2006 REPORT TO THE PRESIDENT

EAC

THE ECONOMIC ADJUSTMENT COMMITTEE

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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, DC 20301

JUL - 9 2007

President George W. Bush
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

As required by Executive Order 12788, as amended, and by Section 4004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), we are pleased to forward the report describing the work of the Economic Adjustment Committee during the fiscal year ending September 30, 2006.

Respectfully yours,

Philip W. Grone
Chair
Department of Defense

Emily Stover-DeRocco
Co-Vice Chair
Department of Labor

Sandy K. Baruah
Co-Vice Chair
Department of Commerce

Enclosure:
As stated

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301

JUL - 9 2007

Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As required by Executive Order 12788, as amended, and by Section 4004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), as amended, we are pleased to forward the report to the President describing the work of the Economic Adjustment Committee during the fiscal year ending September 30, 2006. Thank you for your continuing interest in ensuring that the needs of communities, businesses, and workers substantially and seriously affected by changes in Department of Defense activities are addressed.

We are also sending a copy of this report to the Chairman and Ranking Member of the House Committee on Armed Services.

Sincerely,

Philip W. Grone
Chair
Department of Defense

Emily Stover-DeRocco
Co-Vice Chair
Department of Labor

Sandy K. Baruah
Co-Vice Chair
Department of Commerce

Enclosure:
As stated

cc:
The Honorable John McCain
Ranking Member

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301

JUL - 9 2007

Honorable Ike Skelton
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As required by Executive Order 12788, as amended, and by Section 4004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), as amended, we are pleased to forward the report to the President describing the work of the Economic Adjustment Committee during the fiscal year ending September 30, 2006. Thank you for your continuing interest in ensuring that the needs of communities, businesses, and workers substantially and seriously affected by changes in Department of Defense activities are addressed.

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Department of Defense

Emily Stover-DeRocco
Co-Vice Chair
Department of Labor

Sandy K. Baruah
Co-Vice Chair
Department of Commerce

Enclosure:
As stated

cc:
The Honorable Duncan Hunter
Ranking Member

2006 REPORT TO THE PRESIDENT

EAC

THE ECONOMIC ADJUSTMENT COMMITTEE

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EAC

ANNUAL REPORT TO THE PRESIDENT

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EAC

The Economic Adjustment Committee

Executive Summary of the Economic Adjustment Committee (EAC) 2006 Annual Report

The following report to the President, pursuant to Executive Order (E.O.) 12788, as amended on May 12, 2005, includes EAC preparation and planning activities prior to the Secretary of Defense announcement of the BRAC 2005 recommendations, activities following the BRAC 2005 recommendations, and ongoing activities since the November 9, 2005, passage of BRAC 2005 into law.

E.O. 12788, as amended (see Appendix A), establishes the Defense Economic Adjustment Program (DEAP) through the advice and support of the Economic Adjustment Committee (EAC). The EAC provides coordinated Federal economic adjustment assistance to substantially and seriously affected communities, businesses and workers from the effects of major Defense base closures, realignments, and Defense contract-related adjustments. More than $187 million in Federal grants, loans, and technical assistance was provided to State and local governments, businesses, and individuals through the EAC to prepare for and respond to the Defense adjustment challenges over the period covered by this report. Additionally, 38 publications and other outreach products were developed through the EAC to assist Defense-impacted areas.

The EAC is composed of 22 Federal departments and agencies. The Chair, the Secretary of Defense, has designated the Deputy Under Secretary of Defense (Installations & Environment) to serve as Chair of sub-Cabinet-level meetings of the EAC. The Secretaries of Labor and Commerce serve as Co-Vice Chairs of the EAC, and they have designated the Assistant Secretary of Labor for Employment and Training and the Assistant Secretary of Commerce for Economic Development, respectively, as acting Co-Vice Chairs. The Director of the Department of Defense (DOD), Office of Economic Adjustment (OEA) serves as the Executive Director of

the EAC. The EAC consists of an advisory group and a working group, with staff support from the OEA (see Appendix B).

The EAC plays a pivotal role as the clearinghouse for information exchanges among Federal, State, and local community officials involved in the resolution of challenges stemming from significant Defense program changes. Among other key responsibilities, the EAC provides a compendium of coordinated Federal assistance, services, and programs for affected communities.

The Defense Economic Adjustment Program and the Economic Adjustment Committee

THE DEFENSE ECONOMIC ADJUSTMENT PROGRAM

Defense program activity, including BRAC, Defense contract-related adjustments, and the encroachment of civilian communities on the missions of the military installations, may substantially and seriously affect communities, businesses, and workers. The DEAP was established under E.O. 12788, and amended in May 2005 (see Appendix A), to specially assist these affected communities, businesses, and workers. Among its mandates, the DEAP is to:

- Identify problems of States and communities as a result of Defense actions;
- Apply consistent policies, practices, and procedures in the administration of Federal programs that are used to assist Defense-affected States, regions, metropolitan areas, communities, and businesses;
- Identify and strengthen existing agency mechanisms to coordinate employment opportunities for displaced personnel;
- Assure timely consultation and cooperation with Federal, State, and local officials concerning Defense-related impacts on Defense-affected communities' problems;
- Assure coordinated interagency and intergovernmental adjustment assistance concerning Defense impact problems;
- Prepare, facilitate, and implement cost-effective strategies and action plans to coordinate interagency and intergovernmental economic adjustment efforts;
- Encourage effective Federal, State, regional, metropolitan, and community cooperation and concerted involvement of public interest groups and private sector organizations in Defense economic adjustment activities;
- Serve as a clearinghouse to exchange information among Federal, State, regional, metropolitan, and community officials involved in the resolution of community economic adjustment problems. Such information may include, for example, previous studies, technical information, and sources of public and private financing; and
- Encourage resolution of regulatory issues that impede encroachment prevention and local economic adjustment efforts.

The DEAP is managed and directed by DOD's Office of Economic Adjustment (OEA).

THE ECONOMIC ADJUSTMENT COMMITTEE (EAC)

The EAC is established under E.O. 12788, as amended, to advise, assist, and support the Defense Economic Adjustment Program. Specifically, the EAC:

- Coordinates Federal interagency and intergovernmental assistance to support the DEAP and to help States and communities respond to Defense-triggered economic impacts;
- Develops procedures that assist affected States and locales;
- Provides a clearinghouse for information exchanges among Federal, State, and local officials involved in the economic adjustment activities. These resources touch beneficiaries from the Federal level to individual citizens impacted by downsizing or growth resulting from Defense activities such as base closures, realignments, and similar modifications.

EAC Organizational Structure

EAC Membership: E.O. 12788, as amended, stipulates the EAC is to be composed of the following individuals or a designated principal deputy of these individuals:

The Secretary of Agriculture; Attorney General; Secretary of Commerce; Secretary of Defense; Secretary of Education; Secretary of Energy; Secretary of Health and Human Services; Secretary of Housing and Urban Development; Secretary of Interior; Secretary of Labor; Secretary of State; Secretary of Transportation; Secretary of Treasury; Secretary of Veterans Affairs; Secretary of Homeland Security; Chairman, Council of Economic Advisors; Director, Office of Management and Budget; Director, Office of Personnel Management; Administrator, Environmental Protection Agency; Administrator, General Services; Administrator, Small Business Administration; and Postmaster General.

The President may designate other individuals from the Executive Branch as may be necessary. Public Law 101-510, as amended, further establishes the executive authority, durability, and responsibilities of participating members. The public law also highlights annual report criteria and mandates the EAC to submit an Annual Report to the President, and then to Congress that:

(A) Describes Federal economic adjustment programs available to communities, businesses, and groups of workers;

(B) Describes the implementation of Defense economic adjustment assistance during the preceding fiscal year; and

(C) Specifies the number of communities, businesses, and workers affected by Defense budget reductions during the preceding fiscal year and such number assisted by Federal economic adjustment programs during that fiscal year.

