional Committees

Decisions by the military services on where to base their force structure¹ in the United States (the 50 states and the District of Columbia) can have significant strategic, socioeconomic, and cost implications for the Department of Defense (DOD) and the communities surrounding the bases. Basing decisions can often result in changes to the numbers of personnel, military families, and defense-related contractors working or living at DOD installations and to the bases' infrastructure, operational, and support requirements. Similarly, these decisions can have an effect on off-base infrastructure, community services, businesses, and environmental considerations of local communities. As a result, the services' basing processes need to be comprehensive and service basing decisions to be transparent, repeatable, and defendable. Each of the military services—the Army, the Navy, the Marine Corps, and the Air Force—uses its own process to make basing decisions within the United States that are not made under the base realignment and closure (BRAC) legislation.²

In its June 2009 report on H.R. 2647, the House Committee on Armed Services directed GAO to review the services' basing decision processes to determine the manner in which the services consider and utilize the following factors in making military basing decisions: changes to military force structure, strategic imperative and risk assessment, cost, input from combatant commanders, and environmental and socioeconomic impacts. In response to this report,³ our objectives were to examine the extent to which (1) the services have comprehensive processes in place that are designed to result in well-informed basing decisions within the United

¹ We use "force structure" to mean military equipment (numbers, size, and composition of the units that constitute U.S. defense forces, e.g., divisions, ships, and air wings) and military personnel.

² Congress authorized the 2005 round of the BRAC process with the passage of the National Defense Authorization Act for Fiscal Year 2002, Pub. L. No. 107-107, § 3001 (2001), which extended the authority of the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510, Title XXIX (1990), with some modifications. Under the BRAC process, the Secretary of Defense must follow specific legislative requirements in making recommendations to realign or close military installations.

³ H.R. Rep. No. 111-166, at 537-538.

States (50 states and the District of Columbia) that are not made under the BRAC legislation and (2) DOD exercises management control, such as providing guidance and oversight for the services' basing decision processes. In addition, the report requested information about the approach used by the Navy in making its recent decision to homeport a nuclear-powered carrier at Mayport, Florida; this information is provided in appendix II.

To address the first objective, we obtained the military services' basing decision regulations, instructions, or orders and other pertinent documentation provided by the services.⁴ We interviewed service officials to gain an understanding of the processes and analyzed the services' basing decision processes using an assessment tool we developed. This tool identifies the key elements, including specific factors within each element, and management control standards⁵ designed for a process to be comprehensive and its decisions to be transparent, repeatable, and defendable. In developing this assessment tool, we conducted a literature search of prior GAO reports on relevant subject areas, including results-oriented government, resource decisions, internal control,⁶ military force structure issues, defense management challenges, and BRAC legislation that includes criteria and planning processes. We also considered the factors that the House Committee on Armed Services included in its report—changes to military force structure, strategic imperative and risk assessment, cost, input from combatant commanders, and environmental and socioeconomic impacts. We discussed the services' basing processes, our assessment tool, and analyses with DOD and service officials knowledgeable about making basing decisions. Our review focused on assessing the services' processes. We did not assess the extent to which the services implemented their guidance and processes to support past basing decisions. We interviewed officials from the offices of the Under Secretary of Defense for Policy and the Deputy Under Secretary of Defense for Installations and Environment and the Joint Staff and Army, Navy, Air Force, and Marine Corps headquarters and command staff. In commenting on our assessment tool, the Office of the Secretary of Defense

⁴ The Army's regulation and the Air Force's instruction regarding basing were being updated during our review; we used both the old and new versions.

⁵ GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

⁶ The five standards of internal control are control environment, risk assessment, control activities, information and communications, and monitoring.

(OSD) and service officials agreed that our tool was reasonable and complete. We also interviewed staff at U.S. Northern and U.S. Southern Commands to obtain an understanding of the combatant commands' participation in the services' basing decision processes.

To address the second objective, we analyzed relevant law, the military services' basing decision regulations, instructions, or orders and other pertinent documentation to identify the roles and responsibilities within DOD and management control of the services' basing decision processes. We interviewed officials from the offices of the Under Secretary of Defense for Policy and the Deputy Under Secretary of Defense for Installations and Environment to determine how DOD exercises management control, such as oversight, to coordinate and facilitate basing decisions across the services. Additionally, in our examination of the Navy's decision to establish a second East Coast nuclear-capable homeport at Mayport, Florida, we obtained and reviewed key Navy and DOD strategy and planning documents, relevant law and legislative history, environmental studies, and other supporting documentation. We interviewed officials in OSD and Navy officials knowledgeable about the Navy's rationale for its Mayport decision. We also visited and interviewed Navy officials at Naval Air Station North Island, California, and Naval Station Mayport, Florida, to understand the extent of potential upgrades required to homeport a nuclear-powered aircraft carrier at Mayport. Additional information on our scope and methodology is provided in appendix I.

We conducted this performance audit from July 2009 through May 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Roles in the Basing Decision Process

The secretaries of the Army, Navy,⁷ and Air Force have a key role in making decisions on where to locate their services' forces when they are not otherwise employed or deployed by order of the Secretary of Defense or assigned to a combatant command. The service secretaries are authorized, subject to the authority, direction, and control of the Secretary of Defense, to conduct all affairs of their departments—including functions such as organizing, equipping, training, and maintaining⁸ force structure. The secretaries also have the authority to construct, maintain, and repair buildings, structures and utilities, and to acquire the real property or interests in real property necessary to carry out their responsibilities. In addition, the secretaries may assign forces under their jurisdiction to carry out these functions, unless otherwise directed by the Secretary of Defense or the forces are assigned to a combatant command.⁹

The Secretary of Defense has authority, direction, and control over DOD,¹⁰ including the military services, and may perform any of his functions through organizations of the department as he may designate, unless prohibited by law.¹¹ Furthermore, OSD was established in part to assist the Secretary of Defense in carrying out his duties and responsibilities and to carry out such other duties as may be prescribed by law.¹² Senior officials within OSD develop policy and guidance for their unique areas of responsibility. For example, among the duties of the Under Secretary of Defense for Acquisition, Technology and Logistics is establishing policies

⁷ The Department of the Navy includes the operating forces of the Marine Corps. 10 U.S.C. § 5061(4).

⁸ 10 U.S.C. § 3013(b), (c); § 5013(b), (c); § 8013(b), (c); and § 113(b). This authority is also subject to the assignment of forces to the combatant commands. See § 162.

⁹ See 10 U.S.C. § 162(a); see also § 3013(b), (c), (g); § 5013(b), (c), (g); § 8013(b), (c), (g); Department of Defense Directive 5100.1, *Functions of the Department of Defense and Its Major Components* (Aug. 1, 2002).

¹⁰ 10 U.S.C. § 113(b).

¹¹ 10 U.S.C. § 113(d).

¹² 10 U.S.C. § 131(a).

for logistics, maintenance, and sustainment support for all elements of DOD.¹³

DOD periodically monitors, as part of its oversight role, its significant investments of military force structure and resources through its Quadrennial Defense Review that is generally conducted every four years.¹⁴ Under law, the Secretary of Defense is to conduct a comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the country's defense program and policies with a view toward determining and expressing the nation's defense strategy and establishing a defense program for the next 20 years.

