

# The Mission and the Environment

## Keeping the Balance in the Big Picture

*Philip W. Grone, Deputy Under Secretary of Defense  
for Installations and Environment*

**P**hilip W. Grone was appointed as the deputy under secretary of defense for installations and environment (I&E) in November 2004. He has management and oversight responsibilities for military installations worldwide, with a land area covering over 50,000 square miles and containing 577,000 buildings and structures valued at more than \$712 billion. Grone talked with *Defense AT&L* in August about various aspects of his mission, including base realignment and closure and integrating installations and environmental considerations into the weapons acquisition process.

**Q** You've served as the deputy under secretary of defense for installations and environment since November 2004 and as that post's principal assistant deputy since September 2001. Can we start with an overview of your major roles and responsibilities?

**A** The Department of Defense administers one of the largest global, specialized real property portfolios, with a land area covering over 50,000 square miles and containing 577,000 buildings and structures valued at

more than \$712 billion. Within our facilities management responsibilities, this office oversees the development of installation capabilities, programs, and budgets; base realignment and closure; the privatization of military housing; installation energy management; competitive sourcing; and integration of installations and environmental needs into the weapons acquisition process.

Additionally, we have responsibility for environmental management; conservation of natural and cultural resources; environmental research and technology; fire protection; safety and occupational health; and explosives safety. I also have the privilege to serve as the Department's representative to the Federal Real Property Council, which consists of the senior interagency property management team; and I'm the secretary of defense's designee to the Advisory Council on Historic Preservation.

**The Department has recognized more than 120 local redevelopment authorities, or LRAs, that are responsible for creating a redevelopment plan for property made available for civilian reuse as a result of BRAC.**



**Q**

*A major effort during your tenure has been the 2005 BRAC—base realignment and closure. The changes were necessary to support ongoing force transformation, improve the joint utilization of assets, and—in your own words—“to convert waste to warfighting.” What results have you realized to date from this major initiative?*

**A**

With congressional authorization, the secretary of defense initiated the 2005 BRAC process to rationalize the base infrastructure within the United States in support of the Department’s long-term strategic capabilities. The Department’s goals included transforming the current and future force and its support systems to meet new threats; eliminating excess physical capacity; rationalizing the base infrastructure to the new defense strategy; maximizing both warfighting capability and efficiency; and examining opportunities for joint activities.

The 2005 BRAC included over 200 closures and realignment recommendations involving more than 800 installations throughout the United States. This BRAC round consisted of 24 major closures (that is, installations with a plant replacement value in excess of \$100 million) and 24 major realignments (400 or more net reduction of military and civilian personnel).

We estimate it will cost approximately \$31 billion to implement these recommendations, and we estimate we will save approximately \$4 billion annually after 2011. The annual recurring savings for this BRAC round is estimated to be twice as large as any previous round and almost as much as all four past rounds combined.

The Department is on track to implement all realignments and closures by the statutory deadline of Sept. 15, 2011.

A key element of BRAC involves the disposal of assets and community redevelopment. The Department has recognized more than 120 local redevelopment authorities, or LRAs, that are responsible for creating a redevelopment plan for property made available for civilian reuse as a result of BRAC and for directing implementation of the plan. The majority of these communities, with assistance from the Office of Economic Adjustment, are presently working to develop a consensus for redevelopment that reflects the specific market forces, public-facility and Service needs, and private sector circumstances at each location, and to gauge local homeless and community economic development interests in those properties. At the same time, efforts are being made between the LRAs and the military departments to link local civilian redevelopment activities with DoD’s environmental and property disposal efforts, including any necessary environmental remediation.

**Q**

*This round of BRAC also looked specifically at the industrial activities of the Department on a joint basis. All aspects—from medical functions to supply and storage—were assessed from a joint perspective to help provide the most efficient military structure. How is this focus different from previous BRAC decisions?*

**A**

The Department’s BRAC process for 2005 created an analytic framework and a review and oversight process that were substantially strengthened from those in previous rounds. The Department conducted the process with an eye to ensuring that we assessed capacity across the installations maintained by the military services for the best joint use possible. Early on in the process, the secretary of defense reviewed and approved those functions within the Department that received joint cross-Service analysis and the metrics for that analysis. While the Services evaluated their unique functions, those determined to be common business-oriented functions (the functions that exist in more than one Service and/or reside in the private sector) were evaluated jointly. In this round, we learned from past experience and chose to take a broader enterprise view. Rather than jointly assessing only depots or labs, for example (as was done in prior rounds), we broadened the analysis to industrial processes and our entire technical base. We also added jointly to the mix, functions, such as headquarters, that had not been previously assessed. This gave the Department the best opportunity to realign mission and basing to joint warfighting solutions.

