



U.S. ARMY FREEDOM OF
INFORMATION OFFICE

REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
FREEDOM OF INFORMATION AND PRIVACY DIVISION
7701 TELEGRAPH ROAD, SUITE 150
ALEXANDRIA, VA 22315-3905

October 15, 2015

Steven Aftergood
Federation of American Scientists
1725 DeSales Street NW, Suite 600
Washington, DC 20036
Sent via email: saftergood@fas.org

Dear Mr. Aftergood:

This is the final response to your Freedom of Information Act (FOIA) request dated July 21, 2015. You are seeking a copy of a 2015 U.S. Army report to Congress entitled, "Notification to Congress on the Permanent Reduction of Sizable Numbers of Members of the Armed Forces." Your request was assigned our office tracking number FA-15-0216.

We are releasing in full without any exemptions or redactions, a copy of the requested document.

If you have any questions regarding this letter or the information furnished, please contact this office at (703) 428-6238 or email at usarmy.belvoir.hqda-oaa.rpa.mbx.foia@mail.mil. In all correspondence please refer to FOIA number FA-15-0216.

Sincerely,

Paul V. DeAgostino
Senior Counsel

Enclosure: (22) pages



**NOTIFICATION TO CONGRESS
ON
THE PERMANENT REDUCTION OF SIZABLE
NUMBERS OF MEMBERS OF THE ARMED
FORCES**

10 July 2015

In Accordance with 10 U.S.C § 993

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INTRODUCTION

Purpose of this Notification

This notification responds to the requirements of Title 10 of the U.S. Code Section 993, which directs the Secretary of the Army to notify Congress of a plan to reduce more than 1,000 members of the armed forces assigned at a military installation.

10 USC § 993 - NOTIFICATION OF PERMANENT REDUCTION OF SIZABLE NUMBERS OF MEMBERS OF THE ARMED FORCES

(a) Notification. The Secretary of Defense or the Secretary of the military department concerned shall notify Congress under subsection (b) of a plan to reduce more than 1,000 members of the armed forces assigned at a military installation. In calculating the number of members to be reduced, the Secretary shall take into consideration both direct reductions and indirect reductions.

(b) Notice Requirements. No irrevocable action may be taken to effect or implement a reduction described under subsection (a) until—

(1) the Secretary of Defense or the Secretary of the military department concerned—

(A) submits to Congress a notice of the proposed reduction and the number of military and civilian personnel assignments affected, including reductions in base operations support services and personnel to occur because of the proposed reduction; and

(B) includes in the notice a justification for the reduction and an evaluation of the costs and benefits of the reduction and of the local economic, strategic, and operational consequences of the reduction; and

(2) a period of 90 days expires following the day on which the notice is submitted to Congress.

(c) Exceptions.

(1) Base closure process. Subsections (a) and (b) do not apply in the case of the realignment of a military installation pursuant to a base closure law.

(2) National security or emergency. Subsections (a) and (b) do not apply if the President certifies to Congress that the reduction in military personnel at a military installation must be implemented for reasons of national security or a military emergency.

(d) Definitions. In this section:

(1) The term "indirect reduction" means subsequent planned reductions or relocations in base operations support services and personnel able to occur due to the direct reductions.

(2) The term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or Guam. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

Justification for reduction of more than 1,000 members of the armed forces assigned at select military installations, 2016 through 2017

The Army will complete the reduction of its Active Component (AC) to 490,000 authorizations by the end of Fiscal Year 2015. As outlined in the 2014 Quadrennial Defense Review, Army leaders have directed a reduction to 450,000 be completed by the end of Fiscal Year 2017 in order to comply with adjusted Department of Defense (DoD) fiscal guidance and to operate under the severe fiscal constraints caused by current law budget caps.

