

SPEAKER'S PRESCRIPTION DRUG ACTION TEAM  
LONG ISLAND SOUND CAUCUS  
NATIONAL GUARD AND RESERVE  
COMPONENTS CAUCUS  
CONGRESSIONAL SPORTSMEN'S CAUCUS  
CONGRESSIONAL TRAVEL AND TOURISM CAUCUS  
PORT SECURITY CAUCUS  
CONGRESSIONAL CAUCUS FOR WOMEN'S ISSUES



**CONGRESSMAN ROB SIMMONS**  
HOUSE OF REPRESENTATIVES  
SECOND DISTRICT, CONNECTICUT

ARMED SERVICES COMMITTEE  
SUBCOMMITTEE ON PROJECTION FORCES  
SUBCOMMITTEE ON  
TACTICAL AIR AND LAND FORCES  
—  
TRANSPORTATION AND  
INFRASTRUCTURE COMMITTEE  
SUBCOMMITTEE ON RAILROADS  
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT  
SUBCOMMITTEE ON COAST GUARD AND  
MARITIME TRANSPORTATION  
—  
VETERANS' AFFAIRS COMMITTEE  
SUBCOMMITTEE ON HEALTH  
**CHAIRMAN**

EXPLANATION OF  
FLEET FORCES COMMAND  
POSITION ON CLOSURE  
SUBBASE NEW LONDON  
By  
THE HON. ROB SIMMONS  
AUGUST 2, 2005

SPEAKER'S PRESCRIPTION DRUG ACTION TEAM  
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 MARITIME TRANSPORTATION  
 ———  
 VETERANS' AFFAIRS COMMITTEE  
 SUBCOMMITTEE ON HEALTH  
**CHAIRMAN**

August 3, 2005

The Honorable Anthony Principi, Chairman  
 Base Realignment and Closure Commission  
 Polk Building, Suites 600 and 625  
 2521 South Clark Street  
 Arlington, VA 22202

Dear Chairman Principi:

*Tomy!*

Thank you for taking my call last Friday.

Thank you also for the long hours that you and your staff have put in to this difficult task these past few months. You have served the Nation well in the past and you continue to do so.

A question has been raised regarding my letter to you of July 19, 2005, in which I state that "the scenario to close SUBASE New London was the only closure recommendation opposed by Commander, Fleet Forces Command (CFFC) that was ultimately recommended by the Department of Defense."

Recent letters from Admirals Fallon and Nathman appear to contradict this statement. The written record does not bear this out, however.

Let me be very clear that I do not question the integrity of the above-named officers. I am sure they both are fine officers who have served the Nation well. That is not in question.

The problem lies, however, with the unfolding chronology of the BRAC process.

Page 15 of the "Report of DAG Deliberations on 10 January 2005" states that "...CFFC has concerns with both scenarios because of possible adverse impact on strategic flexibility resulting from the loss of an East Coast submarine base."

Page 9 of the "Report of IEG Deliberations on 13 January 2005" states that "CFFC does not concur with either scenario because they alter the current SSN basing configuration."

Pages 31 and 32 of the "DON Analysis Group Draft Deliberative Documents on 13 January 2005" both state that "CFFC does not concur with altering current submarine base configuration."

It is clear to me that CFFC opposed the closure of SUBASE New London. It is also apparent that when this decision was ultimately approved by the Department of Defense, everyone in the chain of command fell into line. After more 37 years of military service in the U.S. Army, Active and Reserve, I would expect nothing less. It is no surprise that Active Component Navy officers currently serving in the chain of command would accept and defend the final decision of the Department of Defense, even after advocating a different position earlier in the process or during the process.

The bottom line is that when the process was open to deliberation, CFFC was clearly on the record opposing any scenario to close SUBASE New London. When the deliberative process closed, everyone closed ranks.

Enclosed for your information and review is my original letter as well as a fact sheet and supporting documentation that should put to rest any doubts about the official record. As you know, BRAC rounds are highly documented to ensure that institutional concerns are an integral part of the overall decision-making process. Please let me know if I am not correctly reading or interpreting these documents.

Should you have any questions on the matter of CFFC's opposition to the closure of SUBASE New London during the 2005 BRAC round deliberations, please do not hesitate to contact me, or have your staff contact my military legislative assistant, Justin Bernier at (202) 225-2076.