This report addresses reporting requirements (A) and (B). Reporting requirement (C) is not applicable to this report, as no Defense budget reductions affecting communities, businesses, or workers occurred during the reporting period.

Chair and Co-Vice Chairs: The EAC Chair, the Secretary of Defense, has designated the Deputy Under Secretary of Defense (Installations & Environment) to chair sub-Cabinet-level meetings. The EAC Co-Vice Chairs, the Secretaries of Labor and Commerce, have designated the Assistant Secretary of Labor for Employment and Training and the Assistant Secretary of Commerce for Economic Development, respectively, to assume their Co-Vice Chair responsibilities.

Executive Director and Staffing: The Director of OEA serves as Executive Director of the EAC and provides staff support for EAC activities.

EAC Operational Structure

The EAC functions with an advisory group and a working group (see Figure 1). The member departments and agencies designate individuals to serve on these groups and speak for their agencies on matters of policy and program coordination.

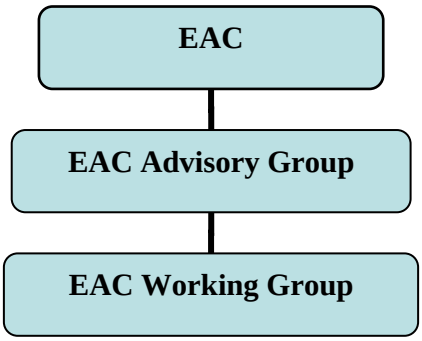

Figure 1. EAC Operational Structure

Advisory Group: Responsible for high-level resolution of EAC-related issues, provides guidance to the working group, ensures respective agency support for the EAC and DEAP-related activities, and provides recommendations and input to EAC principals on EAC and DEAP matters that require approval at the Cabinet level.

Working Group: Forms the core interagency network for program information exchange, resolution of cross-cutting issues, and coordination of Defense economic adjustment efforts. EAC members often participate on joint panels to explain various types of Federal adjustment assistance through their respective agencies. Routinely, as Defense economic adjustment issues or questions arise, members work one-on-one with OEA staff and their interagency colleagues.

Informal Interagency Staff Relationships/Coordination

Beyond these formal internal structures, the EAC relies on informal interagency staff relationships and coordination to help achieve its mission. OEA staff members supporting the EAC coordinate and maintain liaison with the EAC member agency designees at both the advisory and working group levels. These interagency relationships foster good staff coordination as well as agency support for, and participation in, EAC activities.

The EAC and BRAC 2005

EARLY EAC PREPARATIONS AND PLANNING

Prior to the May 13, 2005 Secretary of Defense BRAC announcement, the EAC proactively coordinated several events to review and prepare member agencies' responsive BRAC programs, capacities and resources.

DOD-Civilian Personnel Policy (CPP)/Civilian Personnel Management Service (CPMS) Interagency Working Group

In August 2004, CPP/CPMS organized an interagency and interservice working group whose mission was to address the "human aspects" of the pending BRAC 2005 recommendations collaboratively and proactively and to assist in ensuring that impacted DOD civilian employees experience a successful career transition. This working group developed an online toolkit to help employees understand the BRAC process and to aid in familiarizing employees with available worker adjustment programs and benefits.

In addition, the interservice working group published an employee brochure entitled "BRAC Transitions: Assistance for DOD Civilian Employees" and produced a video entitled "BRAC: Moving Forward: Resources and Assistance for Career Transitions." The brochure and video provide detailed discussion of available civilian employee assistance program information. The "BRAC Transition" Web site (http://www.cpms.osd.mil/brac/brac_index.aspx) was subsequently launched in May 2005, providing information on various placement programs, separation incentives, transition benefits, frequently asked questions, and up-to-date information on BRAC personnel developments.

Federal Sponsoring Agency Roundtable

On October 6, 2004, eight EAC member departments and their sub-agencies with responsibility for sponsoring a variety of public benefit conveyances (PBCs) met to identify issues that warranted attention prior to the start of BRAC 2005, including the U.S. Department of Education (ED), U.S. Department of Health and Human Services (HHS), U.S. Department of Interior (Bureau of Land Management (BLM), Fish and Wildlife Service (FWS), National Park Service (NPS) and Bureau of Indian Affairs (BIA)); General Service Administration (GSA), U.S. Department of Housing and Urban Development (HUD), U.S. Department of Justice (Bureau of Prisons (BOP)), U.S. Department of Transportation (DOT) (Federal Aviation Administration (FAA) and Maritime Administration (MARAD)) and the Environmental Protection Agency (EPA).

PBCs can be used to transfer surplus Federal property to eligible State and local governments for use as airports, parks, schools, and other designated public purposes. BRAC 2005 provides a significant opportunity for affected communities to request PBC property transfers for lands and buildings determined to be surplus to the Military Departments. Such transfers can help communities develop needed public facilities as part of a coordinated reuse and redevelopment strategy for closing military installations.

Roundtable participants reviewed the then-proposed update to E.O. 12788 and reported on PBC activity to date at prior-BRAC locations. Discussion then focused on ways to streamline the PBC process for BRAC 2005, including improved cross-agency coordination and agency communication with the impacted communities, improved property information and environmental condition data, and uniformity among agencies in tracking and reporting the status of PBC transfers.

DOD-CPP/CPMS and the U.S. Department of Labor (DOL)

In February 2005, CPP/CPMS and DOL established a collaborative, proactive intergovernmental working group to discuss, define, and coordinate available civilian employee transition assistance. The working group identified both “inside-the-gate” and “outside-the-gate” activities that provide comprehensive transition assistance to impacted civilian employees while maintaining the DOD mission. Both CPP/CPMS and DOL continue to maintain this collaborative relationship, which extends to providing on-the-ground subject matter experts for site visits, as needed.

Coordination of the Federal Property Screening Process Meeting (May 5, 2005)

The EAC Chair convened a sub-Cabinet-level meeting of member agencies to discuss the plans to screen excess property for interest by other Federal agencies (Fed-to-Fed screening) and dispose of property resulting from BRAC 2005. The objective was to help facilitate the screening of BRAC 2005 property. Participants received an overview of the EAC and member agencies' past BRAC property disposal actions. The Chair also presented an overview of the BRAC 2005 timeline and process which emphasized DOD's focus on expedited property disposal and avoidance of long-term caretaker obligations.

Additionally, the principles for BRAC 2005 disposal and reuse, expediting mission movements, expediting community redevelopment and recovery, utilizing a "mixed toolkit" of authorities and leveraging market forces when possible were discussed.

Executive Order 12788, as amended

On May 12, 2005, the President signed E.O. 13378, amending E.O. 12788, "Relating to the Defense Economic Adjustment Program." E.O. 13378 updated the purpose of the DEAP. E.O. 12788, as amended, now specifically mentions "substantially and seriously affected communities, businesses, and workers." It also states that the DEAP should assist State and local governments in preventing the encroachment of civilian communities from impairing the operational utility of military installations. Further, it encourages EAC agencies to resolve Federal regulatory issues that can impede encroachment prevention and local economic adjustment efforts. Finally, the amended E.O. updates the EAC's membership by deleting offices that no longer exist, eliminating the previous rotating chairmanship, and designating the Secretary of Defense as Chair and the Secretaries of Labor and Commerce as Co-Vice Chairs.

Designation of EAC Advisory and Working Group Members

During FY 2005, EAC members identified and confirmed their respective assistant-secretary-level advisory group members and the appropriate working group member(s) and alternate(s). Departments with multiple programs or areas of expertise were invited to identify several working group members and alternates as appropriate.