Overview of the Services' Basing Decision Processes

The four military services each use different terminology and definitions when describing their basing decision processes. For example, the Army describes its basing decision process as "stationing," the Marine Corps generally uses the term "force laydown," and the Air Force uses the term "beddown." The Navy describes its basing decision process using the terms "strategic laydown" and "strategic dispersal;" the strategic laydown process provides the Navy with a methodology to align, organize, and position naval forces between the Atlantic and Pacific Fleets. The strategic dispersal process is used to determine the distribution of ships by homeport in regard to infrastructure, operational availability, proximity to ranges and support, port loading, quality of service and quality of life, and antiterrorism and force protection factors. For the purposes of this report, we use "basing" to refer to the services' processes to make decisions about where to establish locations for their force structure within the United States (the 50 states and the District of Columbia) that are not made under BRAC legislation.

Our analysis showed that, generally, each of the services has established a basing decision process that uses similar criteria, scope, and methodologies to determine where to locate its force structure within the United States and globally. The basing process begins by the service identifying the goals for the planned change in the location of military force structure. The service then conducts a series of analyses, such as capability and capacity analyses, to determine the specific requirements

¹³ 10 U.S.C. § 133(b)(3).

¹⁴ 10 U.S.C. § 118.

for meeting those goals. Based on the results of the services' analyses, potential installations are identified. Further analyses are conducted using cost estimates and environmental considerations to develop a list of candidate basing locations. The candidate locations are presented to the service's leadership, and after further review, a final basing decision is reached. Throughout their processes, the services conduct multiple risk assessments; coordinate with internal and external stakeholders, including combatant commanders; and use military judgment to support their decisions.

The services have guidance documents that are used to implement the processes for making basing decisions within the United States and not made under the BRAC legislation. This guidance and its implementation is part of the services' management control, which provides oversight of the basing processes. In addition, service officials stated that the same guidance and processes are used to make overseas or global basing decisions. The Army, Marine Corps, and Air Force use a comprehensive regulation, order, and instruction, respectively, for their processes. According to Navy officials, the Navy currently uses five guidance documents¹⁵ to implement its basing decision process:

- Chief of Naval Operations Instruction: *Navy Organization Change Manual*
- Strategic Laydown Flow Chart
- Strategic Dispersal Flow Chart
- Chief of Naval Operations Instruction: *Environmental Readiness Program Manual*
- Secretary of the Navy Instruction: *Environmental Planning for Department of the Navy Actions*

As an aspect of management control—to continually seek ways to better achieve an agency's mission and program results—each of the services is taking steps to strengthen its basing process. The Army and Air Force have made revisions to their regulation and instruction, respectively, to incorporate changes made in how their processes are conducted. For

¹⁵ The Navy's five guidance documents: (1) Chief of Naval Operations Instruction 5400.44: *Navy Organization Change Manual* (Oct. 5, 2007); (2) Strategic Laydown Flow Chart; (3) Strategic Dispersal Flow Chart; (4) Chief of Naval Operations Instruction 5090.1C: *Environmental Readiness Program Manual* (Oct. 30, 2007); and (5) Secretary of the Navy Instruction 5090.6A: *Environmental Planning for Department of the Navy Actions* (Apr. 26, 2004). Navy officials stated that the flow charts are guiding documents. We are using the term guidance to describe all of the Navy's documents to implement its basing process.

example, Army officials stated that the Army's basing regulation will incorporate an analysis of military value,¹⁶ which was identified as a priority criterion to be used by the Secretary of Defense during the BRAC process. Army officials said that the addition of this analysis in its process will provide more data to its leaders for making future basing decisions. Air Force officials told us that the Air Force recently changed from a decentralized to a centralized process to better clarify roles and responsibilities in the process and ensure that the Air Force performs an objective review of all operational and training options. The Marine Corps' most recent revisions to its basing process clearly emphasizes the integration of strategic guidance (top-down direction) and commander-generated recommendations (bottom-up requests); mandates a detailed integrated examination of doctrine, organization, training, materiel, leadership, personnel, and facilities; and explicitly defines leadership roles and responsibilities. Navy officials stated that while the Navy has used its strategic laydown process to make basing decisions for the past 20 years, it recently refined the process and added a strategic dispersal process, which was designed to align with the transformation described in the 2006 Quadrennial Defense Review and the Navy's Maritime Strategy.

GAO Assessment Tool Used to Evaluate the Services' Basing Decision Processes

To assist in evaluating the military services' basing decision processes, we developed an assessment tool that included the key elements, factors within the elements, and management control standards¹⁷ that are part of a comprehensive process, and when incorporated in the process, increase its transparency, repeatability, and defendability. Our tool includes four key elements—strategic and force structure planning, infrastructure analysis, implementation considerations, and authority for making the basing decision—together with various factors that make up each element (see table 1). Within each of the four key elements are a series of factors that represent supporting analyses and activities that are important for completing the element. The strategic and force structure planning element, for example, includes factors such as national strategies, DOD and service planning and guidance documents, the results of risk

¹⁶ In assessing military value, DOD components typically identify multiple attributes, facets, or evaluative components related to each military value criteria, then identify a number of qualitative metrics and numerous questions to collect data to support the overall military value analysis.

¹⁷ The five standards of internal control are control environment, risk assessment, control activities, information and communications, and monitoring.

assessments, and military judgment. Risk assessment is also considered as a factor in the infrastructure analysis and implementation considerations elements and as a standard for management control.¹⁸ In commenting on our assessment tool, OSD and service officials agreed that our tool was reasonable and complete.

¹⁸ *Standards for Internal Control in the Federal Government* provides that risk assessment is the identification and analysis of relevant risks associated with achieving agency objectives, and the specific risk analysis methodology used can vary by agency because of differences in agencies' missions and the difficulty in qualitatively and quantitatively assigning risk levels. [GAO/AIMD-00-21.3.1](#).

Table 1: Key Elements, Factors, and Management Control Standards of GAO's Assessment Tool for Evaluating the Services' Basing Decision Processes

Key elements	Factors within each key element
Strategic and force structure planning	<ul style="list-style-type: none"> • Consideration of national level strategies • Consideration of DOD/service planning and guidance documents • Coordination with and input from other stakeholders, including combatant commanders • Risk assessment • Military judgment
Infrastructure analysis	<ul style="list-style-type: none"> • Clear definition of requirement(s) • Consideration of DOD/service infrastructure plans • Capability analysis • Capacity analysis • Coordination with and input from other stakeholders, including combatant commanders • Order of magnitude cost estimate • Risk assessment • Military judgment
Implementation considerations	<ul style="list-style-type: none"> • Consideration of regional or installation infrastructure plans • Detailed cost estimate • Environmental impact • Socioeconomic impact • Coordination with and input from other stakeholders • Risk assessment • Military judgment
Authority for making the basing decision	<ul style="list-style-type: none"> • Determination of the basing decision and approval by applicable service secretary or the Secretary of Defense
Management control	Five standards for management control
Management control	<ul style="list-style-type: none"> • Control environment • Risk assessment • Control activities • Information and communications • Monitoring

Source: GAO.

Management control underpins the entire basing process, and the *Standards for Internal Control in the Federal Government*¹⁹ provides a foundation that can help government program managers achieve desired results through effective stewardship of public resources. Management

¹⁹ GAO/AIMD-00-21.3.1.

control comprises the plans, methods, and procedures used to meet the organization's missions, goals, and objectives and consists of five standards—control environment, risk assessment, control activities, information and communications, and monitoring. For example, management control recommends that an organization issue a governing instruction that specifies who is responsible for each step of a process, including oversight and review of decisions made at critical steps by an official or group other than those who made the original decision, and directs those responsible to document the steps of a key decision process, such as the basing decision process.