All the best,



Rob Simmons  
Member of Congress  
Second District, Connecticut

Enclosures: a/s

**Response to ADM Fallon and ADM Nathman Letters  
August 2, 2005**

**Background:**

- In a July 19 letter to BRAC Chairman Principi, Rep. Rob Simmons reported that:
  - “The scenario to close SUBASE New London was the only closure recommendation opposed by Commander, Fleet Forces Command (CFFC) that was ultimately recommended by the Department of Defense.”
  - “In 2005, two consecutive CFFCs – Admiral Fallon and ADM Nathman – opposed any Navy scenarios to close SUBASE New London *during deliberations* (emphasis added).”
- ADM William Fallon (currently Commander, PACOM) and ADM Nathman (currently CFFC) recently wrote letters to Chairman Principi rejecting assertions that they had opposed the recommendation to close SUBASE New London during the Navy deliberative process.

**Facts:**

- **Neither ADM Fallon nor ADM Nathman dispute the fact that SUBASE New London is the only DOD closure recommendation that CFFC opposed.** Mr. Thomas R. Crabtree, Director Fleet Training (N7A), U.S. Fleet Forces Command confirmed this information to the Office of Rep. Simmons on July 18, 2005.
- **CFFC DID oppose SUBASE New London closure during deliberations:**
  - Deliberation minutes of 10 January 2005 say the DON Analysis Group determined that the Issues portion of the DON-0033 Candidate Recommendation Risk Assessment for both DON-0033 and DON-0034 “should denote CFFC’s concerns regarding any alteration of current submarine basing configuration on the East Coast.”
  - Deliberation minutes of the 13 January 2005 Infrastructure Evaluation Group clearly state that “**CFFC does not concur with altering current submarine base configuration.**” On page 9 of the minutes: “**The IEG noted that CFFC does not concur with either scenario because they alter the current SSN basing configuration.**” The record shows that Deputy, Fleet Forces Command, VADM Kevin Cosgriff was at this meeting.
  - In an official telephone conversation on 29 June 2005, VADM Cosgriff told Rep. Simmons that CFFC opposed scenarios that would close SUBASE New London *throughout* the deliberative process. This opposition changed only after the deliberation process, when the decision-making process moved to the CNO level. CFFC said it was not involved in the BRAC process after the deliberative process ended (sometime in April).

**Bottom Line: The Chain of Command is an important and powerful instrument; but it does not erase CFFCs objection to the scenarios that would close SUBASE New London. The reason such meetings are recorded is so that the BRAC process and all those concerned may benefit from such informed, institutional concerns.**

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**U.S. Fleet Forces Command & SUBASE New London Closure  
Recommendation**

Table of Contents

- I. Representative Simmons' Letter to Chairman Principi of 19 July 2005
- II. Fact Sheet on CFFC Position on SUBASE New London Closure Scenarios
- III. IAT Report of DAG Deliberations of 10 January 2005
- IV. Minutes of the IEG Meeting of 13 January 2005
- V. IAT Report of IEG Deliberations of 13 January 2005

**Congress of the United States**  
 Washington, DC 20515

July 19, 2005

The Honorable Anthony J. Principi  
 BRAC Commission  
 Polk Building, Suites 600 and 625  
 2521 South Clark Street  
 Arlington, VA 22202

Dear Chairman Principi:

*Tommy*

Below is information provided to me by U.S. Fleet Forces Command, regarding its opposition to the scenarios to close Naval Submarine Base New London. ***The scenario to close SUBASE New London was the only closure recommendation opposed by Commander, Fleet Forces Command (CFFC) that was ultimately recommended by the Department of Defense.***

U.S. Fleet Forces Command is the Navy component of U.S. Joint Forces Command; its subordinate commands include the Naval Air, Surface, and Subsurface Forces of both coasts. CFFC is responsible for overall coordination, establishment and implementation of integrated requirements and policies for manning, equipping and training Atlantic and Pacific fleet units during the inter-deployment training cycle. These responsibilities mirror the BRAC criteria on military value.

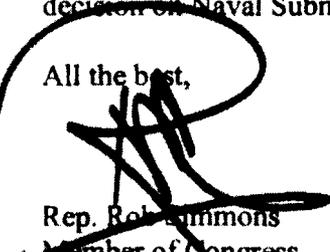
In 2005, two consecutive CFFCs -- Admiral William J. Fallon and Admiral John B. Nathman -- opposed all Navy scenarios to close SUBASE New London during deliberations. As you know, DOD ultimately recommended DON-0033. This scenario would transfer SUBASE New London's homeported fast attack submarines to Naval Station Norfolk and Naval Submarine Base Kings Bay, and would distribute its component activities to Navy and Army installations in Georgia, Virginia, Maryland, Florida and Texas.