EAC Member Briefings

To prepare EAC members for BRAC 2005, OEA conducted individual briefings with all EAC members, concentrating on the DEAP and areas where EAC could be of assistance, including new or existing programs and resources that could assist communities, businesses, and workers.

Development of the Compendium of Federal Assistance Programs

EAC members collaborated to develop a compendium of Federal assistance programs for BRAC-affected communities, businesses, and workers entitled, "*Coordinated Federal Resources for BRAC Communities*." The compendium included introductory information about the EAC's role and member-specific program functions and resources to assist states and communities to respond to BRAC. This resource provided internet and telephone resources/contacts, and program and funding descriptions for assistance ranging from job and career-related assistance, helping businesses to respond to military downsizing and finding opportunities in areas of military base realignment, education, childcare, and infrastructure (water, sewer, roads) resources.

This compendium was posted on the EAC page of the OEA Web site prior to the announcement of BRAC 2005 recommendations and is continually updated and posted at http://www.oea.gov/oeaweb.nsf/EAC?readform.

OEA Advance Planning Grant Program

During FY 2005, 31 communities took advantage of the opportunity to begin an anticipatory planning process prior to announcement of the Secretary of Defense recommendations and the beginning of the BRAC Commission process. First announced in June 2004, the OEA Advance Planning Grant program provided technical and financial assistance to communities located adjacent to active military installations for advance planning for community adjustment in the event of a possible BRAC 2005 action. Communities could also explore economic diversification from Defense-dependent economies, whether or not an installation was ultimately closed. This program was established in response to community feedback from prior BRAC rounds that emphasized the importance of earlier pre-BRAC planning support. With $4,711,800 in Advance Planning Grant support, potentially vulnerable communities were provided with an opportunity to prepare to respond more quickly in the event of a BRAC action.

THE EAC RESPONSE TO BRAC 2005 RECOMMENDATIONS

On May 13, 2005, the Secretary of Defense announced his recommendations to the BRAC Commission, initiating the BRAC Commission review of those recommendations. This announcement triggered the official eligibility for a number of individual and community assistance programs sponsored by EAC member agencies, even as the BRAC Commission process was just getting under way. The Secretary acknowledged in his announcement address the obligation to assist affected communities, stating: *"The changes that [would] occur [would] affect a number of communities. In the past, [those communities] have warmly embraced nearby military installations for a good many years. The [Defense] department will take great care to work with these communities, with the respect that they have earned, and stand ready with various types of assistance."*

Outreach to State and Local Officials and Members of Congress

On May 17, 2005 OEA provided BRAC resource packages to affected State and local officials, and members of Congress representing areas affected by major BRAC 2005 actions. The packets included the following items:

- OEA Director's Letter of Introduction: introducing the DEAP and OEA's program of assistance,
- *Communities Responding to Change (DVD)*: a video presenting local officials who successfully responded to earlier BRAC rounds and keys to success based on local experience,
- *Responding to Change: Communities & BRAC (publication)*: a publication developed to acquaint readers with the key local roles and responsibilities for responding to the BRAC effort with guidance for downsizing and growth locations,
- DOL Outreach Information for BRAC affected community leaders, business and workers,
- E.O. 12788, as amended, and the
- *Coordinated Federal Resources for BRAC Communities (EAC publication).*

DOL Field Engagement

In response to the Secretary of Defense announcement, DOL created a National BRAC Coordination Unit within its Office of National Response to consolidate and streamline the DOL's BRAC response. Working with its six regional offices and directly with affected States, the DOL BRAC Coordination Unit provides rapid issue resolution on matters related to policy, services eligibility, and technical matters related to grants administration. The Coordination Unit also provides onsite technical assistance as needed. DOL has provided strategic planning assistance on workforce development to 11 BRAC-impacted States, assisting BRAC-impacted regions in: building networked leadership groups; fully identifying the regional economy (as well as highlighting the importance of developing regional approaches to addressing BRAC impacts); and directly assisting communities in producing data-driven workforce development plans that align with local economic conditions. DOL expects to continue this direct technical assistance until all BRAC regions have fully developed strategic plans.

National Emergency Grants (NEG) for BRAC

Through September 30, 2006, more than $31.5 million in DOL NEG funds were awarded to 38 States, the District of Columbia, and Guam, each of which could be affected by the BRAC 2005 recommendations. These funds help States and communities to develop their workforce transition plans and, in some instances, enhance the workforce economic development programs, which are key to helping workers and communities adjust and create new opportunities as the BRAC process moves forward. These grants will ultimately help workers who are affected by the BRAC recommendations gain early access to services (up to 2 years) in the public workforce investment system.

Table 1: NEG funds awarded for BRAC planning and services through September 30, 2006.

Alabama	**$ 1,000,000**	**Mississippi**	**$ 250,000**
Alaska	**$ 615,000**	**Missouri**	**$ 1,000,000**
Arkansas	**$ 1,000,000**	**Montana**	**$ 76,690**
California	**$ 1,370,000**	**Nebraska**	**$ 75,000**
Connecticut	**$ 1,000,000**	**Nevada**	**$ 528,500**
Florida	**$ 1,000,000**	**New Jersey**	**$ 600,000**
Georgia	**$ 1,000,000**	**New Mexico**	**$ 1,000,000**
Hawaii	**$ 45,000**	**New York**	**$ 730,000**
Illinois	**$ 1,500,000**	**North Carolina**	**$ 1,000,000**
Indiana	**$ 1,500,000**	**North Dakota**	**$ 1,000,000**
Kansas	**$ 850,000**	**Ohio**	**$ 1,000,000**
Kentucky	**$ 300,000**	**Oklahoma**	**$ 250,000**
Louisiana	**$ 1,000,000**	**Pennsylvania**	**$ 1,000,000**
Maine	**$ 1,273,628**	**South Carolina**	**$ 500,000**
Maryland	**$ 1,237,500**	**South Dakota**	**$ 1,000,000**
Massachusetts	**$ 1,000,000**	**Texas**	**$ 235,000**
Michigan	**$ 221,778**	**Virginia**	**$ 1,000,000**
Minnesota	**$ 500,000**	**Wisconsin**	**$ 75,000**
District of Columbia	**$ 950,000**	**Guam**	**$ 475,000**

U.S. Department of Commerce Economic Development Administration (EDA) Program Eligibility Triggered (May 13, 2005)

With the Secretary of Defense announcement of the BRAC 2005 recommendations, communities impacted by the recommendations also became eligible to participate in EDA's Economic Development Grant Assistance Programs. EDA's Special Need Eligibility Criteria include a specific provision that recognizes that communities near military installations recommended for closure or realignment can experience actual or threatened severe economic adjustment problems as a result of the BRAC process. These communities became eligible to compete for EDA Public Works Infrastructure and Economic Adjustment grants for projects that respond to the effects of the BRAC announcement and those with recommendations sustained by the BRAC Commission, will remain eligible for EDA assistance for up to 5 years after the date of actual closure or realignment of the installation.

Small Business Administration (SBA) HUBZone Program

The Historically Underutilized Business Zone (HUBZone) Program provides Federal contracting assistance to qualified small business concerns located in historically underutilized business zones to increase employment opportunities, stimulate capital investment in those areas, and empower communities through economic leveraging. Small business concerns willing to commit resources that result in neighborhood jobs in these underserved areas are, in turn, given consideration for Federal contracts through set-asides, sole source and price evaluation preferences reserved for HUBZone concerns.