The reduction of 40,000 Soldiers, on top the 80,000 Soldiers removed from the force structure in recent years, represents a cumulative 21 percent reduction across the AC from Fiscal Year 2010. This reduction is achieved through a combination of unit and command inactivations and design adjustments. Included are the inactivation of additional Brigade Combat Teams (BCTs), execution of the Aviation Restructure Initiative (ARI), reduction and adjustment of non-BCT enabling forces (such as Combat Support and Sustainment), adjustments to the Army Generating Force (training and institutional support headquarters), redesign of the majority of Army headquarters at the corps, division, brigade, and battalion levels, and a proportional adjustment to the Transients, Trainees, Holdees, and Students (TTHS) Account (which is generally 13% of the Active Component at any given force structure level). Specific to the BCTs is the elimination of two mechanized infantry companies from all Armored Brigade Combat Teams (ABCT), the conversion of two Infantry BCTs at Fort Benning, Georgia and Joint Base Elmendorf-Richardson (JBER), Alaska to smaller battalion task forces, and the conversion of a Stryker Brigade Combat Team (SBCT) to an Infantry Brigade Combat Team (IBCT) in Hawaii.

Active Component Reduction of Soldiers from FY15 to FY17	
Initiative	
Conversion of 2 BCTs	- 7,300 spaces
Total Army Analysis (ARI, Force Design Updates, enabler unit inactivations, and all other net impacts)	-28,000 spaces
Generating Force Reductions	- 4,700 spaces
	- 40,000 spaces

Nearly every Army installation will experience reductions of some size. There are only six installations, however, for which reductions exceed 1,000 Soldiers: Fort Benning (Georgia), Fort Bliss (Texas), Fort Hood (Texas), Joint Base Elmendorf-Richardson (Alaska), Joint Base Lewis-McChord (Washington), and Schofield Barracks (Hawaii). This report includes an evaluation of the local economic, strategic, and operational consequences of the reductions at these six installations.

Evaluation of the Strategic and Operational Consequences of the Reduction (Costs and Benefits)

The magnitude of the reduction in force structure necessitated that the unit inactivations be distributed broadly, both in terms of geography (the number of installations) and organizationally (the types of units selected for inactivation). There simply was not one segment of the Army that could sustain the entirety of the cuts. The Army also balanced the cuts between the Operating Force (i.e., deployable units) and the Generating Force (i.e., the part of the institutional Army that trains, pays, equips, and enables the Operating Force). The main consideration in designating these reductions was the Army's ability to meet the requirements outlined in the Defense Strategy in terms of critical capabilities.

The Army used the Total Army Analysis (TAA) process to determine approximately 28,000 of the 40,000 spaces eliminated from the Active Component force structure.

Focus Area Review Groups developed strategies and recommendations to reshape the Generating Force. Their recommendations will reduce the Generating Force by about 4,700 spaces.

Additional evaluation was conducted for the inactivation of Brigade Combat Teams, including: (1) the qualitative measure of an installation relative to BCT requirements, (2) minimizing the cost of the reduction and reorganization in terms of avoiding future military construction and facility sustainment requirements, and (3) minimizing readiness impacts. This resulted in the decision to inactivate BCTs at Fort Benning, Georgia and Joint Base Elmendorf Richardson, Alaska.

The Army stationing plans necessitated by the BCT inactivations were based on a comprehensive analysis of installation quantitative and qualitative considerations to include training, power projection, well being, expansibility, regeneration, geographic distribution, environmental and socio-economic impacts, cost, and alignment with the defense strategy to include the rebalance to the Pacific.

To help inform all force structure initiatives, the Army executed a Supplemental Programmatic Environmental Assessment (SPEA) in 2014 to evaluate the environmental and socioeconomic impacts from proposed action to realign the Army's force structure between FY 2016 through FY 2020. The SPEA and the associated public comment period concluded in October 2014. The Army prepared and published the Finding of No Significant Impact (FONSI) as a result of the SPEA. Opportunities for community input were included through both the SPEA public comment period (with over 111,000 public comments) and separate community listening sessions conducted in parallel with the Military Value Analysis and Qualitative Stationing Analysis.

The community listening sessions were conducted at the Army's thirty largest installations with Soldiers, Families, local leaders, and the business community, to understand better the impacts of all the potential decisions. Over 22,000 community members attended these sessions. The resulting stationing plan meets budget-driven end strength requirements while maintaining the ability to modernize, sustain, and train the force in a balanced way.