In an official telephone discussion on June 29, Vice Admiral Kevin Cosgriff, Deputy and Chief of Staff, U.S. Fleet Forces Command, told me that CFFC opposed DON-0033 because closing SUBASE New London would 1) limit the overall flexibility of the U.S. fast attack submarine force; 2) pose significant readiness, training and operational risks; 3) negatively impact day-to-day operations that accompany regular SSN maintenance; 4) present SSN integration problems at SUBASE Kings Bay; and 5) abandon substantial sunk costs in the existing Naval Submarine School at SUBASE New London and require significant military construction investments at SUBASE Kings Bay.

VADM Cosgriff confirmed that moving two more SSN squadrons to NAVSTA Norfolk would exacerbate the existing "waterfront congestion" there. The recommended scenario to close SUBASE New London would require at NAVSTA Norfolk extensive nesting with increased loading operations -- operational and readiness risks. VADM Cosgriff also noted that introducing fast attack submarines to SUBASE Kings Bay would raise significant challenges since it currently has no SSN facilities.

I respectfully ask you to give these expert opinions your full consideration as you prepare your final decision on Naval Submarine Base New London.

All the best,

  
 Rep. Rob Simmons  
 Member of Congress  
 Second District, Connecticut

**Response to ADM Fallon and ADM Nathman Letters  
August 2, 2005**

**Background:**

- In a July 19 letter to BRAC Chairman Principi, Rep. Rob Simmons reported that:
  - “The scenario to close SUBASE New London was the only closure recommendation opposed by Commander, Fleet Forces Command (CFFC) that was ultimately recommended by the Department of Defense.”
  - “In 2005, two consecutive CFFCs – Admiral Fallon and ADM Nathman – opposed any Navy scenarios to close SUBASE New London *during deliberations* (emphasis added).”
- ADM William Fallon (currently Commander, PACOM) and ADM Nathman (currently CFFC) recently wrote letters to Chairman Principi rejecting assertions that they had opposed the recommendation to close SUBASE New London during the Navy deliberative process.

**Facts:**

- **Neither ADM Fallon nor ADM Nathman dispute the fact that SUBASE New London is the only DOD closure recommendation that CFFC opposed.** Mr. Thomas R. Crabtree, Director Fleet Training (N7A), U.S. Fleet Forces Command confirmed this information to the Office of Rep. Simmons on July 18, 2005.
- **CFFC DID oppose SUBASE New London closure during deliberations:**
  - Deliberation minutes of 10 January 2005 say the DON Analysis Group determined that the Issues portion of the DON-0033 Candidate Recommendation Risk Assessment for both DON-0033 and DON-0034 “should denote CFFC’s concerns regarding any alteration of current submarine basing configuration on the East Coast.”
  - Deliberation minutes of the 13 January 2005 Infrastructure Evaluation Group clearly state that “**CFFC does not concur with altering current submarine base configuration.**” On page 9 of the minutes: “**The IEG noted that CFFC does not concur with either scenario because they alter the current SSN basing configuration.**” The record shows that Deputy, Fleet Forces Command, VADM Kevin Cosgriff was at this meeting.
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**Bottom Line: The Chain of Command is an important and powerful instrument; but it does not erase CFFCs objection to the scenarios that would close SUBASE New London. The reason such meetings are recorded is so that the BRAC process and all those concerned may benefit from such informed, institutional concerns.**

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Enclosed are pages of the file N-RP-0431. This file contains the report of the DAG deliberations of 10 January 2005. The file may be downloaded in its entirety at [http://www.defenselink.mil/brac/minutes/brac\\_navy.html](http://www.defenselink.mil/brac/minutes/brac_navy.html). Please note the tabbed pages and sections of this file.

Department of the Navy

**INFRASTRUCTURE ANALYSIS TEAM**

ODASN (IS&amp;A), 2221 South Clark Street, Suite 900, Arlington, VA 22202

(703)-602-6500

RP-0431  
IAT/REV  
4 February 2005

MEMORANDUM FOR THE DON ANALYSIS GROUP (DAG)