In September 2005, SBA announced that all military establishments affected by BRAC would be designated as HUBZones, qualifying small businesses willing to locate in these BRAC HUBZone areas, and willing to employ local residents, for special consideration in the award of Federal contracts. In December 2004, the President signed into law a measure that designated all bases already closed, and any bases closed through a future BRAC action, as HUBZone locations for a 5-year period from their date of closure.

EAC Advisory Group Meeting (October 17, 2005)

The EAC convened to discuss the May 2005 amendment of E.O. 12788 and focus on its call for an integrated and coordinated approach among the Federal agencies to support the DEAP. Members were urged to be proactive in identifying problems of assisting impacted areas and to develop and act upon appropriate solutions. EAC members were provided with an overview of the BRAC 2005 process including possible timelines and major milestones.

Members also reported on the status of their respective agency responses to BRAC 2005, highlighting grant awards, online tools, toll-free hotlines, and One-Stop Career Centers as resources available to assist impacted States and communities. Participants also discussed their roles with the BRAC homeless screening process and an overview of the balance determination required prior to disposal of surplus property, self-help housing, and historic properties. Members discussed how agencies could provide special consideration for BRAC-impacted areas through their existing programs.

Meeting outcomes included:

- Commitment by EAC agencies to review and provide DOD with comment on the draft "*Base Redevelopment and Realignment Manual*" (BRRM) for BRAC 2005.
- Designation of EAC agency participants and points of contact for the Office of the Secretary of Defense (OSD)/Military Services/Community conference planned for May 2006, as well as suggestions for the conference agenda.
- Collection of EAC agency information for development of the publication "*Coordinated Federal Resources for BRAC Communities.*"

EAC ACTIVITY: POST-BRAC COMMISSION

The BRAC Commission recommendations became law on November 9, 2005. The EAC's response included the assignment of OEA project managers, initiation of assistance programs, coordinated meetings and site visits, conferences, telecasts, speaking engagements, workshops and other outreach initiatives. Some of those initiatives and forums, as well as key conferences and engagements, are highlighted below.

OEA BRAC Assistance Program

With the BRAC 2005 decisions final, OEA initiated its full program of technical and financial assistance for communities impacted by those decisions. OEA project managers were assigned to work with communities affected by: (1) a major installation closure or realignment (including growth), (2) disposal of surplus property, regardless of size, or (3) other unique circumstances. For most communities, OEA provides the first Federal response. Project managers assist communities to organize, plan and carry out local adjustment strategies, support local transitional activities and work with EAC members to connect resources and develop capacities for response.

Formation and Recognition of Local Redevelopment Authorities (LRAs)

Public Law 103-160, Section 2918(b)(10) defines an LRA as "any entity (including an entity established by a State or local government) recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation and for directing the implementation of such plan." Assigned OEA project managers work closely with community leaders to structure the LRA, and the Secretary of Defense, acting through OEA, formally recognizes the LRA, which is thereafter the communities' collective voice in dealing with the Military Department and EAC agencies property disposal matters arising from a BRAC action.

Under the BRAC statutes, OEA publishes information about LRA recognition locally and in the *Federal Register*. LRAs have broad-based membership, including, but not limited to, the jurisdictions in which the installation lies and those with zoning or other development control authority over the surplus property. The LRA must afford the local community the opportunity to be involved in the planning process. Therefore, the LRA works with all major community stakeholders, including homeless-assistance providers and eligible recipients of public benefit property transfers, to determine their interest in surplus property.

Small sites at National Guard and Reserve locations present unique challenges to the affected community and the DOD agencies responsible for these sites. Although some sites are very small (one-half to three acres) in terms of real property, the level of effort required to dispose of this property can be overwhelming to the community. For these smaller sites, LRA recognition is still necessary.

Formation of Growth Management Organizations and OEA's Growth Management Assistance Program

Some military installations will be receiving significant numbers of military and civilian Defense personnel due to BRAC 2005 and Global Defense Posture Review. The community role in responding to installation growth is to speak with one voice on behalf of the affected community through a growth management organization, providing leadership and disseminating information to the public, identifying potential issues and opportunities, developing and carrying out responsive adjustment strategies, and leveraging private investment with any responsive local, State, and Federal resources. Under the auspices of a growth management organization, business leaders, representatives from the school district(s), community facility and service providers, neighborhood organizations, and elected officials can be brought together to look at the impacts on community education, housing, transportation, spousal employment opportunities, or quality-of-life issues that may result from substantial growth at a nearby military installation. Some of those growth issues are further described below:

Education: Communities neighboring military installations experiencing growth frequently cite education as an area of concern. Fiscal and physical plant capacity, in addition to operation and maintenance resourcing (including locating and hiring high-quality teachers), are important issues. The perceived scholastic quality of the local schools can heavily influence the decision of military families on where to reside. Bolstering education remains a priority for community leaders preparing for the influx of service-members and their families relocating in response to BRAC.

The ED Impact Aid Program, provides financial assistance to local educational agencies affected by Federal activities (including DOD activities). The program provides various types of funding, including payment to local educational agencies to compensate for lost revenue resulting from the tax-exempt status of Federal property and assistance to local educational agencies enrolling federally connected children. Federally connected children include, for example, children whose parents are in the Armed Forces, and children whose parents are employed on Federal property, such as a military installation. Historically, local educational agencies have used these funds to offset a variety of operational expenses (i.e., teacher and aide salaries; remedial tutoring; advanced placement classes; special enrichment programs, purchasing textbooks, computers, and after-school programs).

DOD, through Military Community and Family Policy (MC&FP) and the Department of Defense Education Activity (DODEA), provides supplemental Impact Aid assistance to local educational agencies that are heavily impacted by the presence of military or DOD civilian dependent students. Eligible local educational agencies must have at least 20% military or civilian dependent students in average daily attendance in their schools, as counted on their ED Impact Aid application for the preceding year. Furthermore, to assist local educational agencies impacted by BRAC, Global Defense Posture Review, the creation or activation of one or more new military units, or a change in the number of housing units on a military installation, DOD provides special financial assistance to eligible local educational agencies. To qualify, local educational agencies must have previously applied for ED Impact Aid, have at least 20% military or DOD civilian dependent students and the number of military or DOD civilian dependent students must have increased or decreased by at least 250 or 5% of the total number of military or civilian dependent students.

In response to the projected student growth from BRAC 2005 and Global Defense Posture Review, Federal EAC team visits may be necessary where the affected community either requests a visit or an EAC member determines that the growth magnitude is likely to adversely impact the local school system(s). These team visits will include collaboration with the affected installation, local educational agencies, State education representatives (as they elect to participate), and other participants as appropriate. Members of these teams will seek to assess local capacities to absorb the projected growth and identify any needs for third-party assistance. EAC member agencies recognize that these projections may be revised by future appropriations and national security needs and will need to remain flexible throughout the period of anticipated growth.

Transportation: Adequate transportation and road networks to support Defense installations are important concerns for nearly all communities experiencing growth. The military installation generally depends on the local, State, and Federal transportation system for meeting its needs. Providing the required transportation network and the needed road capacity at the required time is a challenge. To accommodate this growth, and the growth that is occurring across the U.S. transportation system, in May 2006 the DOT launched a Congestion Initiative that seeks to ease urban traffic congestion, reduce freight bottlenecks, and encourage State and local governments to deploy innovative solutions in response to the specific problems they face. A number of DOT programs are available to help State and local governments in those efforts. Moreover, the EAC is working to coordinate DOD's Defense Access Road Program and appropriate DOT resources with State and local transportation priorities to address these challenges.

