

GAO Highlights

Highlights of [GAO-13-535](#), a report to congressional committees

Why GAO Did This Study

Due in part to challenges DOD faces in reducing excess infrastructure, DOD's Support Infrastructure Management is on GAO's High Risk List of program areas vulnerable to fraud, waste, abuse, and mismanagement, or are most in need of transformation. Since 1988, DOD has relied on the BRAC process as a primary means of reducing excess infrastructure or capacity and realigning bases to meet changes in the size and structure of its forces. In 1998 and 2004, Congress required DOD to submit reports that, among other things, estimated the amount of DOD's excess capacity at that time. Also, in March 2012, DOD testified that it had about 20 percent excess capacity. The methods used to develop such preliminary excess capacity estimates differ from the data-intensive process—supplemented by military judgment—that DOD has used to formulate specific base closure and realignment recommendations.

A Senate Armed Services Committee report directed GAO to review how DOD identifies bases or facilities excess to needs. The objective of this report is to discuss how DOD has estimated its excess capacity, outside of the BRAC process. To do so, GAO reviewed excess capacity estimates from 1998, 2004, and 2012; analyzed DOD's data; reviewed supporting documentation; assessed assumptions and limitations of DOD's analysis; and interviewed DOD officials.

In commenting on a draft of this report, DOD stated that GAO had properly highlighted the limitations of its approach to estimating excess capacity and contrasted it with the method used to develop BRAC recommendations.

View [GAO-13-535](#). For more information, contact Brian Lepore at (202) 512-4523 or leporeb@gao.gov

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DEFENSE INFRASTRUCTURE

DOD's Excess Capacity Estimating Methods Have Limitations

What GAO Found

The Department of Defense's (DOD) methods for estimating excess capacity outside of a congressionally-authorized Base Realignment and Closure (BRAC) process have limitations. DOD used similar processes in its excess capacity analyses conducted in 1998 and 2004. This process included three major steps: (1) categorizing bases according to their primary missions and defining indicators of capacity; (2) developing ratios of capacity-to-force structure for DOD's baseline year of 1989; and (3) aggregating the analysis from the installation level across the military services and department-wide.

In both its 1998 and 2004 reports, DOD recognized some limitations with its methods for estimating excess capacity and stated that its analyses lacked the precision necessary to identify specific installations or functional configurations for realignment or closure. In addition, GAO's review of DOD's methods for estimating excess capacity outside of a congressionally-authorized BRAC process identified a number of limitations. First, DOD's approach assigns each installation to only one mission category, even though most installations support more than one mission. This approach effectively excluded significant portions of some bases' infrastructure from the analysis. Second, the services measured capacity for some similar functions differently such as test and evaluation facilities, which makes it difficult for DOD to evaluate excess capacity across the department. Third, DOD did not attempt to identify any excess capacity or capacity shortfall that existed in 1989; hence it is uncertain to what extent DOD's estimates of excess capacity may be overstated or understated. Finally, in instances where DOD's analysis indicated that projected capacity was less than needed capacity—indicating a capacity shortage—within an installation category, DOD treated these cases as having zero or no excess capacity when aggregating the results of its analysis. If DOD had treated those installation categories as having a capacity shortages, DOD's method would have calculated a lower number of bases and consequently a lower percentage of excess capacity across the department than DOD reported to Congress.

DOD's testimony in March 2012 and again in March 2013, that it had about 20 percent excess capacity remaining after the end of BRAC 2005, relied on earlier calculations that the department made in 2004 and 2005. Specifically, these estimates were reached by subtracting DOD's estimate of the amount of capacity that would be eliminated by the approved recommendations from BRAC 2005—3 to 5 percent of plant replacement value—from DOD's 2004 estimate that it had 24 percent excess capacity. However, pre-BRAC estimates of the percentage of bases that may be excess to needed capacity, which is expressed as a percentage of bases, and plant replacement value, which is measured in dollars, are not comparable measures. In March 2013, the Acting Deputy Under Secretary of Defense (Installations and Environment) testified that the method upon which DOD's current estimate is based is helpful in determining whether an additional BRAC round is justified, but only through the BRAC process is the Department able to determine specifically which installations or facilities are excess.