Subj: REPORT OF DAG DELIBERATIONS OF 10 JANUARY 2005

Ref: (a) DON BRAC 2005 Objectives

- Encl:
- (1) 10 January 2005 DAG Agenda
  - (2) COBRA Brief of 10 January 2005 for DON-0074A
  - (3) COBRA Brief of 10 January 2005 for DON-0154 and DON-0160
  - (4) Selection Criteria 6 through 8 Brief of 10 January 2005 for DON-0073, DON-0074A, DON-0075, DON-0154, and DON-0160
  - (5) COBRA Brief of 10 January 2005 for DON-0077 and DON-0155
  - (6) COBRA Brief of 10 January 2005 for DON-0079 and DON-0156
  - (7) Selection Criteria 6 through 8 Brief of 10 January 2005 for DON-0078, DON-0077, DON-0155, DON-0079, and DON-0156
  - (8) COBRA Brief of 10 January 2005 for DON-0132
  - (9) IAT HSA Regional Support Activities Functions Summary for Installation Management (IM) Regions and Others of 10 January 2005
  - (10) IAT HSA Scenario Summary Sheets of 10 January 2005
  - (11) COBRA and Risk Assessment Update Brief of 10 January 2005 for DON-0003, DON-0031, and DON-0032
  - (12) COBRA Brief (Revised) of 10 January 2005 for DON-0033 and DON-0034
  - (13) COBRA Brief (Revised) of 10 January 2005 for DON-0006A and DON-0007 and Selection Criteria 6 through 8 Brief for DON-0006A

1. The thirty-third deliberative session of the Department of the Navy (DON) Analysis Group (DAG) convened at 0940 on 10 January 2005 in the Infrastructure Analysis Team (IAT) conference room located at Crystal Plaza 6, 9<sup>th</sup> floor.

The following members of the DAG were present: Ms. Anne R. Davis, Chair; Ms. Ariane Whittemore, Member; Mr. Thomas R. Crabtree, Member; BGen Martin Post, USMC, Member; Mr. Paul Hubbell, Member; Mr. Michael Jaggard, Member; and, Ms. Debra

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Edmond, Member. MajGen Emerson N. Gardner Jr., USMC, Member, and Ms. Carla Liberatore, Member, did not attend the deliberative session. Additionally, Ronnie J. Booth, Navy Audit Service Representative; Mr. Thomas N. Ledvina, Navy Office of General Counsel, Representative; LtCol Anthony A. Wienicki, USMC; and, the following members of the IAT were present: Mr. Dennis Biddick, IAT Chief of Staff, Mr. David LaCroix, Senior Counsel; CDR Robert E. Vincent II, JAGC, USN, Recorder; and, Capt James A. Noel, USMC, Recorder. All attending DAG members were provided enclosures (1) through (13).

2. Ms. Davis reminded the DAG that, at its 4 January 2005 deliberative session, it assessed whether DON needed to promulgate a set of BRAC 2005 Objectives. At that deliberative session, the DAG decided to review five general DON BRAC 2005 Objectives contained within the BRAC 2005 Process briefing (these Objectives are a segment of the BRAC 2005 Process briefing that Ms. Davis has provided to senior DON officials) and evaluate if they provide DON with an ability to measure whether the BRAC 2005 process has satisfied overall DON objectives. Reference (a) pertains. The DAG determined that these five general DON BRAC 2005 Objectives would suffice for this purpose and, because they have already been provided to the DON senior leadership on several occasions, no further promulgation is required. Additionally, the DAG recognized that the BRAC 2005 Objectives are not intended to be limiting; rather, the Navy and Marine Corps could internally expand them as necessary.

3. CDR Robert S. Clarke, CEC, USN and CDR Jennifer R. Flather, SC, USN, members of the IAT HSA Team, and Mr. Jack Leather presented preliminary COBRA results for scenario DON-0074A, which would consolidate Naval Facilities Engineering Command (NAVFAC) Engineering Field Division (EFD) South, Charleston, SC, with NAVFAC Engineering Field Activity (EFA) Southeast, Jacksonville, FL; NAVFAC EFA Midwest, Great Lakes, IL; and, NAVFAC EFD Atlantic, Norfolk, VA. Enclosure (2) pertains. CDR Clarke and CDR Flather reminded the DAG that it reviewed the preliminary COBRA results for scenario DON-0074, which would consolidate EFD South with EFA Southeast and EFA Midwest, at its 20 December 2004 deliberative session. They informed the DAG that, subsequent to the 20 December 2004 DAG deliberative session, the IAT HSA Team consulted NAVFAC concerning scenario DON-0074 and modified the scenario in order to comply with NAVFAC's Transformation Plan, which is designed to consolidate facilities engineering support in all Navy regions and align NAVFAC with the Regional Command Structure being implemented by

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Commander, Navy Installations (CNI). Accordingly, the IAT HSA Team, in consultation with NAVFAC, developed scenario DON-0074A, which realigns EFD South Echelon 4 elements to NAVFAC EFA Midwest and NAVFAC EFA Southeast and realigns EFD South Echelon 3 elements to NAVFAC EFD Atlantic. Slide 2 of enclosure (2) pertains.