Housing: Adequate housing to satisfy communities experiencing growth is another area of concern that receives much attention from BRAC communities. Determining the sufficiency of the housing inventory and development capacity of an impacted community is a challenge. Growth management organizations collaborate to appropriately assess the housing market and plan to provide additional housing in the community. EAC agencies, including HUD and the U.S. Department of Agriculture Rural Development (USDA(RD)), work in collaboration with the Military Departments, installation commanders, and community leaders to provide customized solutions to these local challenges

Spousal employment: A vital area of concern for communities impacted by Defense program changes that cause the increases and decreases of military activity in the area, as well as the transferring military members and their dependant spouses, is the opportunity for spousal employment. The Military Spouse Resource Center is a Web site (http://www.milspouse.org) designed and operated by DOD and DOL to support the career aspirations of military spouse jobseekers, particularly those in the midst of a permanent change of station.

This Web site is free and available to military spouses from all Military Departments, veterans, the National Guard and Reserve, and the Coast Guard. The site contains more than 2,500 information and resource links for military spouses that help with job searching, career planning, training, scholarships, and other educational opportunities. The Military Spouse Resource Center also contains specific information about local military installations and the communities in which they reside, including childcare options and transportation.

Coordinated Site Visits

Fort Drum Housing Forum—January 2006: An anticipated influx of nearly 6,000 soldiers at Fort Drum, NY, has led to a significant housing shortage in the upstate area of Watertown, NY. Multiple issues contribute to the housing crunch in this area, including home prices, a short construction season, and availability of construction financing. Whereas an increased number of privatized housing units on base will help fill some of the housing gap, the construction of an additional 2,000 units off-base required the support of the community, the private sector, the State of New York, and multiple Federal agencies to jump-start the housing construction.

The community growth management organization, the Fort Drum Regional Liaison Organization, and the Fort Drum installation cohosted a housing forum in January 2006 aimed at

responding to Fort Drum's housing dilemma. More than 300 developers, builders, financiers, local officials, and State, Federal, and local agency representatives met for the one-day summit.

Representatives from USDA(RD), HUD, the Federal National Mortgage Association (Fannie Mae), and the Federal Home Mortgage Corporation (Freddie Mac) participated in a Federal panel and outlined some of the programs available to facilitate the community buildup to accommodate the growth mission at Fort Drum.

The housing forum brought together all the various parties that could help fill the housing gap. Since the forum took place, USDA(RD) and Fannie Mae have followed through with program support for housing construction and home ownership. Additional partnerships among key players have, to date, reduced the Fort Drum housing deficit by more than half.

Fort Riley Housing Summit – March, 2006: The Army's current projected increase for Fort Riley, KS, is 9,754 military personnel and 1,988 civilians/contractors. The bulk of this increase will occur from 2006 through October 2010. Fort Riley projects the need for an additional 5,900 off-post housing units to accommodate incoming soldiers. There are currently 3,052 housing units on the post itself, and, including dependents, at least 30,000 residents will arrive in the Fort Riley area in the next few years.

On March 16, 2006, a Housing Summit was held at Fort Riley as a matchmaking opportunity for homebuilders to help ensure the availability of homes for arriving soldiers and their families. Officials estimate $800 million in on-base construction, and another $800 million to $1 billion for off-base housing, roads, schools, and utilities. Representatives from USDA(RD) were on hand to present information on programs that will support increasing economic opportunities, enhance the quality of life for rural Americans, and help alleviate the pressure of soldiers finding homes. USDA(RD) guaranteed loan programs can help underwrite the loans originated by local lenders to soldiers and civilian personnel moving to the communities surrounding Fort Riley. Soldiers will go where the affordable housing is, and E-4 to E-5 ranks can afford homes thanks to USDA(RD) loan programs providing low interest rates and low down payments.

A new Web site, the Fort Riley Connection (http://www.fortrileyconnection.com), was launched as a one-stop information source for military personnel and civilians moving to Fort Riley and its surrounding areas. The site is intended to ease the relocation process for new and soon-to-be residents of that region. The Fort Riley Connection is a comprehensive list of community resources available to new Fort Riley residents, including information on jobs, daycare, education, schools, housing, and entertainment in the area. The Web site features on-post and

off-post employment opportunities and links to major area employers. The site also contains maps and profiles of Fort Riley-area municipalities, links to recreational activities, and contact information for local travel and tourism groups. The Fort Riley Connection is funded with a DOL grant administered by the Kansas Department of Commerce. The site represents a collaborative effort between Federal agencies, the State of Kansas, Fort Riley, and a number of area governments, chambers of commerce, and economic development organizations.

EAC Advisory Group Meeting

On February 3, 2006, the EAC met to receive an update on BRAC 2005 execution and discussed the appointment of Base Transition Coordinators (BTC) at closure and/or realignment locations, as well as the BRAC 2005 Implementation Regulation, the draft BRRM, and property screening processes for Fed-to-Fed property transfers.

The group also reviewed agency activities to support the BRAC 2005 effort, including coordination of information across the various agencies, data consistency, and the development of an EAC website. Additionally, with a focus on BRAC implementation, members were provided with information about the recent award of two DOL Workforce Innovation in Regional Economic Development (WIRED) grants to BRAC-affected areas.

Interagency Collaboration- BRAC Regulations and Procedures

BRAC 2005 Implementation Regulations and Manual: On February 28, 2006, incorporating the comments of the EAC member agencies, DOD amended its regulations at 32 Code of Federal Regulation (CFR) parts 174, 175, and 176, "Revitalizing Base Closure Communities and Addressing Impacts of Realignment governing the disposal of property, Revitalizing Base Closure Communities and Addressing Impacts of Realignment."

These amendments provide rules for the disposal of property and address impacts of realignment at gaining bases. They authorize publication of the BRRM, amend DOD policy, and address various environmental requirements not previously addressed in the regulations.

BRRM: DOD prepared and, on March 1, 2006, issued the BRRM which provides a common set of guidelines for carrying out activity for BRAC 2005. It also provides supplemental guidance

for carrying out the laws and regulations for closing installations and revitalizing base closure communities and community assistance (e.g., Public Law 101-510 as amended). Finally, it identifies approaches and general practices to follow during base closure and redevelopment implementation.

Several EAC agencies have responsibility for sponsoring and/or approving various PBC conveyances of surplus real and personal property to State and local governments and certain nonprofit organizations for public purposes as authorized by statute.

Sponsored PBCs: Include PBCs for education [ED], public health [HHS], public parks or recreation [NPS], self-help housing [HUD], airport [FAA], and port facility [MARAD] purposes. Surplus real and personal property may be transferred by the sponsoring Federal agency in accordance with its rules for implementing authorized programs. The terms and conditions attached to the redevelopment and the value (or the discount allowed) of the real and personal property are determined by the sponsoring Federal agency. In this type of conveyance, the Military Department assigns the real, related, and other qualifying personal property to the sponsoring agency for transfer to the sponsored applicant.

Approved PBCs: These conveyances include PBCs for non-Federal correctional facilities or law enforcement [DOJ], emergency management response [DHS], wildlife conservation [FWS], historic monuments [NPS], and power transmission lines [GSA]. The terms and conditions attached to the redevelopment are determined by the Military Department, which transfers the qualifying personal property directly to the approved PBC recipient. Applications must be reviewed by the appropriate sponsoring Federal agency and, if supported, will be appropriately handled by the associated Military Department.

Military Department Outreach

In accordance with the BRRM, the Military Departments appointed a BTC for each base that has property available for disposal. The BTCs are engaged with the LRA, communities, and OEA project managers providing assistance with the property disposal process. BTC assistance encompasses community education on the disposal process, homeless outreach planning, and the preparation and execution of redevelopment plans.

