Examine Economic & Environmental Impacts of Military Bases

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Agenda

- Introduction
- Topic Overview
- Case studies
- Potential impacts
- Live Model Demo & Notable Results
- Conclusion
- Q&A

About Us

We are the nation's leader in dynamic local, state and national policy modeling.

From the start, REMI has sought to improve public policy through economic modeling software that informs policies impacting our day-to-day lives.

We were founded in 1980 on a transformative idea: government decision-makers should test the economic effects of their policies before they're implemented.

At REMI, we're inspired by a single goal: *improving public policies*.

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BRAC Context

Definition

Base Realignment and Closure (BRAC) is the congressionally authorized process the Department of Defense (DOD) has used to

- Reorganize its base structure to improve efficiency & efficacy
- Increase operational readiness
- Facilitate new ways of doing business

History

- More than 350 installations closed in BRAC rounds
- Past rounds in 1988, 1991, 1995, and 2005
- Collectively, these rounds have led to a combined savings of $12 billion annually

Current

- Between all 50 states, DC, US territories of Guam and Puerto Rico, DOD oversees more than 420 military installations (not including US military bases overseas)

In historical and current contexts, BRAC aims to improve military efficiency without unduly hurting affected regional economies.

Why BRAC?

Efficiency Improvements

- Reduce excess military fuel and emissions
- Close installations operating significantly below capacity

New Defense Strategies

- Allow military leaders to evaluate installations based on new criteria
- Redefine military value since decades have passed and US goals have changed

Political Motivations

- Biden Administration set a 2030 greenhouse gas reduction target
- Department of Defense has plans to develop an electrified vehicle fleet

New National Needs

- Reevaluate US military installations
- Understand how economic and policy environments have shifted over time
- Plan to bring new commercial activity to struggling regions

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Economic Impacts of BRAC

How can the REMI model be used to understand and plan for the long- and short- term impacts of BRAC?

Regional Economic Development

Military bases are hubs of economic activity. BRAC necessitates a new long-term approach to attracting businesses and other commercial activity & building housing.

GDP

Defense amounted to 676 billion U.S. dollars in 2019, which was about 3.2 percent of the U.S. GDP. It is predicte d to increase in defense outlays up to 888 billion U.S. dollars in 2030, which would be about 2.9 percent of the U.S. GDP.

Labor Market Changes

Labor supply and demand find new equilibrium as types of employment change, different skills become desirable, and the labor force makeup shifts.

Carbon Impact

Fuel consumption represents roughly two-thirds of the military's carbon footprint. The Department of Defense has plans to develop an electrified zero-emissions non-tactical vehicle fleet, with a goal to completely replace fossil-fueled vehicles by 2035

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BRAC & E3+

How does BRAC affect the environment differently than other sectors?

- Military Footprint
  - Fuel consumption: which represents roughly two-thirds of the military's carbon footprint
  - One of the largest consumers of fossil fuels
    - For example, they were responsible for approximately 52 million metric tons of carbon dioxide emissions in 2020 — more than some entire countries, such as Norway, Sweden, and Switzerland.
- BRAC causes economic changes
  - Local government funding & provision of services
  - Military budget adjustments
  - Employment opportunities, access to jobs

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Economic Modeling & BRAC

- The Economic Impact of Base Closure: Letterkenny Army Depot and Franklin County, Shippensburg University

- The Senate Committee on Veteran Affairs and Military Installations: Report and Recommendations to the 83rd Texas Legislature, Senate Committee

- Understanding the Impact: Closing Naval Air Station Brunswick, Maine State Planning Office

- Economic Impact of the Military on North Carolina, North Carolina General Assembly

BRAC Case Studies

Austin, Texas: Bergstrom Air Force Base

- Closed in September 1993
- Converted into Austin-Bergstrom International Airport
- Through 1970s and 1980s, low-income housing subdivisions were in the flight path of the previous municipal airport; requested civil-military airport at Bergstrom; requests denied but after BRAC the city took over the former base site
- Redevelopment included demolition of base structures and construction of international airport, as well as several other commercial structures

Myrtle Beach, SC: Air Force Base

- Closed in March 1993 in midst of post-Cold War military cutbacks
- Redevelopment after BRAC includes technical college, parks, recreational facilities, golf course, urban village commercial center, construction of research and development center for electronics manufacturing
- Tourism and building success offset losses from base closure
- Challenges included conflict over redevelopment plan & environmental cleanup