**Q**

*The Department has begun the process of realigning or closing a number of large permanent bases overseas in favor of smaller and more scalable installations better suited for rapid deployments. You’ve described these changes as the “most profound restructuring of U.S. military forces overseas since the end of the Korean War.” Can you describe how the new footprint might look, and what kinds of changes are in store?*

**A**

Global Defense Posture activities are well under way and a number of initiatives were included in the fiscal year 2008 President’s Budget. We have established and set up a rotational presence of a Joint Task Force—East Headquarters in Romania and Bulgaria. There is a 173rd Airborne Brigade transformation (Southern European Task Force) in Vicenza, Italy. We have also continued a transformation of the Army, Navy, and Air Force headquarters in Europe. Other initiatives include the establishment of a Stryker Brigade Combat Team in Germany and a redeployment of Army units from Germany to the continental United States, facilitated by the BRAC process. In Korea, we are implementing the Land Partnership Plan and Yongsan

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Grone came to the Pentagon in 2001 with more than 16 years of Capitol Hill experience. He served as the deputy staff director and the assistant deputy staff director for the House Armed Services Committee; staff director of the HASC Subcommittee on Military Installations and Facilities; the subcommittee professional staff member for the HASC Subcommittee on Oversight and Investigations; professional staff member for the Joint Committee on the Organization of Congress; and legislative assistant to U.S. Rep. Willis D. Gradison Jr. of Ohio.

Grone graduated *summa cum laude* from Northern Kentucky University with a bachelor's degree. He earned his master's degree from the University of Virginia.

Relocation Plan, reducing and consolidating our forces into enduring hubs south of Seoul. In conjunction with modernizing our combined combat force capabilities, it provides a future force with increased strategic relevance, flexibility, and responsiveness. The movement of U.S. Marines from Okinawa to Guam is part of the United States–Japan Defense Policy Review Initiative success story in implementing the Department's global defense posture strategy. It will strengthen the United States' secu-

urity and deterrent capability in the region and emphasize Japan's regional security role.

**Q**

*To address consequences and impacts from BRAC decisions, DEAP—the Defense Economic Adjustment Program—assists substantially and seriously affected communities, businesses, and workers by providing coordinated federal economic adjustment assistance. What kinds of support can DEAP offer?*

**A**

DEAP is managed by the Office of Economic Adjustment and offers a flexible program to assist those impacted by BRAC to plan and carry out local adjustment strategies, engage the private sector to plan and undertake economic development and base redevelopment, and partner with the military services as they carry out their DoD missions. The ability to assist these impacted groups is established through executive order and statute and extends beyond DoD to many of the civilian federal cabinet agencies working with the Office of Economic Adjustment and DoD through the Economic Adjustment Committee. Together they ensure a coordinated and responsive program is available to help affected parties respond to DoD impacts. Through the first four rounds of BRAC, the DEAP facilitated over \$1.9 billion in adjustment assistance, including \$280 million from the Office of Economic Adjustment. Additionally, federal agencies sponsored conveyances of more than 99,000 acres of surplus BRAC property for local public purposes. To assist with the 2005 BRAC effort, the DEAP has facilitated over \$180 million in assistance and developed over 30 technical resources to assist local and state responses.

**Q**

*An accurate inventory and a forecast of all assets currently on hand and planned for the future are fundamental to determining and assessing budget requirements. The Department is continuing to improve its inventory process and is working extensively in the interagency process to support a more useful federal inventory that can be used for management purposes. How will implementation of the real property inventory requirements (or RPIR) document provide the basis for a more accurate and current asset inventory database?*

**A**

RPIR is focused on standardizing critical real property accountability business processes across DoD and ensuring that the real property asset information is created, updated, and archived as part of the day-to-day business management of our real property assets. Real property specialists will be better supported in their jobs because of the standardization of processes and data; it takes the guesswork out of doing the job. Our real property information technology systems are being revamped to

ensure that information is created as a result of business events—a leading information business practice in the commercial world. Our systems are also being updated to support the data standards that are a part of RPIR. Through net-centricity, the military departments' real property inventory systems will interface with a central real property data warehouse. This data warehouse, supported by real property unique identification, will serve as the sole source for other systems, programs, and people who have a need to access and manage real property information in the conduct of their various missions. This reform will allow DoD to answer authoritatively for a common framework five basic questions about any asset: What is it? Where is it located? What is its condition? What does it cost to operate? What is its mission-readiness or operational availability? The efficiency and effectiveness of real property inventory reform will benefit not just installation managers but also those who work in the supply chain or force management. This is a fundamental change in business process.