Homeless Outreach

The redevelopment planning process must include the identification of homeless needs and the resulting plans must reflect a balance of meeting the needs with local community and economic development essentials. LRAs must establish links to local homeless-assistance providers. The LRA is required to provide information on surplus property within 30 days of the notice of surplus property. The LRA must also conduct outreach to all jurisdictions that comprise the LRA. Homeless service providers interested in receiving surplus property must submit a notice of interest during the outreach period.

In FY 2006, EAC and HUD support staff were involved in a number of significant efforts to provide consultation and technical assistance to affected officials at local, county, and State levels across the United States. Specific HUD activities included assigning 47 field office staff as BRAC representatives in 44 States, providing guidance and coordinating assistance to 124 communities impacted by BRAC, conducting site visits, participation at workshops, involvement in conferences, Web and audio broadcasts, and speaking engagements. HUD increased capacity to electronically track reuse applications, surplus property, LRAs, and the homeless assistance resulting from the BRAC process. This increased capacity will also help ensure that the EAC and HUD meet the requirements and timelines of the Redevelopment Act. It should be noted that HUD's progress implementing the BRAC 2005 round cannot be measured solely in dedicated DEAP dollars. HUD's programs are available for use by all communities affected by BRAC, however, no HUD program funds are specifically dedicated to DEAP/BRAC.

To help communities gain a greater understanding of the provisions of the homeless outreach requirement, and to assist communities in implementing the law in a fair and consistent manner, HUD's Office of Community Planning and Development published the "*Guidebook on Military Base Reuse and Homeless Assistance*." The publication includes an overview of the base redevelopment process, outlines HUD's reviews of redevelopment plans and homeless assistance submissions, offers model base reuse plans, and provides guidance for communities seeking additional sources of assistance.

Appropriate homeless outreach is required regardless of the size of the surplus property, and the EAC is working with HUD to identify appropriate, yet possibly less burdensome, procedures that comply with all requirements for National Guard and Reserve and other small sites.

OSD/Military Services/Community Conference

From May 2 to 5, 2006, 928 participants attended the OSD/Military Services/Community Conference in Atlanta, Georgia. Attendees included

- 463 community and State public officials,
- 369 DOD or Military Department personnel including installation commanders,
- 89 Federal agency personnel, and
- 7 public interest group representatives.

Conference participants conferred with DOD, the Military Departments, and 15 EAC agencies on closure, realignment, growth and other community and workforce impacts resulting from BRAC 2005 and the Global Defense Posture Review. Attendees also had the opportunity for separate meetings with leaders from DOD, the Military Departments, and various EAC member agencies. In addition, local officials who had previously responded to these changes discussed their experiences and shared advice.

Conference content included a series of presentations by each of the Military Departments, and workshops on issues ranging from the creation and recognition of an LRA to managing growth in response to military expansion. Other topics included worker adjustment assistance and an overview of available Federal resources to assist in responding to the impacts of BRAC. The conference also featured specific tracks to support both communities experiencing downsizing or growth resulting from the BRAC 2005 process, and small Reserve sites with property disposal requirements.

The conference demonstrated high-level support and participation from DOD and Federal officials as speakers and panelists. Nine assistant secretaries or deputy under secretaries, seven deputy assistant secretaries or assistant deputy under secretaries, and several active and retired flag officers participated in the conference.

EDA/DOD/National Association of Regional Councils Telecast (May 10, 2006)

A one-hour satellite telecast entitled “Community Economic Development to Support Growth,” was produced by the Economic Development Administration in partnership with DOD and the National Association of Regional Councils and viewed by economic and community development officials across the country. The program featured the “Communities Responding

to Growth" presentation recorded at the OSD/Military Service/Community Conference, and included interviews with senior DOD officials. Viewers saw successful examples from communities that had previously managed growth issues related to military installations. These issues included receiving new missions, new troop units, and significant numbers of additional Defense personnel.

Other Conferences/Public Speaking Engagements

The mission of the EAC requires its member representatives to interact, exchange information, and work cooperatively with private sector organizations that support the Defense community. EAC agency members participated in more than 20 different conferences/training seminars sponsored by these organizations. EAC members are frequently invited to participate as guest speakers, panel members, or moderators at conferences held throughout the year.

During FY 2006, EAC members provided DEAP program outreach at annual conferences including those of the National League of Cities, the National Association of Realtors, the American Planning Association, the U.S. Conference of Mayors, the National Association of Development Organizations, and the Association of Defense Communities (ADC).

For example, ADC, formerly known as the National Association of Installation Developers, is a 1,200-member organization serving the interests of communities, State government, and the private sector on military issues including base closure, community military partnerships, Defense real estate, mission growth, mission sustainment, military privatization, and redevelopment/realignment. EAC agencies regularly participate, as requested by ADC, in ADC focus groups and conference panels, specifically addressing Federal assistance opportunities for communities, businesses, and individuals.

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End Summary of the EAC 2006 Annual Report

IMPROVING PROCESSES AND REALIZING OUTCOMES

This report summarizes the EAC's mission, functions, and responsibilities; and reviews the recent activities of the EAC and the DEAP addressing the economic adjustment needs of substantially and seriously affected communities, businesses, and workers from the effects of major Defense changes. The 22 Federal departments and agencies that comprise the EAC provide a variety of resources and assistance, ranging from grants, loans, and loan guarantees to counseling, technical assistance, and training (see Appendix C). EAC member agencies and departments also provide oversight and assist with the administration of various Federal regulatory requirements. Interagency communication and collaboration that occurs both publicly and behind the scenes via the EAC is key to effective and efficient execution of the EAC mission and helps ensure consistency among Federal policies and appropriate coordination and delivery of resources.

In anticipation of BRAC 2005, EAC departments and agencies collaborated to ensure an effective Federal-wide effort to support the transitions underway within the DOD, with an emphasis on the pivotal role of the EAC as the clearinghouse for information exchanges among Federal, State, and local officials involved in the resolution of challenges stemming from significant Defense-program changes. Once the BRAC decisions became final, EAC agencies provided guidance and outreach support (cornerstones of the EAC mission and responsibilities) to impacted communities. Over FYs 2005 and 2006, more than $187 million in Federal grants, loans, and technical assistance was provided to State and local governments, businesses, and individuals to prepare for and respond to the Defense adjustment challenges they face (see Appendix C).

EAC member agencies are committed to providing comprehensive resources to help alleviate socioeconomic effects that may result from Defense-related change drivers, and they are fully engaged in organizing, planning and implementing Defense adjustment activities (see Appendix D). Federal resource information is in the hands of impacted workers and has also been provided to State and local officials and members of Congress representing areas affected by major Defense actions (see Appendix E). The EAC, in fulfilling its mission and responsibilities, has created the momentum for a successful implementation of BRAC 2005 and Global Defense Posture Review.

