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ASE LUSSUAGE in the Fifth District

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I f you add up the numbers in the 2005 Base Realignment and Closure Commission's final report, things don't look good for the Fifth District. The commission estimates some 17,000 net jobs to be lost from Maryland down to South Carolina. That's even more than the nationwide net loss of 8,000 estimated jobs to be eliminated in the BRAC process.

But analysts strongly caution that the BRAC figures are preliminary and subject to change. While the bases targeted for realignment and closure are now virtually set in stone, the precise impact on direct employment remains in flux. For example, the final BRAC report estimated total job losses in Virginia at 18,770.

But that estimate comes with several caveats. The fate of the Naval Air Station in Oceana has not yet been settled, for one thing. Additionally, there has been no final determination yet where the jobs scuttled by the military's nearly wholesale exit from leased office space in Arlington and Alexandria will end up — many are likely to remain in the nearby metro Washington, D.C., area. Finally, there are potentially thousands of classified functions that may be transferred into Virginia.

"Virginia is not necessarily a big loser," says Dave Dickson, acting executive director for the Virginia National Defense Industry Authority. "We still have a lot of unknowns out there. All these military installations are dynamic communities, with people coming and going all the time. It drives the economists and accountants a little batty." There was only one Fifth District base on the final report's list of 22 "major closures" — Fort Monroe in Virginia, which may result in the loss of 3,564 total direct jobs. Among the 33 nationwide "major realignments," which are where major job cuts are expected to happen, are Walter Reed National Military Medical Center in the District of Columbia, Fort Eustis in Virginia, the Naval Air Station in Oceana, Va., and Pope Air Force Base, NC.

All together, the 2005 BRAC round is intended to save U.S. taxpayers \$15 billion over 20 years. Job losses from base realignments inevitably cause economic damage to their local communities, but they are not insurmountable. Many bases, which often occupy prime real estate, are redeveloped for profitable use. Soon-to-be vacated office space in Arlington and Alexandria would seem likeliest for speedy redevelopment.

On the other hand, only two of the five major base redevelopments in the Fifth District since 1993 have produced enough new jobs from private-sector investment to restore the number of civilian jobs lost post-BRAC. In that regard, the Charleston Naval Complex in South Carolina still hasn't recovered fully from the 6,272 jobs lost in the 1993 BRAC process, gaining just 2,797 jobs in replacement since. (See "Redevelopment Boot Camp," *Region Focus*, Summer 2005.)

The Defense Department has until Sept. 15, 2007, to begin closing and realigning the installations and must be finished by Sept. 15, 2011.

Fifth District Highlights

(Note: All figures are estimates, with final impact depending on a wide variety of as-yet undetermined factors.)

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District of Columbia

Total Direct Job Changes: 7,407 jobs lost Biggest Impact: Realignment of Walter Reed Army Medical Center, 5,663 direct jobs lost

Maryland

Total Direct Job Changes: 8,900 jobs gained

Biggest Impacts: Addition of 5,361 total direct jobs at Fort Meade; Addition of 2,829 total direct jobs to the National Naval Medical Center in Bethesda

North Carolina

Total Direct Job Changes: 145 jobs lost Biggest Impacts: Gain of 3,663 total direct jobs at Fort Bragg; Loss of 4,112 direct jobs with realignment of Pope Air Force Base

South Carolina

Total Direct Job Changes: 334 jobs gained

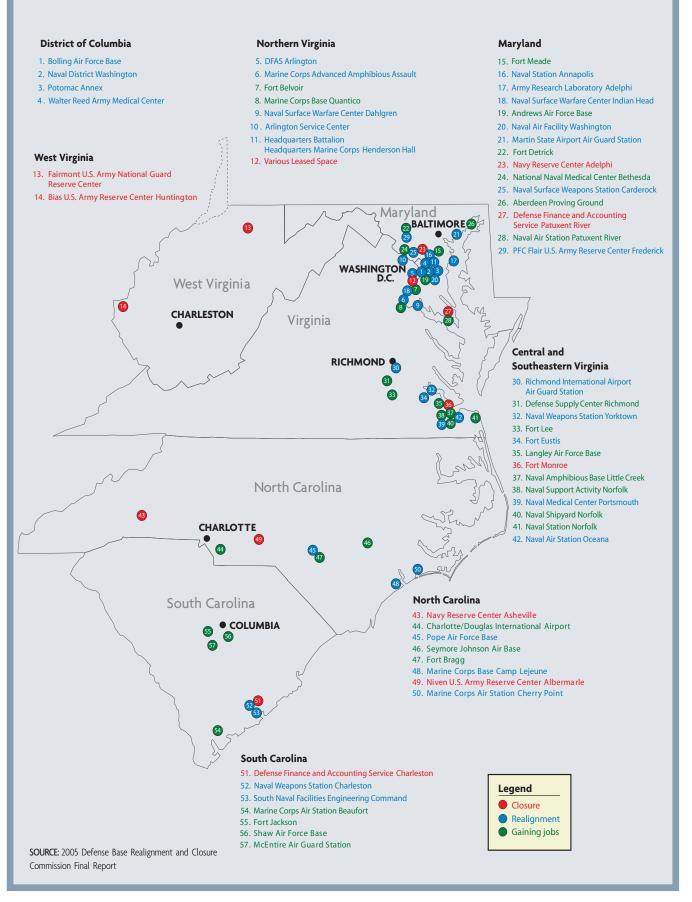
Biggest Impacts: Loss of 630 direct jobs with realignment of the Naval Weapons Station in Charleston; Gain of 615 total direct jobs at Fort Jackson

Virginia

Total Direct Job Changes: 18,770 jobs lost Biggest Impacts: Loss of 11,173 total direct jobs at the Naval Air Station in Oceana; Loss of 18,750 jobs from various leased space in suburban Washington, D.C., area; Gain of 12,595 jobs at Fort Belvoir

West Virginia

Total Direct Job Changes: 105 jobs lost Biggest Impact: Loss of 88 jobs at Fairmont U.S. Army National Guard Reserve Center



33

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