The Army analyzed cost in terms of impacts to Training, Equipping, Personnel, Facilities, and Transportation.

Training: Due to the BCT inactivations, TAA reductions, and generating force reduction the Army estimates a net decrease in training costs.

Equipping: There were no new equipment costs associated with these reductions. There may be costs associated with the transfer of equipment from one installation to another. The Army plans to cover this cost with existing force structure reductions already budgeted in the President's 2016 Budget submission (PB16). There are no new equipping costs associated with the application of the new headquarters designs.

Personnel: The Army analyzed the total impact of the Army's 40,000 end strength reduction for personnel movement costs and believes it will be cost neutral. The Army will employ all possible measures to minimize personnel turbulence (to both Soldiers and their Families) associated with the force structure reductions on the six installations in question. There will be instances where Soldiers (and Families) will depart an installation on an accelerated timeline. The vast majority of these "accelerated" permanent changes of station (PCS) actions will be subsumed as part of the Army's overall annual PCS budget.

Facilities: The Army has standards for the construction of new facilities, including facilities necessary to station a BCT. Existing installation BCT-related facility inventories were analyzed outside of the Military Value Analysis (MVA) process to see where meeting the current construction standard could require future investments in MILCON and facility sustainment, restoration and modernization. The difference between the quality and quantity of the existing core BCT facility assets, and the standard, was then computed into a future potential facility 'build out cost.' This analysis helped identify where retaining a BCT at an installation with newer BCT facilities built to current standards would be more cost effective than retaining a BCT at an installation with outdated or legacy BCT facilities that would eventually need to be recapitalized at some point in the future. Inactivating BCTs at any given installation would therefore avoid varying amounts of future BCT facility requirements. Although not separately analyzed, inactivating enabler units also reduces future facility requirements.

Transportation: For many inactivating units, equipment will be transferred to other units on the same installation. These intra-installation moves incur minimal transportation costs. Where this is not the case, transportation costs were determined using equipment distribution models and United States Transportation Command transportation rates. Costs will be

minimized by transferring excess equipment to the nearest installation where it will be required.

Evaluation of local economic consequences of the reduction

Estimates of local impacts are derived from the Economic Impact Forecast System (EIFS). The system accounts for the number of Soldiers whose positions would be lost; an estimate of government contract service jobs that would be lost; and indirect job losses that would occur in the community because of a reduction in demand for goods and services. The system measures potential changes to sales volume, income, and employment.

Economic analysis using EIFS was included in the 2014 Supplemental Programmatic Environmental Assessment (SPEA) for Army 2020 Force Structure Realignment, prepared under the National Environmental Policy Act of 1969. The SPEA was released for public comment on June 26, 2014. The 30-day public comment period was extended an additional 30-days and closed on August 26, 2014. As a result of the SPEA, the Army determined that preparation of an Environmental Impact Statement (EIS) was not necessary; a Finding of No Significant Impact (FNSI) was signed on November 10, 2014.

The SPEA looked at the socioeconomic impacts of the maximum possible reductions that could occur at the installations. Because the actual reductions are smaller than the maximum aggregate loss of Soldiers and Army Civilians used to estimate impacts in the SPEA, the economic impact estimates were recalculated for this report.

Civilian Employees and Military and Civilian Base Operations Support

The Army has made no decision to reduce base operations support personnel (which include military and civilian personnel) as a result of these combined stationing actions. Generally speaking, civilian reductions at installations are taken after military structure has been removed and workload for civilian personnel is recalculated at each installation. For example, at an installation with an inactivating BCT, it would not make sense to remove base support civilians at the same time units are turning in their heavy vehicles and equipment. The Army needs civilian personnel to dispose of equipment and handle transportation needs of Soldiers departing the installations. Therefore, the Army has made no decision at this time to reduce base operations support personnel (which include military and civilian personnel) "because of the proposed reduction" of military personnel described in this report.