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ACRONYMS

ADC	Association of Defense Communities
APG	Advance Planning Grant
BIA	Bureau of Indian Affairs, U.S. Department of the Interior
BLM	Bureau of Land Management, U.S. Department of the Interior
BOP	Bureau of Prisons, U.S. Department of Justice
BRAC	Base Realignment and Closure
BRRM	Base Redevelopment and Realignment Manual
BTC	Base Transition Coordinators
CFR	Code of Federal Regulations
CPMS	Civilian Personnel Management Service, U.S. Department of Defense
CPP	Civilian Personnel Policy, U.S. Department of Defense
DEAP	Defense Economic Adjustment Program
DOD	U.S. Department of Defense
DODEA	Department of Defense Education Activity
DOJ	U.S. Department of Justice
DOL	U.S. Department of Labor
DOT	U.S. Department of Transportation
DUSD(I&E)	Deputy Under Secretary of Defense, Installations & Environment
EAC	Economic Adjustment Committee
ED	U.S. Department of Education
EDA	Economic Development Administration, U.S. Department of Commerce
E.O.	Executive Order
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration, U.S. Department of Transportation
Fannie Mae	Federal National Mortgage Association
Freddie Mac	Federal Home Mortgage Corporation
FWS	Fish and Wildlife Service, U.S. Department of the Interior
FY	Fiscal Year
GSA	U.S. General Services Administration
HHS	U.S. Department of Health and Human Services
HUBZone	Historically Underutilized Business Zone
HUD	U.S. Department of Housing and Urban Development
LEA	Local Educational Agency
LRA	Local Redevelopment Authority

MARAD	Maritime Administration, U.S. Department of Transportation
MC&FP	Military Community and Family Policy, U.S. Department of Defense
NEG	National Emergency Grant
NPS	National Park Service, U.S. Department of the Interior
OEA	Office of Economic Adjustment, U.S. Department of Defense
OSD	Office of the Secretary of Defense
PBC	Public Benefit Conveyance
SBA	U.S. Small Business Administration
USDA(RD)	U.S. Department of Agriculture, Rural Development
WIRED	Workforce Innovation in Regional Economic Development

APPENDICES

A. Executive Order 12788, as Amended

B. The EAC Point of Contact List

C. Economic Adjustment Funding Profile

D. EAC Member Activity Profile

E. Federal Assistance Program Publications

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Appendix A

THE PRESIDENT

EXECUTIVE ORDER 12788 **As AMENDED**

Defense Economic Adjustment Program

By the authority vested in me as President by the Constitution and the laws of the United States of America, including 10 U.S.C. 2391 and the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990, enacted as Division D, section 4001 *et seq.*, of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, and to provide coordinated Federal economic adjustment assistance necessitated by changes in Department of Defense activities, it is hereby ordered as follows:

Section 1. *Function of the Secretary of Defense.* The Secretary of Defense shall, through the Economic Adjustment Committee, design and establish a Defense Economic Adjustment Program.

Sec. 2. The Defense Economic Adjustment Program shall (1) assist substantially and seriously affected communities, businesses, and workers from the effects of major Defense base closures, realignments, and Defense contract-related adjustments, and (2) assist State and local governments in preventing the encroachment of civilian communities from impairing the operational utility of military installations.

Sec. 3 *Functions of the Defense Economic Adjustment Program.* The Defense Adjustment Program shall:

(a) Identify problems of States, regions, metropolitan areas, or communities that result from major Defense base closures, realignments, and Defense contract-related adjustments, and the encroachment of the civilian community on the mission of military installations and that require Federal assistance;

(b) Use and maintain a uniform socioeconomic impact analysis to justify the use of Federal economic adjustment resources prior to particular realignments;

(c) Apply consistent policies, practices, and procedures in the administration of Federal programs that are used to assist Defense-affected States, regions, metropolitan areas, communities, and businesses;

(d) Identify and strengthen existing agency mechanisms to coordinate employment opportunities for displaced agency personnel;

(e) Identify and strengthen existing agency mechanisms to improve reemployment opportunities for dislocated Defense industry personnel;

(f) Assure timely consultation and cooperation with Federal, State, regional, metropolitan, and community officials concerning Defense-related impacts on Defense-affected communities' problems;

(g) Assure coordinated interagency and intergovernmental adjustment assistance concerning Defense impact problems;

(h) Prepare, facilitate, and implement cost-effective strategies and action plans to coordinate interagency and intergovernmental economic adjustment efforts;

(i) Encourage effective Federal, State, regional, metropolitan, and community cooperation and concerted involvement of public interest groups and private sector organizations in Defense economic adjustment activities;

(j) Serve as a clearinghouse to exchange information among Federal, State, regional, metropolitan, and community officials involved in the resolution of community economic adjustment problems. Such information may include, for example, previous studies, technical information, and sources of public and private financing;

(k) Assist in the diversification of local economies to lessen dependence on Defense activities;

(l) Encourage and facilitate private sector interim use of lands and buildings to generate jobs as military activities diminish;

(m) Develop ways to streamline property disposal procedures to enable Defense-impacted communities to acquire base property to generate jobs as military activities diminish; and

(n) Encourage resolution of regulatory issues that impede encroachment prevention and local economic adjustment efforts.

Sec. 4. *Economic Adjustment Committee*.

(a) *Membership.* The Economic Adjustment Committee ("Committee") shall be composed of the following individuals or a designated principal deputy of these individuals, and such other individuals from the executive branch as the President may designate. Such individuals shall include the:

(1) Secretary of Agriculture;
(2) Attorney General;
(3) Secretary of Commerce;

(4) Secretary of Defense;
(5) Secretary of Education;
(6) Secretary of Energy;
(7) Secretary of Health and Human Services;
(8) Secretary of Housing and Urban Development;
(9) Secretary of Interior;
(10) Secretary of Labor;
(11) Secretary of State;
(12) Secretary of Transportation;
(13) Secretary of Treasury;
(14) Secretary of Veterans Affairs;
(15) Secretary of Homeland Security;
(16) Chairman, Council of Economic Advisers;
(17) Director of the Office of Management and Budget;
(18) Director of the Office of Personnel Management;
(19) Administrator of the Environmental Protection Agency;
(20) Administrator of General Services;
(21) Administrator of the Small Business Administration; and
(22) Postmaster General.

(b) The Secretary of Defense, or the Secretary's designee, shall chair the Committee.

(c) The Secretaries of Labor and Commerce shall serve as Vice Chairmen of the Committee. The Vice Chairmen shall co-chair the Committee in the absence of both the Chairman and the Chairman's designee and may also preside over meetings of designated representatives of the concerned executive agencies.

(d) *Executive Director*. The head of the Department of Defense's Office of Economic Adjustment shall provide all necessary policy and administrative support for the Committee and shall be responsible for coordinating the application of the Defense Economic Adjustment Program to Department of Defense activities.

(e) *Duties*. The Committee shall:
(1) Advise, assist, and support the Defense Economic Adjustment Programs;
(2) Develop procedures for ensuring that State, regional, and community officials, and representatives of organized labor in those States, municipalities, localities, or labor organizations that are substantially and seriously affected by changes in Defense expenditures, realignments or closures, or cancellation or curtailment of major Defense contracts, are notified of available Federal economic adjustment programs; and
(3) Report annually to the President and then to the Congress on the work of the Economic Adjustment Committee during the preceding fiscal year.

Sec. 5. Responsibilities of Executive Agencies.

(a) The head of each agency represented on the Committee shall designate an agency representative to:
(1) Serve as a liaison with the Secretary of Defense's economic adjustment staff;
(2) Coordinate agency support and participation in economic adjustment assistance projects; and
(3) Assist in resolving Defense-related impacts on Defense-affected communities.

(b) All executive agencies shall:
(1) Support, to the extent permitted by law, the economic adjustment assistance activities of the Secretary of Defense. Such support may include the use and application of personnel, technical expertise, legal authorities, and available financial resources. This support may be used, to the extent permitted by law, to provide a coordinated Federal response to the needs of individual States, regions, municipalities, and communities adversely affected by necessary Defense changes; and
(2) Afford priority consideration to requests from Defense-affected communities for Federal technical assistance, financial resources, excess or surplus property, or other requirements, that are part of a comprehensive plan used by the Committee.

Sec. 6. Judicial Review. This order shall not be interpreted to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, its agents, or any person.

Sec. 7. Construction. (a) Nothing in this order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any agency or head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

(b) This order shall be effective immediately and shall supersede Executive Order No 12049.

GEORGE BUSH
THE WHITE HOUSE
January 15, 1992.