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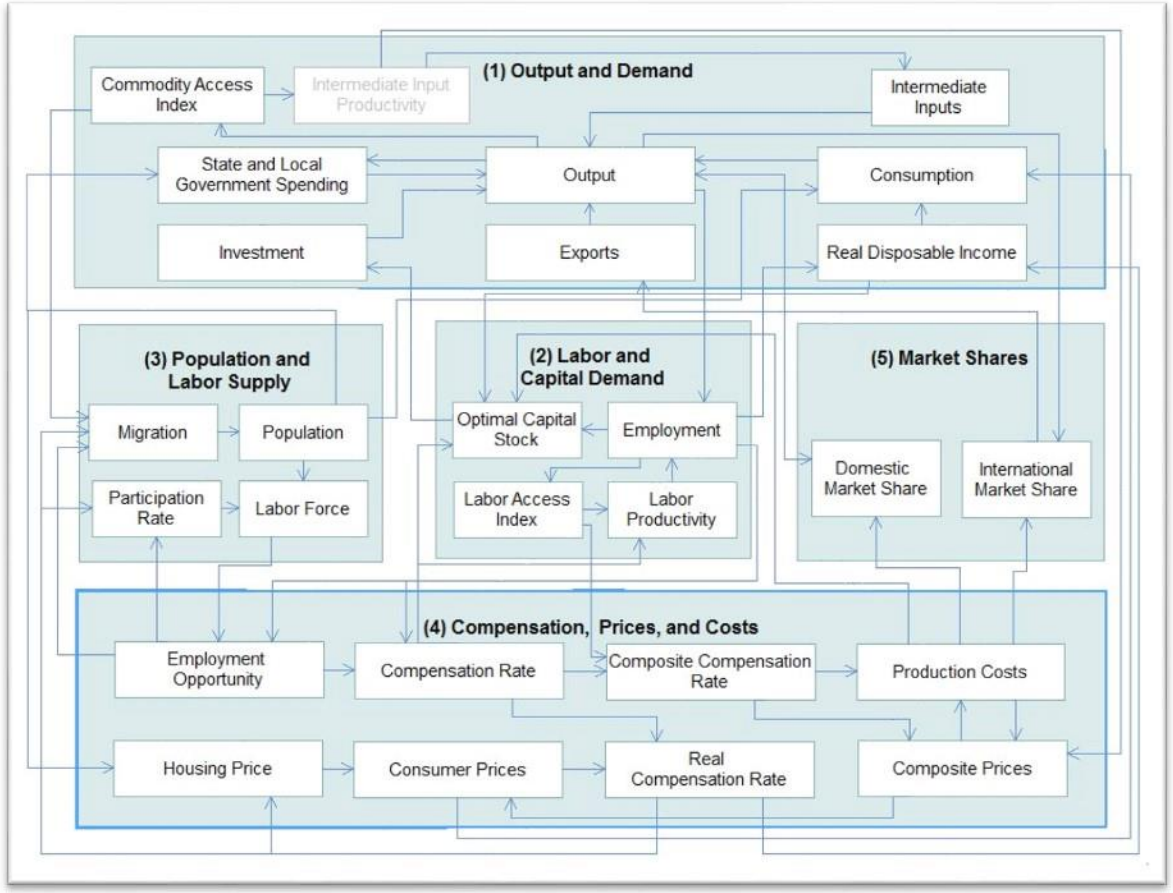
Model Simulation: REMI E3+

E3+ is the premier software solution for analyzing the macroeconomic and demographic impacts of any initiatives related to the energy and environmental sectors.

Decision-makers depend on E3+ to provide comprehensive evaluations of the total economic impact of altering electric rates, introducing new power sources, investing in the production of energy, and other policy changes.



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Model Demo Set-Up

Hypothetical New Round of Base Closures & Economic Redevelopment

- 2030 greenhouse gas reduction target and an executive order to help reduce emissions created in America
  - U.S. military has been a significant contributor to the nation's carbon footprint
  - Responsible for approximately 52 million metric tons of carbon dioxide emissions in 2020
  - Department of Defense has plans to develop an electrified zero-emissions non-tactical vehicle fleet, with a goal to completely replace fossil-fueled vehicles by 2035
- The Military base, Fort Drum, located in New York will be simulated
  - Hypothetical replacement of gas-fueled vehicles with electric vehicles
- Will learn the economic and environmental impacts on jobs, GDP, and carbon dioxide emissions

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Thank you for attending!

For more information, please contact
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