The Secretary of the Army has made separate decisions regarding civilian reductions, independent of the force structure changes in this report. These civilian reductions are necessary for the Army to meet the budget caps required by current law. Army organizations and commands have programmed civilian personnel reductions at many installations around the country. Information on the number of employees affected at the installations listed in this

report is not yet finalized, but the total Army-wide civilian reductions through FY19 are expected to be ~17,000.

It is also important to note that reductions in force structure at an installation do not correlate to reductions in Base Operating Support (BOS) requirements in a 1:1 ratio. Experience has shown that an installation can have its assigned military population increase or decrease by 20 or even 40 percent or more, while BOS requirements might change only slightly.

Among the larger drivers of BOS requirements are utility costs. For example, a building might see its tenant population reduced by 40 percent but if the building is still occupied, its utility consumption will not decrease by 40%. Often its utility consumption is reduced very little.

Similarly, although a BCT is inactivated, and/or a large number of Soldiers are reduced at an installation due to TAA decisions, the installation still performs installation services because BOS requirements are generally somewhat inelastic and fixed, regardless of fluctuations in the supported installation population.

Comprehensive Process

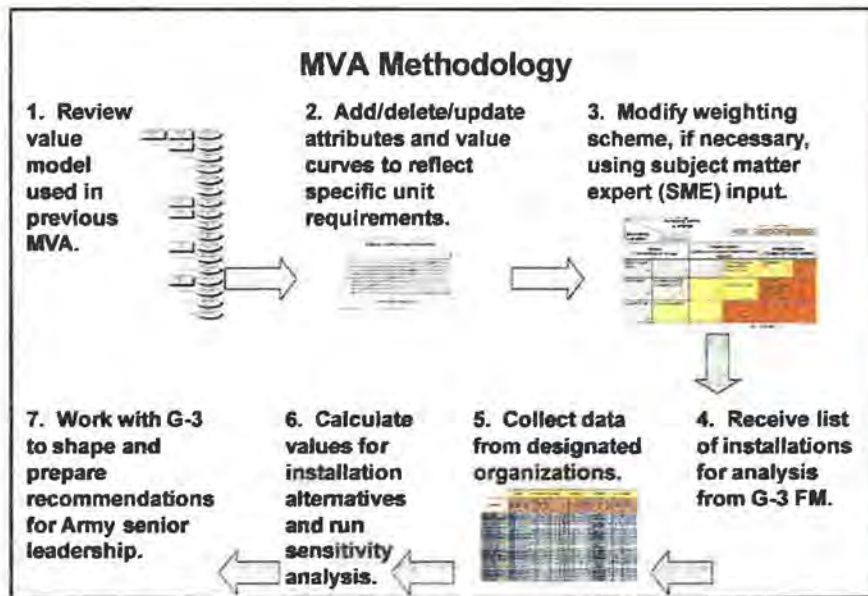
The Army used multiple means to identify AC force structure to reduce to 450,000. The three systems were Total Army Analysis, Military Value Analysis, and Focus Area Review Group.

Total Army Analysis:

The Total Army Analysis (TAA) is a phased process conducted by headquarters Department of the Army (HQDA) to determine future needs in a variety of functional areas and capabilities. Through this process, the Army examined the total force from both qualitative and quantitative perspectives based on the dynamics of internal and external inputs, including anticipated threats, scenarios, assumptions, and priorities. The TAA also considers complex Army coordination and agreements, such as allocation rules, resource assumptions, warfighting capabilities, and infrastructure priorities. The TAA serves as the bridge between Office of the Secretary of Defense/Joint Staff guidance and the Army's planning and program building processes, balancing the Army's force structure requirements against available and planned resources.

Military Value Analysis:

The Army Military Value Analysis (MVA) model evaluates installations on four operational categories. The MVA model is a proven methodology that has been reviewed by the Government Accountability Office (GAO), and is based on Multi-Attribute Decision Analysis. For this specific analysis, each of the 14 installations in the U.S. which currently hosts at least one BCT was evaluated. That analysis provided the basis for quantitative rank ordering.