4. Mr. Leather noted that an evaluation of the initial data concerning the one-time costs and steady-state savings reveals that the Payback is eight years and the 20-year net present value (NPV) savings would be approximately \$20.4M. He contrasted this scenario with scenario DON-0074, which would take over 100 years to realize a Payback and reduce far fewer billets. See slides 3 and 4 of enclosure (2). Mr. Leather noted scenario DON-0074A includes approximately \$10.8M in MILCON costs (primarily to construct a new general Administration building for the NAVFAC EFD South assets relocating to NAS Jacksonville). See slides 5 and 6 of enclosure (2). Mr. Leather then reviewed the recurring costs and savings for scenario DON-0074A. See slides 7 and 8 of enclosure (2).

5. The DAG recognized that scenario DON-0074A was an independent action that consolidated EFD South assets with the regions that NAVFAC EFD South currently supports. Additionally, the DAG noted that this consolidation would enhance the distribution of assets to both parent commands and future Facility Engineering Commands (FECs) and move NAVFAC EFD South out of leased space. The DAG determined that this scenario had a good return on investment and directed the IAT HSA Team to continue to refine the data, conduct Selection Criteria 6 through 8 analyses, and prepare a Candidate Recommendation Risk Assessment (CRRA) for the DAG's review.

6. CDR Clarke, CDR Flather, and Mr. Leather presented preliminary COBRA results for scenario DON-0154, which would relocate Navy Crane Center (NCC) from leased space in Lester, PA, to Norfolk Naval Shipyard (NNSY), Portsmouth, VA, and scenario DON-0160, which would relocate NCC from leased space in Lester to Philadelphia Naval Business Complex (PNBC), Philadelphia, PA. Enclosure (3) pertains. CDR Clarke and CDR Flather reminded the DAG that, at its 20 December 2004 deliberative session, it directed the IAT HSA Team to develop scenario data calls (SDC) to relocate NCC, both locally and to Norfolk, after reviewing scenario DON-0073, which would relocate NAVFAC EFA Northeast, the other Navy activity co-located in leased space in Lester, and allow a fenceline closure.

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7. Mr. Leather noted that an evaluation of the initial data concerning the one-time costs and steady-state savings for scenario DON-0154 reveals that the Payback is five years and the 20-year NPV savings would be approximately \$6.46M. Mr. Leather noted that the initial data indicates that the one-time costs for scenario DON-0154 totaled \$3.78M and was primarily due to MILCON costs to rehabilitate facilities at NNSY and moving costs to relocate personnel to NNSY. See slides 3 through 6 of enclosure (3). CDR Clarke and CDR Flather informed the DAG that the one-time costs also included realignment of the Controlled Industrial Area fenceline within NNSY in order to accommodate Anti-Terrorism/Force Protection (AT/FP) requirements associated with the relocation of NCC to NNSY. Mr. Leather noted that the steady-state savings were low because the scenario did not eliminate any billets. See slide 4 of enclosure (3). CDR Clarke and CDR Flather informed the DAG that although a NCC Detachment is currently located at NNSY, it performs specific functions that are distinct from NCC. Accordingly, co-location of both facilities onboard NNSY would not automatically enable NCC to eliminate billets. Mr. Leather then reviewed the recurring costs and savings for scenario DON-0154 and noted that the most significant recurring savings would result from the elimination of property lease costs. See slides 7 and 8 of enclosure (3).

8. Mr. Leather noted that an evaluation of the initial data concerning the one-time costs and steady-state savings for scenario DON-0160 reveals that the Payback is two years and the 20-year NPV savings would be approximately \$6.15M. Mr. Leather noted that the initial data indicates that the one-time costs for scenario DON-0160 totaled \$973K. He explained that the costs were low due to the fact that the MILCON costs to rehabilitate facilities at PNBC were approximately \$645K and there were no moving costs since PNBC is located less than 50 miles from NCC's present location. See slides 3, 5, and 6 of enclosure (3). Mr. Leather noted that the steady-state savings were low because the scenario did not eliminate any billets. See slide 4 of enclosure (3). CDR Clarke and CDR Flather noted that PNBC is not currently located within a DOD fenceline. Rather, it is located in a facility owned and operated by the city of Philadelphia. In order to accommodate the relocation of NCC, PNBC would need to comply with AT/FP requirements, which would necessitate additional one-time costs. Mr. Leather then reviewed the recurring costs and savings for scenario DON-0160 and noted that the most significant recurring savings would result from the elimination of property lease costs. See slides 7 and 8 of enclosure (3).