The Army, Marine Corps, and Air Force's Basing Decision Processes Are Comprehensive, but the Navy's Process Lacks Guidance in Some Areas

The Army, Marine Corps, and Air Force basing decision processes include all of the key elements, associated factors, and management control standards that we identified as necessary in a comprehensive process and that when incorporated in the process, increase its transparency, repeatability and defendability. However, the Navy's basing process needs additional guidance for its infrastructure analysis—a key element—and for related management control standards for its process to be complete. We found, for example, that one of Navy's guiding documents—the Strategic Dispersal Flow Chart—did not provide details about how and by whom specific actions will be done during the process. In addition, management control underpins all aspects of a basing decision process, and the *Standards for Internal Control in the Federal Government* recommends policies and procedures to enforce management's directives; specify who is responsible for each step of the process, including oversight and review of decisions made; and direct those responsible to maintain appropriate documentation. Specifically, we found that some of the Navy's guidance documents do not provide detailed information about how certain types of analyses will be completed and who is responsible for completing them. Additionally, Navy officials acknowledged that the Navy has not clearly described the linkage between all five guidance documents it uses to implement its basing decision process. Without comprehensive and clear guidance of the Navy's overall basing decision process, the Navy may lack the completeness and management control to ensure that its basing decisions can facilitate external stakeholders' examination and scrutiny or ensure effective implementation of Navy's basing process.

The Army, Marine Corps, and Air Force Basing Processes Are Comprehensive, but Navy's Guidance Is Incomplete

Our assessment found that the Army, Marine Corps, and Air Force basing processes incorporated all of the key elements, associated factors, and management control standards that we identified as necessary for a process to be comprehensive and its decisions to be transparent, repeatable, and defendable. However, the Navy has not provided complete guidance for its infrastructure analysis—a key element—and for some of its related management control standards in its basing process. Figure 1 summarizes our assessment and the rating we assigned to the key elements and management control for each of the services' basing decision processes.

Figure 1: GAO's Assessment of the Services' Basing Decision Processes

Service basing decision processes				
Key elements	Army	Navy	Marine Corps	Air Force
Strategic and force structure planning	●	●	●	●
Infrastructure analysis	●	■	●	●
Implementation considerations	●	●	●	●
Authority for making basing decision	●	●	●	●
Management control	●	■	●	●

Assessment categories:

- Incorporates the key elements or management control to a large extent
- Incorporates the key elements or management control to some extent
- Incorporates the key elements or management control to a little or no extent^a

Sources: GAO analysis.

^a None of the services fell into this category.

During our assessment, we found that the Army, Marine Corps, and Air Force incorporate the key elements and management control to a large extent. The following are examples of how each of these services incorporated one of the key elements and the management control standards during its basing process:

- Strategic and force structure planning element: According to Army planning officials, they would ask about the strategic risk of performing

a mission or not performing a mission and would complete tactical and strategic risk analyses using Army's force structure.

- Infrastructure analysis element: In implementing their guidance, the Marine Corps required that a list of location alternatives and associated implications be submitted to the Marine Requirements Oversight Council for approval.
- Implementation considerations element: According to officials, the Air Force would rank the potential locations and determine which locations could best meet the Air Force's basing needs.
- Management control standards: The Army, Marine Corps, and Air Force guidance documents clearly defined which office is responsible for each step of the process and who had the authority to make decisions at various steps, allowed for oversight and review of decisions made at critical steps, and developed records associated with various steps that provided evidence that the process was being followed.

We also found that the Navy incorporated to a large extent three out of the four key elements in its basing process. For example, in the implementation considerations element, as part of the Navy's basing process, the Navy uses its Environmental Readiness Program Manual, which considers regional or installation infrastructure plans, detailed cost estimates, environmental impacts, socioeconomic impacts, coordination with and input from other stakeholders, risk assessment, and military judgment during the process of assessing environmental impact. In addition, the Navy has coordinated with senior leadership within the office of the Secretary of the Navy and Naval Facilities Engineering Command and with other applicable agencies, such as the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, the U.S. Army Corps of Engineers, and the Environmental Protection Agency. Furthermore, the Navy has performed risk assessments for such events as hurricanes, man-made disasters, and other military and port threats. However, for its infrastructure analysis key element and for related management control standards, the Navy needs additional guidance for its process to be complete.

Some Navy Guidance Lacks Specific Details

Our assessment, found, however, that some of the guidance that the Navy uses to implement its basing process is incomplete. The Army, Marine Corps, and Air Force have a regulation, order, and instruction²⁰

²⁰ The Army and Air Force had prior versions of their regulation and instruction, respectively, for basing, but these documents were currently under revision at the time of our review. We used both the old and new versions and held discussions with service officials regarding the revisions. The Navy and Marine Corps have current versions of their basing guidance documents.

respectively, which describe the organizational roles and responsibilities; links between other necessary strategic and environmental guidance documents; and service basing analyses, factors, and criteria that should be used when making basing decisions. However, some of the Navy's current guidance documents, primarily used for the infrastructure analysis key element and management control, do not contain detailed information about the specific actions that are taken during its basing process or clearly define who is responsible for completing certain types of analyses. In addition, according to Navy officials, the Navy uses the following five guidance documents to implement its overall basing decision process: (1) Chief of Naval Operations Instruction: *Navy Organization Change Manual*, (2) Strategic Laydown Flow Chart, (3) Strategic Dispersal Flow Chart, (4) Secretary of the Navy Instruction: *Environmental Planning for Department of the Navy Actions*, and (5) Chief of Naval Operations Instruction: *Environmental Readiness Program Manual*. However, Navy guidance does not provide a clear explanation for how all of these guidance documents are linked together in the process.

In reviewing the infrastructure analysis element of the process, we found that the Navy's Strategic Dispersal Flow Chart neither includes sufficient detail about the specific actions nor provides clearly defined responsibilities in the organization for completing and coordinating them. For example, the flow chart shows that some types of capability and capacity analyses of potential homeport locations are conducted that take into consideration access to training areas, sailor quality of life, family quality of life, and collocating of ships, and support units and planned military construction projects, port capacity and loading, pier space, and ship size, respectively. However, the Strategic Dispersal Flow Chart does not describe in any detail how the analysis is to be conducted and who is to conduct it. Furthermore, while Navy officials stated that there are working groups with appropriate stakeholders throughout the Navy's basing process, we found that the Navy's Strategic Dispersal Flow Chart does not describe in detail the type of coordination with other stakeholders that should occur.

For management control, our assessment showed that some of the Navy's five guidance documents only partially describe the standards for management control—risk assessment, information and communications, control environment, control activities, and monitoring. Specifically, some of the Navy's basing process guidance documents do not

- describe how risk is evaluated and who conducts this analysis;

-
- provide detail to show how information flows down, across, and up the organization, or identify the means of communication with external stakeholders;
 - clearly define key areas of authority and responsibility and establish appropriate lines of reporting;
 - properly document policies and procedures, such as approvals and the creation and maintenance of related records, which would provide evidence that these activities have been executed;
 - show how regular management and supervisory activities and other actions are performed during the normal course of its basing decision process; and
 - clearly link all five guidance documents to enforce management's directives.