MVA Model - Figure 1

The MVA model contains four broad categories that are operationally important to a BCT: training; power projection; well-being; and mission expansion. Within each category, the Army weighs a number of attributes. For this iteration of the MVA, the Army used 16 attributes that are relevant to stationing BCTs. For example, in analyzing an installation’s ability to support training, the Army considers available maneuver land, range sustainability, training facilities, duded impact area and available airspace. Power projection evaluates an installation’s deployment support infrastructure, surface deployment infrastructure, air deployment infrastructure, and geographic distribution, which evaluates the dispersion of the Army’s BCTs to support civil authorities better in disaster response, minimize vulnerability to a catastrophic attack or natural disaster, and keep our all-volunteer force connected to the American people. Factors that impact Soldier well-being include access to medical care, family housing availability, the general quality of life of an installation (e.g., access to Army Community Services, child development centers, fitness centers, chapels, and youth centers), and the quality and quantity of brigade facilities and barracks. Mission expansion includes developable area, population impact, and telecommunications infrastructure.

AMERICA'S ARMY: THE STRENGTH OF THE NATION UNCLASSIFIED **Military Value Analysis Model**

Military Value Analysis (MVA) Model Attributes

<u>Training</u> <ul style="list-style-type: none">▪ Maneuver Land▪ Range Sustainability▪ Training Facilities▪ Airspace▪ Duded Impact Area	<u>Well Being</u> <ul style="list-style-type: none">▪ Access to Medical Care▪ Quality of Life Facilities▪ Family Housing▪ Brigade Complex
<u>Power Projection</u> <ul style="list-style-type: none">▪ Surface Deployment Infrastructure▪ Air Deployment Infrastructure▪ Deployment Support Infrastructure▪ Geographic Distribution	<u>Mission Expansion</u> <ul style="list-style-type: none">▪ Developable Area▪ Population Impact▪ Connectivity

UNCLASSIFIED

MVA Model - Figure 2

Focus Area Review Group:

In August 2013, the Secretary of the Army and Chief of Staff chartered the Focus Area Review Group (FARG) to review specific focus areas and propose executable recommendations to apply reductions to Army programs and elements. In October of 2013, implementation was approved. As a result, Headquarters, Department of the Army (HQDA) has directed actions to reduce or realign General Officer and Senior Executive Service led headquarters (25%), including the HQDA Staff, Army Commands, Army Service Component Commands, and to optimize Logistics, Financial Management, Personnel Management, Contracting, and Training processes and many other Institutional Army Organizations, processes, and procedures. Actions are being documented in the Army POM 2016-2020 and will be implemented from 2016 to 2019. FARG adjustments are far reaching and impact both the Operational and Institutional Army and resulted in a planned reduction of 4,700 Soldiers in Fiscal Years 2016 and 2017.

Outside the MVA factors

Using the MVA results as a base course of action, the Army applied additional qualitative factors to develop and evaluate additional courses of action in order to reach an optimal stationing solution. These factors included:

Strategic Considerations: Assessment of the respective course of action against the guidance contained in the current Defense Strategic Guidance, including the extent to which the course of action impacts the Army's ability to execute the eleven tasks directed in the Defense Planning Guidance.

Proximity (Mission Command, Oversight, and Professional Development): Mission Command, oversight, and professional development responsibilities are significantly enhanced when subordinate units are co-located with, or within 60 miles of their division headquarters.

Facility Costs: Existing installation BCT-related facility inventories were analyzed to see where meeting the current construction standard could require future investments in MILCON and/or facility sustainment, restoration and modernization (FSRM). The difference between the quality and quantity of the existing core BCT facility assets, and the current Army new construction standard, was then computed into a future potential facility 'build out cost.' This analysis helped identify where retaining a BCT at an installation with newer BCT facilities built to current standards would be more cost effective than retaining a BCT at an installation with outdated or legacy BCT facilities that would eventually need to be recapitalized at some point in the future.

Investment/Regeneration: The quantity and quality of barracks space available to accommodate the possibility of future directed growth to meet a national emergency.

Immediate Readiness Impacts: Focused on three factors: 1) Organizational impacts - will the right types of units be available on the same installation for reorganization. If not, what are the readiness impacts? 2) Materiel impacts - will the correct type of equipment necessary for reorganization be available on the installation? If not, what are the readiness impacts? 3) Personnel impacts - will the right Soldiers in the right grade and Military Occupational Specialty (MOS) be available on the installation for immediate reorganization? If not, what are the readiness impacts?