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9. CDR Clarke and CDR Flather informed the DAG that NCC has indicated a preference to relocate to Norfolk rather than PNBC in order to achieve operational synergies. The DAG noted NCC's preference, discussed the preliminary COBRA results of both scenarios, and directed the IAT HSA Team to continue to refine the data, conduct Selection Criteria 6 through 8 analyses, and prepare a CRRA for both scenarios for the DAG's review.

10. CDR Clarke, CDR Flather, Mr. Leather, and CDR Margaret M. Carlson, JAGC, USN, used enclosure (4) to present updated COBRA results, Selection Criteria 6 through 8 analyses, and CRRA for five HSA DON Regional Support Activities (RSA) NAVFAC scenarios - DON-0073, DON-0074A, DON-0075, DON-0154, and DON-0160. They reminded the DAG that scenario DON-0073 would relocate NAVFAC EFA Northeast from leased spaces in Lester, PA, to SUBASE New London, CT and aligns with scenario DON-0040, a HSA DON RSA Installation Management (IM) Function scenario. They also reminded the DAG that scenario DON-0075 would consolidate NAVFAC EFA Northeast with FEC Mid-Atlantic, Norfolk, VA, and aligns with scenario DON-0041, another IM Function scenario.

11. Mr. Leather recapped the updated COBRA results, noting that an evaluation of the one-time costs and steady state savings for scenario DON-0073 indicates a Payback within seven years and that the 20-year NPV savings would be approximately \$14.89M. He stated that the one-time costs and steady-state savings for scenario DON-0075 indicate a Payback within two years and that the NPV savings would be approximately \$51.77M. See slide 2 of enclosure (4). He stated that the Payback periods and 20-year NPV savings for scenarios DON-0074A, DON-0154, and DON-0160 were also set forth in slide 2 of enclosure (4) and noted that the DAG had already reviewed the preliminary COBRA results during today's deliberative session. Mr. Leather provided the preliminary Selection Criterion 6, economic impact, results for all five scenarios and noted that the preliminary analyses did not identify any issues of concern. Slides 3 through 15 enclosure (4) and Economic Impact Reports, which are attachments to enclosure (4), pertain. Mr. Leather also provided the preliminary Selection Criterion 7 results for all five scenarios and noted that the preliminary analyses did not identify any community infrastructure risks with any of the five scenarios. Slide 16 of enclosure (4) and Community Infrastructure Reports, which are attachments to enclosure (4), pertain.

12. CDR Carlson provided the preliminary Selection Criterion 8 results for all five scenarios. Slides 17 through 26 of enclosure (4) and Summary of Scenario Environmental Impacts

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(SSEI), which are attachments to enclosure (4), pertain. She informed the DAG that the Selection Criterion 8 analyses did not identify any substantial environmental impacts, including the impact of environmental costs, for any of the five scenarios.

13. The DAG then reviewed the CRRA for each scenario. Slides 27 through 31 of enclosure (4) pertain. The DAG decided that, if a scenario has a minor impact on mission capability, but included personnel relocation, then the Warfighting/Readiness Risk section of the CRRA should be assigned a score of "1". The DAG concurred with the IAT HSA Team's recommendations with the following modifications:

a. Scenarios DON-0073 and DON-0075. The DAG determined that these scenarios would have a minor impact on mission capability, but noted that most of the civilian personnel billets would need to be relocated under both scenarios. Accordingly, the DAG decided that the Warfighting/Readiness Risk section of the CRRA for both scenarios should be assigned a score of "1". The DAG also determined that the Issues portion of the CRRA for both scenarios should denote that they are dependent upon DON's decision concerning IM Region scenarios and that both scenarios eliminate property lease costs.

b. Scenario DON-0154. The DAG determined that this scenario would have a minor impact on mission capability, but noted that most of the civilian personnel billets would need to be relocated. Accordingly, the DAG determined that the Warfighting/Readiness Risk section of the CRRA should be assigned a score of "1". The DAG also determined that the Issues portion of the CRRA should also denote that relocation to Norfolk would provide operational synergy, as opposed to remaining a stand-alone activity in Philadelphia.