Two of the Navy's guidance documents lack specific key management controls. First, the Navy's Strategic Laydown Process Flow Chart does not describe how risk assessment should be evaluated. Second, the Navy's Strategic Dispersal Flow Chart does not show how and who is responsible for conducting and evaluating risk assessment, how information is disseminated within the organization, and how it is exchanged with external stakeholders; clearly define key areas of authority and responsibility and establish appropriate lines of reporting; show proper documentation in executing the process and how it should be maintained; show how regular management and supervisory activities are performed during the normal course of Navy officials' duties; and show the organizational roles and responsibilities for completing and coordinating this process.

Navy's Guidance Documents Are Not All Clearly Linked

While each of the Navy's five guidance documents for its basing process provides support for one or more key elements or for management control, Navy officials could not identify to us any guidance or related documents that clearly describe how these guidance documents are linked together in the process. For example, Navy officials told us that the flow charts describing its strategic laydown and strategic dispersal processes were the primary documentation used to support Navy's basing methodology. However, these flow charts do not describe the Navy's entire basing decision process. Specifically, the flow charts do not provide references to show that the Navy's organization change manual and the two environmental planning guidance documents are also a part of the overall basing process. In addition, Navy officials acknowledged that without the linkage of these five documents, the Navy's basing process may not be transparent to outside stakeholders. Since the five guidance documents are not all clearly linked, Navy management and staff may not have a clear and complete understanding of the roles, responsibilities, and

relationships between various organizations within the process; the range of actions, analyses, and supporting documentation required; and the interrelationship of all the elements, factors, and management control standards needed to implement the process.

OSD Does Not Have a Clear Process to Exercise Management Control over the Services' Basing Decision Processes

The Secretary of Defense has not set a policy or assigned an office a clear role for providing management control of the services' basing decision processes within the United States and not made under the BRAC legislation, and as a consequence may lack reasonable assurance that certain DOD-wide initiatives will be fully supported in service basing decisions. Specifically, in its 2007 Defense Installation Strategic Plan, DOD indicated it would attempt to reshape the overall structure of its installations in the United States to better support all DOD components and joint warfighting needs.²¹ In addition, DOD is continuing its efforts to reduce the number of troops permanently stationed overseas and consolidate overseas bases. Moreover, the *2007 Defense Installation Strategic Plan's "Right Management Practices"* goal suggests the DOD intends to embrace best business practices and modern asset management techniques to improve its installation planning and operations. *Standards for Internal Control in the Federal Government* recommends that management control should be built into an organization to help managers run it and achieve their aims on an ongoing basis. OSD officials told us that OSD provides management control over basing issues through its annual reviews of the services' budgets and other program reviews, such as the Quadrennial Defense Review.²²

According to OSD officials, even though OSD is developing policy and plans to prepare guidance for its overseas basing process, which DOD refers to as global basing, OSD has no current plans to develop a policy for the services' basing processes within the United States. As a result, these officials acknowledged that there is no departmentwide policy that provides direction to the military services on how departmentwide issues, such as the potential sharing of DOD facilities by the services and global basing and operations, should be considered in evaluating domestic basing alternatives. Furthermore, the Secretary of Defense has not sufficiently delegated to an office within OSD a clear line of authority and responsibility for providing the guidance and oversight of the services'

²¹ DOD components include Army, Navy, Marine Corps, Air Force, and Defense Agencies.

²² Department of Defense, *2010 Quadrennial Defense Review* (February 2010).

domestic basing processes. Nonetheless, officials from the offices of the Under Secretary of Defense for Policy and the Deputy Under Secretary of Defense for Installations and Environment told us that it is important for the military services to consider any potential impacts that the services' basing decisions could have on joint sharing of DOD facilities and global basing and operations. However, these officials also stated that it is unclear to what extent the services' basing processes include risk assessment questions that take into consideration a cross-service perspective of base planning to share DOD facilities jointly and any impacts that the services' basing decisions within the United States may have on global basing and operations.

OSD officials stated that DOD has recently taken steps toward establishing an integrated process to assess and adjust global basing. DOD established the Global Posture Executive Council, which is responsible for facilitating global posture²³ decisions and overseeing the assessment and implementation of global posture plans. In a July 2009 report, we identified a weakness in DOD's approach, despite these positive steps.²⁴ Specifically, as of July 2009 when we issued our report, DOD had not yet reported on global posture matters in a comprehensive manner. In that report, DOD concurred with our recommendations to (1) issue guidance establishing a definition and common terms of reference for global defense posture; (2) develop guidance requiring the geographic combatant commands to establish an approach to monitor initiative implementation, assess progress, and report on results; and (3) establish criteria and a process for selecting and assigning lead service responsibilities for future locations. OSD officials told us that since the services use the same processes for making basing decisions both within the United States and globally, OSD could similarly exercise management control of the services' basing processes through its global defense posture policy to oversee basing decisions within the United States, but had not generally done so to date. In addition, these officials stated that the global defense posture policy draft is expected in spring 2010; however, officials did not know when it would be formally issued. Without implementing a DOD-wide policy that

²³ Realigning the U.S. overseas posture involves closing obsolete and redundant bases, constructing new facilities costing billions of dollars, and ensuring that other needed infrastructure is in place to support realigned forces and missions.

²⁴ GAO, *Force Structure: Actions Needed to Improve DOD's Ability to Manage, Assess, and Report on Global Defense Posture Initiatives*, GAO-09-706R (Washington, D.C.: July 2, 2009).

includes guidance and oversight of the military services' basing processes and assigns an OSD office with authority and responsibility for providing this oversight, the Secretary of Defense lacks reasonable assurance that DOD plans for sharing facilities among the services, possible impacts on global basing and operations, or other departmentwide issues are adequately considered by the services in their basing decision making.

Conclusions

While the Army, Marine Corps, and Air Force each have established comprehensive basing processes for determining where to base its force structure in the United States, the lack of completeness in two of the Navy's five guidance documents and lack of clear linkage between its multiple guidance documents may limit the understanding of its process both internally and externally and the Navy's ability to implement its process consistently. Without comprehensive basing processes with detailed guidance and instructions, DOD may not have assurance that the services' basing decisions are transparent, repeatable, and defendable. Additionally, in light of the substantial costs and potential strategic and socioeconomic impacts on DOD operations and interests of the communities surrounding the bases that can result from the services' basing decisions, it is important to include DOD-wide considerations, such as joint use of facilities by the services and global basing and operations, in the services' basing processes. While DOD does exercise management control through its budget and program reviews, the department may not have sufficient guidance and oversight of the services' basing processes to ensure that departmentwide priorities are fully considered in the services' basing decisions.

Recommendations for Executive Action

To improve the Navy's ability to make well-informed basing decisions that are transparent, repeatable, and defendable, we recommend that the Secretary of Defense direct the Secretary of the Navy to take the following three actions to strengthen the Navy's guidance and associated documentation for its basing decision process:

1. In its Strategic Laydown Flow Chart, clearly describe how risk is evaluated.
2. In its Strategic Dispersal Flow Chart, clearly describe
 - how risk is evaluated and who conducts this analysis;
 - how information flows within the organization;
 - the means of communication with internal and external stakeholders;

-
- the areas of authority and responsibility and appropriate lines of reporting;
 - how documents and related records are to be properly maintained to provide evidence that these activities were executed;
 - how regular management and supervisory activities and other related actions are performed during the normal course of this process; and
 - the organizational responsibilities for completing and coordinating the dispersal process actions.
3. Describe the link between Navy's five guidance documents—the Chief of Naval Operations Instruction: *Navy Organization Change Manual*; Strategic Laydown Flow Chart; Strategic Dispersal Flow Chart; the Secretary of the Navy Instruction: *Environmental Planning for Department of the Navy Actions*; and the Chief of Naval Operations Instruction: *Environmental Readiness Program Manual*—used to implement the Navy's overall basing decision process.