**Q** *At the outset of this administration, President Bush and then-Secretary Rumsfeld identified elimination of inadequate family housing as a central priority for the Department and set an aggressive target of 2007 to meet that goal. Sustaining the quality of life for military families is crucial to recruitment, retention, readiness, and morale. How have you met this challenge?*

**A** The Department has done very well. By the end of July 2007, we eliminated over 114,670 inadequate family housing units through 73 awarded privatization projects. At that point, there were about 62,800 inadequate units remaining worldwide, including some 20,000 overseas. We expect to have nearly all inadequate domestic housing eliminated through privatization or military construction by the end of fiscal year 2007 [this interview took place in August] and overseas inadequates eliminated by the end of fiscal year 2009.

In the area of improving our barracks, the Navy is using pilot authority provided by Congress to privatize barracks as part of its Homeport Ashore program, which permits enlisted members, when in port, to have the option of living in privatized barracks. To date, one 1,200-unit public-private barracks venture was awarded in January 2007 in San Diego, Calif. Another 2,800-unit project is in the final stages of award at Hampton Roads, Va.

In addition, I am very pleased that we are working with the University of Maryland to formulate a one-year graduate program focused on federal real estate privatizations. It is based on the university's creation of a new real estate master's program and will incorporate prior experience to provide specialized housing privatization training for Services. The program will provide a means to enhance the skills of the inhouse core of trained professional real property portfolio managers within DoD and the Services, with courses focused on real estate law and development, and business and asset management.

**Q** *Energy conservation is another hot topic for DoD. Conserving energy in today's high-priced market will save the Department money that can better be invested in readiness, facilities sustainment, and quality of life. You're looking into many exciting new alternative sources of renewable energy. Would you comment on some of these initiatives?*

There are many renewable energy projects being developed and implemented on various installations. The Air

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Force recently signed a contract to deploy the nation's largest photovoltaic array at Nellis AFB. The Navy is facilitating a new geothermal electricity generation plant at Naval Air Station Fallon and evaluating Ocean Thermal Energy Conversion and Ocean Wave Energy technology. In Hawaii, the Army's housing privatization partner produced a project that included the largest use of solar power in a housing development ever attempted. Those are just a few of the many initiatives the installations and environment community is working on to reduce conventional energy consumption.

**Q** *To make operations more efficient and sustainable across the Department, you've talked about implementing environmental management systems that are based on the "plan-do-check-act" framework. Can you describe how this framework operates and how you are embedding such management systems into mission planning and sustainment?*

**A** An environmental management system, or EMS, is a formal framework for integrating the consideration of environmental issues into the overall management structure at an installation. It's required by Executive Order 13423, "Strengthening Federal Environmental, Energy, and Transportation Management," signed by the president in January 2007. This order replaced and updated the EMS requirements in previous executive orders. An EMS makes good business sense. When properly implemented, these systems identify the environmental aspects of the mission, highlight and prioritize areas of risk, promote pollution prevention, and track progress toward environmental goals. DoD's EMS focus is at the installation level. Each military service has developed mission-focused EMS procedures based on DoD and executive order requirements. A key part of an EMS is the cross-functional teams from the various organizations on the installation whose activities im-

pact the environment. These teams identify issues that are then provided to an environmental management council that advises the installation commander on the management of objectives, goals, and targets to improve environmental and mission performance. The objectives, goals, and targets are prioritized, and resources are identified. Actions are implemented to meet them and then assessed for effectiveness. The management system facilitates corrective action for continuous improvement.

DoD has 596 EMS-appropriate facilities, 506 in the United States and territories and 90 overseas. Although implementing EMS overseas is not required by the executive order, the Department is implementing it there because of the overall benefits to mission sustainability.

EMS implementation and operation has been written into the Defense Installations Strategic Plan and the AT&L Strategic Goals Implementation Plan. We are refining new EMS guidance that will emphasize the cross-functional nature of the framework and how it interacts outside the environmental community. In addition, the Services have developed EMS policies and training that emphasize awareness by all and the importance of senior leadership involvement. Together, these efforts are beginning to change perceptions of environmental management so that it's seen not merely as placing restrictions on operations, but rather for its capability-enabling potential.

**Q** *The Department has developed a program of compatible land-use partnering that promotes the twin imperatives*

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*of military test and training readiness and sound conservation stewardship through collaboration with multiple stakeholders. What initiatives are promising in this area? What kind of particular challenges does balancing such disparate goals entail?*

**A**

The Department of Defense Readiness and Environmental Protection Initiative provides funding for the military to work with state and local governments, non-governmental organizations, and willing land owners to help prevent encroachment on our training and testing ranges and on our installations. The funding leverages public-private partnerships to promote innovative land conservation solutions and compatible land use that benefit military readiness and the environment. To date we have partnered on over 50 projects, and interest and support for REPI projects continue to grow as we reach out to neighbors at our installations and ranges.