14. The DAG recessed at 1109 and reconvened at 1118. All DAG members who were present when the DAG recessed were again present.

15. CDR Clarke, CDR Flather, and Mr. Leather presented preliminary COBRA results for two HSA DON RSA Naval Reserve Readiness Command (NAVRESREDCOM) scenarios affecting NAVRESREDCOM Northeast, Newport, RI. Enclosure (5) pertains. CDR Clarke and CDR Flather reminded the DAG that scenario DON-0077 would relocate NAVRESREDCOM Northeast to SUBASE New London, CT. They also reminded the DAG that it reviewed the initial COBRA results for scenario DON-0077 at its 21 December 2004 deliberative session, discussed the possibility that

Subj: REPORT OF DAG DELIBERATIONS OF 10 JANUARY 2005

consolidation of NAVRESREDCOM Northeast with Commander, Navy Region Northeast may provide additional savings, and directed the IAT HSA Team to consult with Commander, Naval Reserve Force (COMNAVRESFOR) and develop a possible alternate scenario to consolidate NAVRESREDCOM Northeast with Commander, Navy Region (COMNAVREG) Northeast. They informed the DAG that, at its 23 December 2004 deliberative session, the IEG approved issuance of a SDC for scenario DON-0155, which would consolidate NAVRESREDCOM Northeast with COMNAVREG Northeast.

16. Regarding scenario DON-0077, Mr. Leather noted that the updated COBRA results were the same as the initial results reviewed by the DAG at its 21 December 2004 deliberative session. Specifically, due to necessary one-time costs (primarily MILCON to rehabilitate an existing SUBASE New London facility) and the lack of any steady-state savings (no billets are eliminated), scenario DON-0077 will probably never realize a Payback. Mr. Leather noted that the initial data for scenario DON-0155 indicates that this scenario will have the identical one-time costs and lack of any steady-state savings for the same reasons as identified in scenario DON-0077. Accordingly, this scenario will probably never realize a Payback. See slides 3 through 6 of enclosure (5). CDR Clarke and CDR Flather informed the DAG that COMNAVRESFOR has indicated that the personnel savings associated with consolidation of NAVRESREDCOM Northeast with COMNAVREG Northeast could not be determined until completion of a manpower study. Accordingly, the preliminary COBRA results do not contain any billet eliminations. Mr. Leather then reviewed the recurring costs and savings for scenarios DON-0077 and DON-0155. See slides 7 and 8 of enclosure (5).

17. CDR Clarke, CDR Flather, and Mr. Leather presented preliminary COBRA results for two HSA DON RSA NAVRESREDCOM scenarios affecting NAVRESREDCOM Northeast and NAVRESREDCOM Mid-Atlantic, Washington, DC. Enclosure (6) pertains. CDR Clarke and CDR Flather reminded the DAG that scenario DON-0079 would realign NAVRESREDCOM Northeast to NAVRESREDCOM Mid-Atlantic, Washington, DC. They also reminded the DAG that it reviewed the initial COBRA results for scenario DON-0079 at its 21 December 2004 deliberative session, discussed the possibility that consolidation of these NAVRESREDCOMs with the region may provide additional savings, and directed the IAT HSA Team to consult with COMNAVRESFOR and develop a possible alternate scenario to consolidate NAVRESREDCOM Northeast and NAVRESREDCOM Mid-Atlantic with Commander, Navy Region Mid-Atlantic, Norfolk, VA. They informed the DAG that, at its 23 December 2004 deliberative

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session, the IEG approved issuance of a SDC for scenario DON-0156, which would consolidate NAVRESREDCOM Northeast and NAVRESREDCOM Mid-Atlantic with Commander, Navy Region Mid-Atlantic.

18. Regarding scenario DON-0079, Mr. Leather noted that the updated COBRA results were the same as the initial results reviewed by the DAG at its 21 December 2004 deliberative session. Specifically, due to low MILCON costs and significant billet elimination, this scenario realized an immediate Payback and the 20-year NPV would be approximately \$41.54M. Mr. Leather noted that the initial data for scenario DON-0156 indicates that, due to low one-time costs and significant steady-state savings, it will probably take one year to realize a Payback and the 20-year NPV savings would be approximately \$38.64M. See slide 3 of enclosure (6). He explained that the significant steady-state savings was primarily due to the elimination of 33 out of 92 billets. See slide 4 of enclosure (6). He further explained that the one-time cost is primarily due to MILCON costs to rehabilitate facilities at NAVSTA Norfolk and moving costs to relocate personnel to NAVSTA Norfolk. See slides 5 and 6 of enclosure (6). The DAG noted that the MILCON costs for scenario DON-0156 was higher than scenario DON-0079 because it would relocate two NAVRESREDCOM's, and NAVSTA Norfolk does not currently have a NAVRESREDCOM located onboard the installation. CDR Clarke and CDR Flather informed the DAG that COMNAVRESFOR has indicated that the personnel savings associated with consolidation of both NAVRESREDCOMs with COMNAVREG Mid-Atlantic could not be more accurately determined until completion of a manpower study. Mr. Leather then reviewed the recurring costs and savings for scenarios DON-0079 and DON-0156. See slides 7 and 8 of enclosure (6)