We further recommend that the Secretary of Defense take the following two actions:

- Identify a lead office within OSD best suited for the authority and responsibility for providing oversight of the services' domestic basing decision processes.
- Establish guidance for the services to ensure that they fully consider joint use of DOD facilities, impacts to global operations, and other departmentwide initiatives during the course of their basing processes.

Agency Comments and Our Evaluation

Officials from the Under Secretary of Defense for Policy, the Deputy Under Secretary of Defense for Installations and Environment, the Office of the Secretary of Navy (Installations and Environment), and the Office of the Chief of Naval Operations (Information, Plans, and Strategy) provided oral comments on a draft of this report. In the comments, DOD concurred with two, partially concurred with two, and nonconcurred with one of our recommended actions. DOD also provided an opinion on text contained in appendix II, which summarized the Navy's decision to homeport a nuclear-powered aircraft carrier at Mayport, Florida.

Specifically, DOD concurred with our recommendation that the Secretary of Defense direct the Secretary of the Navy to clearly describe how risk is evaluated in the Navy's Strategic Laydown Flow Chart. DOD stated that our report identified a seam between existing Secretary of the Navy instructions, which generally deal with how to conduct homeport analysis, such as Environmental Impact Studies and National Environmental Policy

Act compliance, and existing Office of the Chief of Naval Operations guidance. However, DOD does not identify any actions it plans to take to implement what we recommended.

DOD partially concurred with our recommendation that the Secretary of Defense direct the Secretary of the Navy to clearly describe in the Navy's Strategic Dispersal Flow Chart several areas of considerations, such as how risk is evaluated and who conducts this analysis, how information flows within the organization, and the means of communication with internal and external stakeholders. DOD stated that factors involved in homeport decisions are codified and implemented by the *Navy Organization Change Manual*. However, the *Navy Organization Change Manual* currently addresses none of the elements of our recommendation with regard to the Strategic Dispersal Flow Chart process and instead provides guidance only for the strategic laydown process. Regarding the Strategic and Force Structure Planning assessment, DOD also acknowledges that providing specific guidance and reference to the above-recommended considerations in a Secretary of the Navy or Chief of Naval Operations instruction would likely improve the overall clarity of homeporting decisions. Nonetheless, DOD does not identify any actions that the Navy plans to take to implement our recommendation.

DOD concurred with our recommendation that the Secretary of Defense direct the Secretary of the Navy to describe the link between its five guidance documents—the Chief of Naval Operations Organization Change Manual; Strategic Laydown Flow Chart; Strategic Dispersal Flow Chart; the Secretary of the Navy's environmental planning document; and the Chief of Naval Operations environmental planning document—used to implement the Navy's overall basing decision process. DOD agreed that a linkage between the Chief of Naval Operations and Secretary of the Navy guidance documents is necessary in order to better streamline and designate responsibilities for strategic homeporting decisions. However, DOD's comment addresses only three of the relevant documents and omits discussing linkages with the other two. We continue to believe that the explicit connection between all five guidance documents is needed to ensure that stakeholders have a complete understanding of the process used to make basing decisions. Furthermore, the Navy did not indicate what actions it plans to take to implement our recommendation or the timeframe for doing so.

DOD nonconcurred with our recommendation that the Secretary of Defense identify a lead office within OSD best suited for the authority and responsibility for providing oversight of the services' domestic basing

decision processes. DOD asserted that the Secretary of Defense has adequate oversight of the services' domestic basing decision processes through the budget review and Global Posture Executive Council. However, if DOD relies on the budget process, OSD may lack reasonable assurance that it can effectively influence domestic basing decisions because OSD may not have been a stakeholder in the services' basing decision during the planning and budgeting phases of the decision. Moreover, as our report clearly states, OSD told us that it has not used the Global Posture Executive Council for conducting oversight, raising questions about how a process not used for OSD oversight will assist OSD in actually exercising oversight. Our recommendation was intended to fortify OSD management oversight of the services' basing decision processes and we continue to believe that a lead office should be designated within OSD that could provide the necessary proactive management oversight and guidance over service basing processes and decisions.

DOD partially concurred with our recommendation that the Secretary of Defense establish guidance for the services to ensure that they fully consider joint use of DOD facilities, impacts to global operations, and other departmentwide initiatives during the course of their basing decision processes. DOD stated that the Secretary of Defense provides guidance on joint use of DOD facilities through several means, including the Quadrennial Defense Review and the program review. In addition, DOD stated that the department will periodically review and revise this guidance as appropriate to ensure that consideration and application of joint-use principles and cross-service impacts are institutionalized. Even though OSD may issue guidance on joint use of DOD facilities through these means, the Quadrennial Defense Review is intended to occur only every 4 years, which does not provide timely information regarding departmentwide initiatives since the initiatives do not necessarily only occur at 4-year intervals. Moreover, DOD did not explain how the program review is useful in influencing service basing decisions. While DOD did state that it would periodically review and revise guidance, DOD did not identify guidance to be reviewed and revised.

DOD additionally provided a comment on the text related to the Navy's decision to homeport a nuclear-powered aircraft carrier at Mayport, Florida, which is summarized in appendix II. In regard to our statement in the report that "the Department of the Navy made its recent decision to homeport a nuclear-powered aircraft carrier at Naval Station Mayport using its strategic laydown and strategic dispersal processes and its environmental planning guidance documents," DOD stated that while

many of the principles for strategic laydown were used in making the Mayport decision, the decision preceded the 2007 *Navy Organization Change Manual*, which describes the current laydown goals. DOD stated that prior to 2007 the Navy conducted a strategic laydown that determined the East Coast-West Coast split of forces by platform type, but not the dispersal of specific ships to specific locations. However, a senior Navy official within the Office of the Chief of Naval Operations (Information, Plans, and Strategy) clarified to us that the decision did go through the strategic laydown process existing at the time and through the strategic dispersal process as the current concept was being developed when Navy made its decision. Consequently, we revised our appendix to clarify that the Navy used the strategic laydown process existing at the time the Mayport decision was in the process of being made.

We are sending copies of this report to interested congressional committees; the Secretary of Defense; and the Secretaries of the Army, the Navy, and the Air Force; the Commandant of the Marine Corps; and the Director, Office of Management and Budget. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions, please contact me at (202) 512-4523 or leporeb@gao.gov. Contact point for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.



Brian J. Lepore
Director, Defense Capabilities
and Management

List of Congressional Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Ike Skelton
Chairman
The Honorable Howard P. “Buck” McKeon
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Norman D. Dicks
Chairman
The Honorable C.W. Bill Young
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Scope and Methodology

To determine the extent to which the services have comprehensive basing decision processes in place that are designed to result in well-informed basing decisions within the United States (50 states and the District of Columbia) that are not made under the base realignment and closure (BRAC) legislation, we identified and examined the military service guidance, policies, instructions, regulations, and orders relevant to making basing decisions. We also identified other appropriate Department of Defense (DOD) documents, such as the 2001, 2006, and 2010 Quadrennial Defense Reviews, DOD's 2008 and 2009 Strategic Management Plans, and 2007 Defense Installations Strategic Plan. In addition, to identify their participation in the services' basing decision processes, we interviewed officials from the offices of the Under Secretary of Defense for Policy and Deputy Under Secretary of Defense for Installations and Environment; the Joint Staff; U.S. Joint Forces Command; U.S. Northern Command; U.S. Southern Command; U.S. Army Pacific Command; the offices of the Chief of Staff of the Army, Chief of Naval Operations, Commandant of the Marine Corps, and Chief of Staff of the Air Force; U.S. Fleet Forces Command; and Air Combat Command. We documented each process and then discussed each respective service's process with officials from the offices of the Chief of Staff of the Army, Chief of Naval Operations, Commandant of the Marine Corps, and Chief of Staff of the Air Force to confirm our understanding of the service's basing process. We used the services' guidance documents and other pertinent documents, interviews with the service officials, and officials' comments regarding our analyses of the services' processes to determine the extent to which the services have comprehensive basing decision processes in place that are designed to result in well-informed basing decisions within the United States that are not made under BRAC legislation.