[Amended 2/28/03 by President George W. Bush, E.O. 13286]
[Amended 5/12/05 by President George W. Bush, E.O. 13378]

Appendix B

Updated 6/15/2007

The EAC Point of Contact List

FEDERAL AGENCY	EAC MEMBER	ADVISORY GROUP MEMBER	WORKING GROUP MEMBER(S)	OEA LIAISON
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Updated 6/15/2007

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Appendix B

Updated 6/15/2007

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Appendix C. Economic Adjustment Funding Profile

Agency	Program Title	CFDA#	FY 05 Oblig	FY 06 Oblig	
USDA-RD	Value Added Producer Grants	10.352	$0	$355,074	
USDA-RD	Very Low to Moderate Income Housing Loans	10.410	12,672,268	15,941,727	
USDA-RD	Rural Housing Site Loans & Self-Help Housing Land	10.411	0	2,500,000	
USDA-RD	Rural Rental Housing Loans	10.415	0	419,280	
USDA-RD	Very Low Income Housing Repair Loans & Grants	10.417	85,464	166,125	
USDA-RD	Rural Self-Help Housing Technical Assistance	10.420	672,800	10,000	
USDA-RD	Rural Rental Assistance Payments	10.427	1,200,525	1,846,630	
USDA-RD	Rural Community Development Initiative	10.446	0	334,740	
USDA-RD	Water & Waste Disposal Sys for Rural Communities	10.760	1,467,600	15,338,500	
USDA-RD	Solid Waste Management Grants	10.762	0	161,000	
USDA-RD	Community Facilities Loans & Grant	10.766	9,500,000	905,000	
USDA-RD	Business & Industry Loan	10.768	3,000,700	12,197,500	
USDA-RD	Rural Business Enterprise Grant	10.769	80,000	0	
USDA-RD	Rural Economic Development Loans & Grants	10.854	0	760,000	
USDA-RD	Distance Learning & Telemedicine Loans & Grants	10.855	0	50,370	
DOC-EDA	Grants for Public Works & Economic Dev Facilities	11.300	5,250,000	4,000,000	
DOC-EDA	Economic Dev Support for Planning Organizations	11.302	70,539	0	
DOC-EDA	Economic Adjustment Assistance	11.307	22,607,511	18,982,193	
DOD-OEA	Community Economic Adjustment Planning Assistance	12.607	2,651,375	13,010,105	
DOD-OEA	Joint Land Use Studies	12.610	341,172	941,742	
DOD-OEA	Community Base Reuse Plans	12.612		848,209	
DOD-OEA	Growth Management Planning Assistance	12.613		737,579	
DOD-OEA	Community Economic Adjustment Assistance (APG)	12.614	4,063,206	382,417	
USDI-NPS	Disposal of FED Surplus Real Prop for Parks,Recreation & Historic Monuments	15.918	543,000	547,000	
DOL-ETA	WIA Dislocated Workers (NEG)	17.260	32,040,000	650,000	
					Total FY05/06 Oblig
Total			$96,246,160	$91,085,191	$187,331,351

AGENCY ACRONYMS

USDA-RD U.S. Department of Agriculture-Rural Development
DOC-EDA Department of Commerce-Economic Development Administration
DOD-OEA Department of Defense-Office of Economic Adjustment
USDI-NPS U.S. Department of Interior-National Park Service
DOL-ETA Department of Labor-Employment and Training Administration

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Appendix D.
EAC Member Activity Profile

Economic Adjustment Assistance Services Categories

Agency	PBC	Loans	Grants	Loan Guarantee	Guidance/Outreach
Department of Agriculture	X	X	X	X	X
Department of Justice	X				X
Department of Commerce		X	X		X
Department of Defense	X		X		X
Department of Education	X	X	X		X
Department of Energy					X
Health & Human Services	X		X		X
Housing & Urban Development			X		X
Department of the Interior	X	X	X	X	X
Department of Labor		X	X		X
Department of State					
Department of Transportation	X		X		X
Department of Treasury			X		X
Department of Veterans Affairs	X				X
Department of Homeland Security	X				X
Council of Economic Advisors					
Office of Management & Budget					X
Office of Personnel Management					X
Environmental Protection Agency			X		X
General Services Agency	X				X
Small Business Administration				X	X
U.S. Postal Service					

Notes:

Public Benefit Conveyance (PBC) sponsorship for transfer of surplus Federal property to eligible State and local governments for public purposes.

Loans, Grants, and Loan Guarantees funded by agencies for which those affected by Defense program changes are eligible.

Guidance and Outreach Includes: Technical Assistance, Training, Counseling, Conference Support and Participation, Hosting of Online Assistance Websites, Toll Free Numbers, Media Telecast, and Site Visits.

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Federal Assistance Program Publications

Economic Adjustment Committee (EAC)

Federal Agencies	Title
EAC	*Federal Assistance for Impacted Communities* (Compendium)
EAC	*Coordinated Federal Assistance for BRAC Communities*

Organizing

OEA	*Conceptual Organizational Structure for an LRA and the General Process for Reuse Planning and Property Disposal*
OEA	*Organizing for BRAC*
OEA	Technical Bulletin 2: *A Community Organizing Challenge*

Planning

OEA	*Base Redevelopment Planning for BRAC Sites*
OEA	*BRAC Acronym List*
OEA	*Community Base Reuse Frequently Asked Questions*
OEA	*Joint Land Use Study Program Guidance Manual*
HUD	*Military Base Reuse and Homeless Assistance*
OEA	OEA Guidance Manual: *Converting Military Airfields to Civil Airports*
MC&FP	*Report on Assistance to Local Educational Agencies for Defense Dependents' Education*
OEA/FAA	*Practical Guide to Compatible Civilian Development Near Military Installations*
OEA	*Responding to Change: Communities and BRAC*
OEA	Technical Bulletin 3: *A Community Planning Challenge*
OEA	Technical Bulletin 5: *Managing Community Growth*
EDA	The Defense Adjustment Program: *A Coordinated Approach for Addressing the Economic Challenges Resulting from Base Realignment and Closure (BRAC)*

Implementing

OEA	*Converting Closed Military Bases to Centers for Education and Vocation Training*
DOD	*Early Transfer Authority Guide*
EPA	*Environmental Insurance Products Available for Brownfield Redevelopment*
OEA	*Federal Sponsoring Agencies and Public Benefit Conveyances*
OEA	*Options for Base Housing Reuse*
OEA	Technical Bulletin 6*: Marketing Strategies for Base Reuse*

Appendix E (Compact Diskette)

Implementation Rules

DOD	*Base Redevelopment and Realignment Manual* (BRRM)
DOD	Finalized DOD Rule for BRAC 2005 Implementation (32 CFR Parts 174, 175 and 176)

BRAC Experiences

OEA	*BRAC 1988-1995 Success Stories*
OEA	*Economic Transition of BRAC Sites*
OEA	Focus Group Study: *Feedback from the Field*
DOD	*Report on 2005 Base Closure and Realignment Implementation*
OEA	*Renaissance: New Life for Former Military Bases*
GAO	*Status of Prior Base Realignments and Closures (January 2005)*

Videos

OEA	*Base Redevelopment: Communities Respond*
CPP	*BRAC Transitions: Assistance for DOD Civilian Employment*
EDA	*Community Economic Development to Support Growth*
OEA	*Managing Growth: Communities Respond*
OEA	*Responding to Change: Communities and BRAC*

Workforce Assistance

CPP	*BRAC Transitions: Assistance for DOD Civilian Employment*
USACE	*Homeowners Assistance Program (HAP) Brochure*
DOL	*National Emergency Grants (NEG) Training and Employment Guidelines (TEGLs)*
DOL	*Workforce Innovations in Regional Economic Development (WIRED) TEGL*