Socioeconomic Impacts: In the MVA process, analyzed impacts were derived from the EIFS analysis in the SPEA and from comments received during Community Listening Sessions. In addition, the Army reviewed the cumulative Soldier reductions already executed or planned at each of the 14 BCT installations.

Personnel Turbulence: Analyzed multi-BCT installations to see if there were any advantages in terms of minimizing personnel turbulence and minimizing the number of new PCS moves at a given installation. This analysis also considered whether the right Soldiers in the right grade and Military Occupational Specialty (MOS) would be available on the installation for immediate reorganization.

Army Plans to Reduce More than 1,000 Members of the Armed Forces Assigned at the Following Military Installations:

<u>Location</u>	<u>Soldier Reduction</u>
- Fort Benning, Georgia	3,402
- Fort Bliss, Texas	1,219
- Fort Hood, Texas	3,350
- Joint Base Elmendorf- Richardson, Alaska	2,631
- Joint Base Lewis-McChord, Washington	1,251
- Schofield Barracks, Hawaii	1,214

Fort Benning, Georgia

The 3d Brigade Combat Team (BCT) of the 3d Infantry Division inactivates with ~1,050 positions retained as a battalion task force. Fort Benning will experience a net loss of approximately 3,402 Active Component (AC) military positions due to the inactivation/retention and modifications to other formations.

In 2017, Fort Benning will have a population of approximately 9,040 AC Soldiers, which is less than the 2001 population of 10,607 AC Soldiers.

Fort Benning, Georgia			
	2001	2012	2017
Number of BCTs	1	1	0
AC Soldiers	10.6K	13.0K	9.0K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at Fort Benning	2.20%	2.28%	2.0%

Fort Benning - Table 1

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 10,800 Soldier loss at Fort Benning. The net loss of 3,402 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$229M. The income estimated loss is \$197M and Employment (Indirect) estimated loss is 974 non-federal jobs in the area as a result of the reduced direct service contracts and reduced demand for goods and services.

Fort Bliss, Texas

Fort Bliss will experience a net loss of approximately 1,219 Active Component (AC) military positions due to modifications of Armored Brigade Combat Teams and other formations.

In 2017, Fort Bliss will have a population of approximately 25,146 AC Soldiers, which is more than the 2001 population of 8,765 AC Soldiers.

Fort Bliss, Texas			
	2001	2012	2017
Number of BCTs	0	4	3
AC Soldiers	8.77K	27.48K	25.17K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at Fort Bliss	1.82%	4.82%	5.59%

Fort Bliss - Table 2

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 16,000 Soldier loss at Fort Bliss. The net loss of 1,219 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$91M. The estimated income loss is \$70M and Employment (Indirect) estimated loss is 370 non-federal jobs in the area as a result of the reduced direct service contracts and reduced demand for goods and services.

Fort Hood, Texas

Fort Hood will experience a net loss of approximately 3,350 Active Component (AC) military positions due to modifications of Armored Brigade Combat Teams and other formations.

In 2017, Fort Hood will have a population of approximately 34,125 AC Soldiers, which is less than the 2001 population of 41,127 AC Soldiers.

Fort Hood, Texas			
	2001	2012	2017
Number of BCTs	5	5	4
AC Soldiers	41.13K	40.90K	34.13K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at Fort Hood	8.53%	7.18%	7.58%

Fort Hood - Table 3

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 16,000 Soldier loss at Fort Hood. The net loss of 3,350 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$172M. The estimated income loss is \$182M and Employment (Indirect) estimated loss is 313 non-federal jobs as a result of the reduced demand for goods and services in the Region of Influence.

Joint Base Elmendorf-Richardson, Alaska

The 4th Brigade Combat Team (BCT) of the 25 Infantry Division inactivates with ~1,050 positions retained as a battalion task force. Joint Base Elmendorf-Richardson will experience a net loss of approximately 2,631 Active Component (AC) military positions due to the inactivation/retention and modifications to other formations.