To establish criteria to use in assessing each service's current basing process, we developed an assessment tool to identify the key elements, factors, and management control standards of a basing decision process that would be comprehensive and ensure that the basing decisions are transparent, repeatable, and defendable. In developing this assessment tool, we conducted a literature search to identify relevant standards for criteria and planning processes in prior GAO reports on relevant subject areas, including results-oriented government, resource decisions, internal control, military force structure issues, defense management challenges, and BRAC legislation. Furthermore, as part of our review, we considered the factors included in the House Committee on Armed Services' report on

H.R. 2647¹—on changes to military force structure, strategic imperative and risk assessment, cost, input from combatant commanders, and environmental and socioeconomic impacts. Based on our research, we identified four key elements for the assessment tool: (1) strategic and force structure planning, (2) infrastructure analysis, (3) implementation considerations, and (4) authority for making the basing decision. In addition, we identified management control as part of our evaluation tool. We also determined factors within each key element and the standards within management control that were necessary evaluation criteria in our assessment tool.² To determine the completeness and reasonableness of our assessment tool, we developed and distributed a structured data collection instrument to officials within the offices of the Under Secretary of Defense for Policy and the Deputy Under Secretary of Defense for Installations and Environment and to service officials in the Army, Navy, Marine Corps, and Air Force headquarters to obtain their comments. We held discussions with these officials to reach agreement on the key elements, factors within each element, and management control standards that were in our assessment tool. Based on the results of the data collection instrument and our follow-on discussions with DOD and service officials, we finalized our assessment tool.

Our analyst team was assigned to assess and evaluate the four services' basing decision processes, one service per team analyst. Using the assessment tool, we reviewed and assessed each of the processes used by the services to make basing decisions within the United States that was not made under the BRAC legislation. Each team analyst examined the collective evidence concerning his or her service's basing decision process, which was found either in a service regulation, instruction, order, or other documents. Using the service's regulation, instruction, or order; other pertinent documents; and discussions with service officials, each team analyst applied professional judgment to determine if the service's process included a step (or multiple steps) that satisfied the defined factors within each of the key elements. We assigned a rating to each process based on the extent to which the service incorporated factors and standards within the key elements and management control, respectively, that our tool identified as necessary for a process to be comprehensive and its decisions to be transparent, repeatable, and defendable. Based on the extent that these factors and standards were incorporated in the

¹ H.R. Rep. No. 111-166, at 537-538.

² GAO/AIMD-00-21.3.1.

service's process, we assigned one of three possible ratings to each element: (1) incorporates to a large extent, (2) incorporates to some extent, or (3) incorporates to a little or no extent. According to our methodology, we assigned a rating of "incorporates to a large extent" when a factor showed sufficient, specific, and detailed support, as noted in the services' basing guidance document(s) or during discussions with agency officials on whether the factor was carried out during the basing process. If the process addressed some of the factors within the key elements to some degree, but not completely, we assigned a rating of "incorporates to some extent," and if the evidence showed that the factors were not included, we assigned a rating of "incorporates to little or no extent." We used the same rating system for the presence of management control standards throughout a service's basing process. If a team analyst could not clearly determine the extent to which a service's process satisfied the criteria for a factor, the factor was rated as "unclear." This same methodology was also applied to the five standards for management control.

After each team analyst completed the evaluation and assessment of his or her service's basing decision process, the evaluation was validated by discussion with the whole team in a group setting. Because we developed the key elements, factors within the elements, and management control standards, as noted in our assessment tool, with input and guidance from the Office of the Secretary of Defense (OSD) and the services, we also provided the services an opportunity to review and comment on our analysis of their respective processes against our assessment tool. After receiving comments from each service through a structured data collection instrument, including clarifying information to resolve any ratings of "unclear," the team updated the ratings as necessary. In addition, to determine whether the ratings were accurate, the team analysts performed in-depth reviews of each other's evaluations of the services' basing decision processes.

After rating each factor within each key element and the management control standards, each team analyst then analyzed and determined the summary for each key element and for management control. Because each individual factor and the management control activities were considered to be necessary for a process to be transparent, repeatable, and defendable, the factors and the management control standards were weighted equally. The summary of our rating describes the extent to which the service's process incorporates the key elements or management control standards in figure 1 in the report.

To determine the extent to which the Secretary of Defense exercises management control, such as providing DOD-wide guidance and oversight of the services' basing decision processes, we reviewed DOD and military service guidance, policies, instructions, regulations, and orders and relevant law to identify whether an office within OSD has been clearly assigned a role and responsibilities over the services' basing processes. We reviewed the 2007 Defense Installations Strategic Plan, which was developed by the office of the Deputy Under Secretary of Defense for Installations and Environment to determine DOD's strategic goals for its installations. We also reviewed our prior report on global defense posture and the recommendations made in that report to improve the global defense posture policy. We also interviewed officials from the offices of the Under Secretary of Defense for Policy and the Deputy Under Secretary of Defense for Installations and Environment to obtain their perspectives on how DOD exercises management control, such as oversight to coordinate and facilitate basing decisions across the services. In addition, we interviewed military service officials regarding OSD guidance provided to them during the services' basing decision processes.

To address the request for information about the approach used by the Navy in making its decision to establish a homeport for a nuclear-powered aircraft carrier at Mayport, Florida, we reviewed key Navy and DOD strategy and planning documents, including reports of the *Quadrennial Defense Reviews of 2001, 2006, and 2010*; the Navy's *2007 A Cooperative Strategy for 21st Century Seapower*; and relevant Navy instructions and documents. In addition, we reviewed relevant law and legislative history concerning homeporting a nuclear-powered aircraft carrier at Mayport and examined a 1992 Navy report to Congress and a *March 1997 Final Programmatic Environmental Impact Statement* discussing the facility upgrades required to homeport a nuclear-powered aircraft carrier at Mayport. Furthermore, we reviewed the *November 2008 Final Environmental Impact Statement for the Proposed Homeporting of Additional Surface Ships at Naval Station Mayport, Florida*, and the *January 2009 Navy Record of Decision for Homeporting of Additional Surface Ships at Naval Station Mayport, Florida*. To identify and obtain an understanding of the decision process followed by the Navy, we interviewed officials from the offices of the Under Secretary of Defense for Policy, Deputy Under Secretary of Defense for Installations and Environment, Assistant Secretary of the Navy (Installations and Environment), and Chief of Naval Operations; the Office of Cost Assessment and Program Evaluation; U.S. Fleet Forces Command; Naval Facilities Engineering Command Southeast; and Naval Station Mayport. We visited facilities and interviewed officials at Naval Station Mayport,

Florida, to understand the extent of the potential upgrades required to support homeporting a nuclear-powered aircraft carrier. We also visited Naval Air Station North Island, California, to observe and discuss with Navy officials the infrastructure upgrades made to increase its capabilities and capacities to berth and homeport nuclear-powered aircraft carriers on the West Coast and to increase our understanding of the potential scope of upgrades that would be needed at Naval Station Mayport. In addition, we interviewed OSD officials involved in the 2010 Quadrennial Defense Review to assess Navy's decision to homeport a nuclear-powered aircraft carrier in the broad context of future threats, future Navy force structure, and likely cost-effectiveness. (App. II provides a summary of the Navy's decision to homeport a nuclear-powered aircraft carrier at Naval Station Mayport, Florida, and information on DOD's Quadrennial Defense Review of the Navy's decision.)