We have found that a regional approach for engaging stakeholders is very effective. Two years ago, we helped launch SERPPAS, the Southeast Regional Partnership for Planning and Sustainability, to work with state governments, other federal agencies, and nongovernmental organizations to promote better collaboration in making resource-use decisions. Based on our success with SERPPAS, we're now working with prospective partners to launch the Western Regional Partnership. These partnerships will help all participants leverage resources and work together to ensure that their missions and interests are considered in resource-management decisions; and for DoD, that means sustaining military readiness. The challenge we face is that resources are finite, and no department, agency, or organization today can go it alone to sustain its mission.

**Q**

*Metrics are playing an increasing role in how installations are managed and evaluated. Currently under development are common output level standards for such functions of installations support as environment, family housing operations, and services. Commercial benchmarks are commonly applied in this effort. To what extent is it difficult to compare the activities on installations to comparable commercial venues?*

**A**

Two components of commercial benchmarks are looked at when developing metrics. One is the level of service, or what the customer receives, and the other is cost. Functional experts from the military departments and the Office of the Secretary of Defense teamed to develop common definitions for the level of service for the total cost of installations, including facilities sustainment, facilities recapitalization, and installation support functions. The Department has already developed cost models for

facilities sustainment, facilities modernization, and facilities operations. Currently under development is a new cost model to assist in programming and planning for costs associated with installation services.

Where applicable, we've considered commercial, industry, trade, and other governmental references for frequency and standards of service in arriving at output levels and cost for installation services. Some activities and services have a high degree of correlation with the commercial sector, as for example, facility maintenance and repair or services such as custodial, grounds maintenance, and dining hall operations. However, operating in a military environment poses unique requirements for most installation services.

Installation personnel who perform services often have additional duties that are not commensurate with their industry counterparts. Military personnel who provide services have training and deployment requirements that must be considered. And some functions simply do not translate to the non-DoD world.

As we've developed standards and conducted analyses, we have isolated the impact on service of operating in a military environment to find some correlation with industry. The military factor is then added. For installation services that are not provided in the private sector, we've reviewed internal data to derive service levels and cost. The final objective is to ensure all military members receive proper installation support that is standardized across DoD by defining common output levels and objective pricing.

**Q**

*The Department manages an inventory of over 577,000 buildings and structures. The National Historic Preservation Act requires evaluation of properties when they reach 50 years to determine if they are eligible for the National Register of Historic Places. Currently, about 32 percent of DoD's buildings are older than 50 years; based upon current inventory forecasts, that percentage will increase rapidly over the next 20 years. Ten years from now, over 55 percent of our inventory will be older than 50 years, and each of those buildings will require evaluation to determine eligibility for the National Register and, therefore, may be subject to the requirements of the National Historic Preservation Act. In 20 years, it may grow to over 65 percent. This must present an enormous management challenge. What are you doing to address the issue?*

**A**

It's true that the Department has tremendous inventory of historic buildings and structures that connect our fighting men and women with the proud history and traditions of military service.

# LETTERS.

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In consultation with stakeholders, we have developed a full suite of programmatic alternatives to case-by-case consultation; those alternatives allow effective, streamlined compliance with the National Historic Preservation Act and other authorities. Individual installations are working to develop agreements with state historic preservation officers and other consulting parties to develop installation-wide processes and procedures, rather than addressing the assets on a case-by-case basis. In partnership with the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation officers, and the National Trust for Historic Preservation, the Department has established five agreements that address approximately 125,000 buildings, or 37 percent of our 344,950 buildings. These nationwide agreements eliminate the need for evaluation, consultation, and mitigation for each individual building.

The Department will continue to promote and interpret the historic buildings under our care, both to inspire our personnel and to encourage and maintain the American public's support for its military. Our cultural resources are the nation's assets; we are their stewards, not their owners.

**Q**  
*Are there any other areas you'd like to share with our AT&L workforce?*

**A**  
Community management has been one of my most important priorities. A high-performing, agile, and competent workforce is an absolute necessity, given the volume of work and the timelines necessary to support global rebasing, BRAC execution, and growing the force. And to those we add the clear necessity of sustaining, restoring, and modernizing our assets, plus the increasing intensity of requirements in the energy and environmental areas.

This year, we added key objectives to the Defense Installations Strategic Plan to reflect the importance of workforce development and management. The first key objective is to strengthen knowledge, skills, and abilities of the installations and environmental workforce by ensuring that career field management plans are in place. The second is to improve the Department's ability to work constructively with external entities by establishing a competency-based approach to developing collaboration and partnering skills.

These objectives fit well within the Department's implementation of the National Security Personnel System, focusing attention on performance-based personnel management. I intend to continue I&E's workforce leadership and performance proficiencies, specifically in supporting AT&L's goals and objectives and in the overall I&E's contribution to the Department's mission and capabilities.