In 2017, Fort Richardson will have a population of approximately 1,895 AC Soldiers, which is less than the 2001 population of 2,093 AC Soldiers.

Joint Base Elmendorf-Richardson, Alaska			
	2001	2012	2017
Number of BCTs	0	1	0
AC Soldiers	2.09K	5.66K	1.90K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at Fort Richardson	0.43%	0.99%	0.42%

Joint Base Elmendorf- Richardson, Alaska - Table 4

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 5,300 Soldier loss at Joint Base Elmendorf-Richardson. The net loss of 2,631 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$182M. The estimated income loss is \$176M and Employment (Indirect) estimated loss is 796 non-federal jobs in the area as a result of the reduced direct service contracts and reduced demand for goods and services.

Joint Base Lewis-McChord, Washington

Joint Base Lewis-McChord will experience a net loss of approximately 1,251 Active Component (AC) military positions due to modifications of Stryker Brigade Combat Teams and other formations.

In 2017, Joint Base Lewis-McChord will have a population of approximately 25,057 AC Soldiers, which is more than the 2001 population of 16,293 AC Soldiers.

Joint Base Lewis-McChord			
	2001	2012	2017
Number of BCTs	2	3	2
AC Soldiers	16.29K	31.03K	25.06K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at JBLM	3.38%	5.44%	5.57%

Joint Base Lewis-McChord - Table 5

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 16,000 Soldier loss at JBLM. The net loss of 1,251 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$94M. The estimated income loss is \$76M and Employment (Indirect) estimated loss is 418 non-federal jobs in the area as a result of the reduced direct service contracts and reduced demand for goods and services.

Schofield Barracks, Hawaii

The 2d Brigade Combat Team (BCT) of the 25 Infantry Division converts from a Stryker BCT to an Infantry BCT. Schofield Barracks will experience a net loss of approximately 1,214 Active Component (AC) military positions due to the BCT conversion and modifications to other formations.

In 2017, Schofield Barracks will have a population of approximately 14,473 AC Soldiers, which is less than the 2001 population of 16,859 AC Soldiers.

Schofield Barracks, Hawaii			
	2001	2012	2017
Number of BCTs	2	2	2
AC Soldiers	16.86K	15.73K	14.47K
Army AC End-Strength	482.2K	570K	450K
% of AC Force at Schofield Brks	3.50%	2.76%	3.22%

Schofield Barracks - Table 6

Economic Consequences

Economic Impact Forecast System (EIFS) analysis in the SPEA provided estimated impacts based on a 16,000 Soldier loss at Schofield. The net loss of 1,214 Soldiers will incur less of an impact to sales volume, employment, and income than the worst case estimate in the SPEA, but clearly it will be significant to the community. For this report the Army used the Economic Impact Forecast System and ran actual net population reductions. The sales volume is estimated to be a loss of \$122M. The estimated income loss is \$127M and Employment (Indirect) estimated loss is 530 non-federal jobs in the area as a result of the reduced direct service contracts and reduced demand for goods and services.

Conclusion

The Army must remain on schedule to reduce the AC by 40,000 Soldiers not later than the end of FY 2017 in order to operate under the fiscal constraints caused by current law budget caps. As the Army reduces its end-strength, it is necessary to maintain the appropriate balance among force structure, force readiness, and modernization. In FY 2016 and 2017, force reductions will primarily take place in Army and joint installations within the United States, as the Army continues to draw down. Significant structure cuts at overseas installations have already occurred.

The Army will continue to be a force that can deploy and sustain capabilities across the range of military operations anywhere in the world on short notice. The annual TAA process will continue to recommend adjustments to the Army's structure in response to changes in the strategic and operational environments. These adjustments will continue to have impacts on Army stationing and on installation populations. At a steady state of 450,000 AC Soldiers, these changes would not be disproportionate for any one installation. Full implementation of the Budget Control Act of 2011, however, requires additional budget cuts in 2018 and beyond. These force structure reductions and the resulting impacts on installation populations could be significant to both military communities and to the defense posture of our nation.