We conducted our performance audit from July 2009 through May 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Summary of the Navy's Decision to Homeport a Nuclear-Powered Aircraft Carrier at Mayport, Florida

The Navy Has Considered Homeporting a Carrier at Mayport, Florida, for Two Decades

The possibility of homeporting a nuclear-powered aircraft carrier at Naval Station Mayport was considered by Congress as early as 1990 in the National Defense Authorization Act for Fiscal Year 1991, which required the Secretary of Defense to submit to Congress a plan to upgrade Naval Station Mayport capability to enable the station to service nuclear-powered aircraft carriers and otherwise to serve as a homeport for these carriers.¹ Since that time, provisions of other National Defense Authorization Acts have required, among other things, that the Secretary of the Navy (1) submit to the congressional defense committees a report on the Navy's plan for developing a second East Coast homeport for nuclear-powered aircraft carriers and (2) begin design activities for such military construction projects as may be necessary to make Mayport capable of serving as a homeport for a nuclear-powered aircraft carrier.² In addition, the National Defense Authorization Act for Fiscal Year 1993 included a congressional finding that Naval Station Mayport ought to be the second East Coast homeport for nuclear-powered aircraft carriers when an additional homeport was needed.³

The Navy has been reporting to Congress, since the late 1990s on the development of plans for making Naval Station Mayport a potential homeport for nuclear-powered aircraft carriers. In addition, in March 1997, the Navy released a programmatic environmental impact statement.⁴ In 2001, the Quadrennial Defense Review called for the Navy to provide more warfighting assets more quickly to multiple locations. In order to meet this new demand, the Navy made its preliminary decision to homeport additional fleet surface ships at Naval Station Mayport. As a result, the Navy prepared an environmental impact statement to evaluate a broad range of strategic homeport and dispersal options for Atlantic Fleet surface ships at this location and finalized its final environment impact

¹ Pub. L. No. 101-510, § 1423 (1990).

² National Defense Authorization Act for Fiscal Year 1993, Pub. L. No. 102-484, § 1011(b) (1992), and National Defense Authorization Act for Fiscal Year 1995, Pub. L. No. 103-337, § 2206(a) (1994). However, Congress explicitly indicated that the provision in the National Defense Authorization Act for Fiscal Year 1995 should not be interpreted as authorizing the Secretary to actually proceed with the construction of facilities specifically designed to make Mayport capable of serving as a homeport. The design activities were to begin at the conclusion of a facilities study and programmatic environmental impact study.

³ Pub. L. No. 102-484, § 1011(a)(3).

⁴ Department of the Navy, Final Programmatic Environmental Impact Statement for Facilities Development Necessary to Support Potential Aircraft Carrier Homeporting at Naval Station Mayport, Florida, March 1997.

statement.⁵ On January 14, 2009, the Navy issued its record of decision to homeport a nuclear-powered aircraft carrier at Naval Station Mayport, Florida.⁶

The Process the Navy Used to Make Its Decision to Homeport a Nuclear-Powered Aircraft Carrier at Mayport

According to Navy officials, the Department of the Navy made its recent decision to homeport a nuclear-powered aircraft carrier at Naval Station Mayport using its strategic laydown and strategic dispersal processes and its environmental planning guidance documents. In addition, the Navy stated in its record of decision that the most critical considerations in making the decision were the environmental impacts, recurring and nonrecurring costs associated with changes in surface ship homeporting options, and strategic dispersal considerations. However, according to its record of decision, the need to develop a hedge against the potentially crippling results of a catastrophic event was ultimately the determining factor in the Navy's decision to establish a second nuclear-powered aircraft carrier homeport on the East Coast of the United States at Mayport.

The Navy has historically had multiple aircraft carrier homeports on each coast. Currently, the Navy has three nuclear-powered aircraft carrier homeports on the West Coast—Bremerton and Everett, Washington, and San Diego, California—and one East Coast carrier homeport in the Hampton Roads area, which includes Norfolk and Newport News, Virginia.⁷ According to Navy officials,⁸ the Navy used elements of its strategic laydown process existing at the time the Mayport decision was in the process of being made to apportion the fleet to the Pacific (West)

⁵ On November 21, 2008, the Navy released the Notice of Availability of the Final Environmental Impact Statement for the Proposed Homeporting of Additional Surface Ships at Naval Station Mayport, Florida.

⁶ Department of the Navy, *Record of Decision for Homeporting of Additional Surface Ships at Naval Station Mayport, FL* (Jan. 14, 2009), available at <http://www.mayport/homeportingeis.com>. The decision was signed by the Assistant Secretary of the Navy (Installations and Environment).

⁷ In the Pacific, the Navy also forward deploys a nuclear-powered aircraft carrier at Yokosuka, Japan.

⁸ Officials within the office of the Deputy Chief of Naval Operations (Information, Plans and Strategy) provided GAO with the information in regard to the Navy's decision to homeport a nuclear-powered aircraft carrier at Mayport. Unless information is attributed to a different Navy organization, these Navy officials provided us with the information described in this appendix.

Coast, to the Atlantic (East) Coast based on its force structure analysis. According to officials, the process relies on several documents, including conventional campaign plans; homeland defense requirements; the *Cooperative Strategy for the 21st Century Seapower, Navy 2030 Ashore Vision*; the *2001 and 2006 Quadrennial Defense Review*, and the *Global Maritime Posture*. Based on these strategic laydown analyses, the Navy developed a baseline for the total Navy force structure to try to optimize the sourcing of forces based on the speed of response, the maritime strategy, and the Quadrennial Defense Review direction.

Using the output from the strategic laydown process, Navy officials said that they performed its strategic dispersal process, which allowed the Navy to further assess and determine the distribution of the fleet by homeport based on strategic requirements and the ability to balance operational, fiscal, and infrastructure factors. Based on its analysis, the Navy decided to establish a second East Coast homeport for a nuclear-powered aircraft carrier. Navy officials said that the Navy worked on the assumption that it would not establish a new carrier homeport but upgrade an existing carrier homeport to support nuclear-powered aircraft carriers. Navy officials said that Naval Station Mayport was the best option because it was an existing conventional carrier homeport with underutilized facilities since the *USS John F. Kennedy* was retired in 2007.

According to Navy officials, the Navy used its strategic dispersal process to evaluate key operational factors, such as response time to combatant commands, transit times to deployment areas and training, geographic location of air wings, historic aircraft carrier loading, physical pier capacity, transit times for pier side to open ocean, antiterrorism and force protection, and mitigation of natural and man-made risks for both the Hampton Roads area and Naval Station Mayport. For example, the Navy believes the following constitute risk factors associated with the nuclear-powered aircraft carrier consolidation in Hampton Roads: (1) singular homeport, maintenance, and support location; (2) all of the Atlantic Fleet nuclear-powered aircraft carrier trained crews, associated community support infrastructure, and nuclear carrier support facilities within a 15 nautical mile radius; (3) single 32 nautical mile access channel with two major choke points (bridges); (4) approximately 3-hour transit time from carrier piers to open ocean; and (5) the planned significant increase in commercial shipping volume because of the planned Craney Island upgrades. Furthermore, the Navy used the U.S. Coast Guard's Port Threat Assessments for the Coast Guard Sectors of Hampton Roads and Mayport, which determined that the overall threat level for Hampton Roads is moderate, while the overall threat level for Mayport is low. According to

the threat assessments, a moderate threat level indicates a potential threat exists against the port and that one or more groups have either the intention or capability to employ large casualty-production attacks or cause denial of commercial, military, and passenger vessel access to the port, while a low threat level indicates that little or no information exists on one or more groups with a capability or intention to damage the port.

Navy officials also identified the following benefits associated with homeporting a nuclear-powered aircraft carrier at Naval Station Mayport:

- the shortest access to the Atlantic Ocean of any current Navy homeport,
- additional dispersed controlled industrial facility and nuclear maintenance capabilities,
- physical separation of East Coast nuclear-powered aircraft carriers,
- physical separation between piers and shipping lanes,
- smaller commercial shipping traffic volume, and
- strategic and operational flexibility.

Using the Navy's environmental planning guidance documents, officials from the Navy's Fleet Forces Command completed a final environmental impact statement in November 2008, in accordance with the National Environmental Policy Act, to evaluate a broad range of strategic homeport and dispersal options for Atlantic Fleet surface ships at Naval Station Mayport. Several analyses were conducted of geology and soils, wetlands and floodplains, water resources, air quality, noise, biological resources, cultural resources, hazardous and toxic substances and waste, and environmental health and safety. These analyses also included a summary of the environmental impacts and mitigation measures. As part of the environmental impact statement, cost estimates were also developed. The Navy's environmental analysis included consultations with regulatory agencies, such as the U.S. Fish and Wildlife Service and the National Marine Fisheries Service, regarding impacts to endangered and threatened species, and the U.S. Army Corps of Engineers and the Environmental Protection Agency regarding dredging operations and the in-water disposal of dredged materials. In addition, public awareness and participation were integral components of the environmental impact statement process. The Navy took steps to provide members of the public, state agencies, and federal agencies with the opportunity to help define the scope of the Navy's analysis as well as examine and consider the studies undertaken by the Navy. Fleet Forces Command prepared the National Environmental Policy Act documentation and supporting studies

that defined the proposed action and range of alternatives and identified the potential mitigation options.

The Navy's final environmental impact statement for Mayport assessed the impacts of 13 alternatives, including the no action alternative:

- Alternative 1: Cruiser homeport, destroyer homeport, or both.
- Alternative 2: Amphibious Assault Ship homeport.
- Alternative 3: Nuclear-powered aircraft carrier capable.
- Alternative 4: Nuclear-powered aircraft carrier homeport.
- Alternative 5: Amphibious Ready Group homeport.
- Alternatives 6-12: Seven different combinations of the first four alternatives.
- Alternative 13: No action. No additional fleet surface ships would be homeported at Naval Station Mayport, and Mayport would retain the ability to berth a nuclear-powered aircraft carrier in a limited fashion.

The 13 alternatives evaluated a broad range of options for homeporting surface ships at Navy Station Mayport, such as permanent assignment of various types of surface ships and personnel. In addition, Alternatives 3 and 4 differ because a nuclear-powered aircraft carrier capable alternative provides for port services—loading and unloading cargo and sailors and access without restrictions for visits up to 63 days per year. The nuclear-powered aircraft carrier homeport would permanently assign a carrier and its personnel to Naval Station Mayport, which would provide facilities to perform depot-level maintenance at that location.

In the final environmental impact statement, the Navy identified alternative 4 as the preferred alternative; which involves homeporting one nuclear-powered aircraft carrier at Naval Station Mayport and includes dredging, infrastructure and wharf improvements, on-station road and parking improvements, and construction of nuclear-powered aircraft carrier propulsion plant maintenance facilities. Other factors that influenced the selection of alternative 4 as the preferred alternative included impact analyses in the environmental impact statement and estimated costs of implementation, including military construction costs and other operation and sustainment costs. For example, the Navy's analysis showed that there are no environmental impacts associated with homeporting a nuclear-powered aircraft carrier at Naval Station Mayport that cannot be appropriately addressed or mitigated, including impacts to endangered species, such as the Florida manatee and sea turtles. In addition, the Navy reported that the projected recurring and nonrecurring costs for the preferred alternative are less than 10 percent of the cost of a single nuclear-powered aircraft carrier and less than 1 percent of the cost

of the Department of the Navy's nuclear-powered aircraft carrier assets. The Navy believes that homeporting a nuclear-powered aircraft carrier at Naval Station Mayport is a way to provide additional security for the carrier and enhance deployment capability. In November 2008, the Navy made its final environmental impact statement available, and the Assistant Secretary of the Navy (Installations and Environment) signed the Navy's formal record of decision on January 14, 2009, to homeport a nuclear-powered aircraft carrier at Mayport.

2010 Quadrennial Defense Review of the Navy's Decision

After the Navy decided to homeport a nuclear-powered aircraft carrier at Naval Station Mayport, Florida, the Secretary of Defense announced that he would review the Navy's decision as part of DOD's 2010 Quadrennial Defense Review. The Secretary of Defense directed the Quadrennial Defense Review working group to assess the Navy's Mayport decision. According to OSD officials, the Navy provided supporting documentation regarding its decision to the working group, which used this information in conducting its analysis.

In conducting its review, the Quadrennial Defense Review working group assessed the Navy's decision against nine implementation criteria: (1) execution of current or planned operations, (2) operational flexibility, (3) operational management of the force, (4) institutional provisions of the force, (5) organizational friction, (6) execution of future missions successfully against an array of future challenges, (7) consideration of the whole of government programs and initiatives, (8) international relations, and (9) environmental concerns. In addition, OSD officials stated that the working group assessed transit times for a nuclear-powered aircraft carrier to leave both the Norfolk and Mayport ports and arrive in the Atlantic Ocean.

As a part of the working group's review, officials in DOD's Office of Cost Assessment and Program Evaluation stated that they evaluated the reasonableness of the Navy's cost estimate to establish a homeport for a nuclear-powered aircraft carrier at Mayport. Specifically, the officials said that they reviewed and assessed the military personnel, operations and maintenance, and military construction costs associated with the Navy's decision and found that the Navy's cost estimates were reasonable. For example, OSD officials stated that the working group was provided the following dollar amounts—a onetime cost of \$565 million to build the necessary infrastructure at Mayport and \$25 million as the recurring cost for operations and maintenance for homeporting a nuclear-powered aircraft at Mayport. In addition, the officials said that the working group

**Appendix II: Summary of the Navy's Decision
to Homeport a Nuclear-Powered Aircraft
Carrier at Mayport, Florida**

used these analyses and cost estimates to brief the Secretary of Defense on its results. The February 2010 Quadrennial Defense Review report reiterated the Navy's decision that homeporting an East Coast carrier in Mayport would contribute to mitigating the risk of a terrorist attack, accident, or natural disaster.

Appendix III: GAO Contact and Staff Acknowledgments

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