19. CDR Clarke, CDR Flather, Mr. Leather, and CDR Carlson, used enclosure (7) to present updated COBRA results, Selection Criteria 6 through 8 analyses, and CRRA for five HSA DON RSA NAVRESREDCOM scenarios - DON-0078, DON-0077, DON-0155, DON-0079, and DON-0156. They reminded the DAG that scenario DON-0078 would realign NAVRESREDCOM South, Ft. Worth, TX, to NAVRESREDCOM Midwest, Great Lakes, IL.

20. Mr. Leather recapped the updated COBRA results, noting that an evaluation of the one-time costs and steady state savings for scenario DON-0078 indicates an immediate Payback and that the 20-year NPV savings would be approximately \$57.17M. See slide 2 of enclosure (7). He stated that the Payback period and 20-year NPV savings for scenarios DON-0077, DON-0155, DON-0079, and DON-

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0156 were also set forth in slide 2 of enclosure (7) and noted that the DAG had already reviewed the preliminary COBRA results during today's deliberative session. Mr. Leather provided the preliminary Selection Criterion 6, economic impact, results for all five scenarios and noted that the preliminary analyses did not identify any issues of concern. Slides 3 through 9 enclosure (7) and Economic Impact Reports, which are attachments to enclosure (7), pertain. Mr. Leather also provided the preliminary Selection Criterion 7 results for all five scenarios and noted that the preliminary analyses did not identify any community infrastructure risks with any of the five scenarios. Slide 10 of enclosure (7) and Community Infrastructure Reports, which are attachments to enclosure (7), pertain.

21. CDR Carlson provided the preliminary Selection Criterion 8 results for all five scenarios. Slides 11 through 13 of enclosure (7) and Summary of Scenario Environmental Impacts (SSEI), which are attachments to enclosure (7), pertain. She informed the DAG that the Selection Criterion 8 analyses did not identify any substantial environmental impacts, including the impact of environmental costs, for any of the five scenarios.

22. The DAG then reviewed the CRRA for each scenario. Slides 14 through 18 of enclosure (7) pertain. The DAG concurred with the IAT HSA Team's recommendations with the following modifications for all five scenarios. The DAG determined that these scenarios would have a minor impact on mission capability, but noted that that most of the civilian personnel billets would need to be relocated under both scenarios. Accordingly, the DAG decided that the Warfighting/Readiness Risk section of the CRRA for all five scenarios should be assigned a score of "1".

23. CDR Clarke, CDR Flather, and Mr. Leather presented preliminary COBRA results for scenario DON-0132, which would relocate Fourth Marine Corps District (MCD) from New Cumberland, PA, to Fort Detrick, MD and, alternately, relocate the Fourth MCD to Aberdeen Proving Grounds (APG), MD. Enclosure (8) pertains. CDR Clarke and CDR Flather reminded the DAG that it reviewed the initial COBRA results for scenario DON-0132 (relocating Fourth MCD to Fort Detrick) at its 30 December 2004 deliberative session and had noted that the scenario would not realize a Payback and would have 20-year NPV costs of approximately \$9.17M. Additionally, the DAG had noted that the one-time costs were high primarily due to MILCON costs to construct new facilities at Fort Detrick. Accordingly, the DAG had directed the IAT HSA Team to identify any possible alternate receiver sites that had existing facilities to accommodate the

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Fourth MCD and was located within its Area of Responsibility (AOR). CDR Clarke and CDR Flather noted that they contacted Army officials and were informed that APG had some existing capacity to accommodate the Fourth MCD. Accordingly, the IAT HSA Team conducted COBRA analysis of a relocation to APG.

24. Mr. Leather noted that the initial data for the relocation to APG indicates that there are no steady state savings since no billets are eliminated. See slides 3 and 4 of enclosure (8). He also noted that the one-time costs are lower (\$1.8M versus \$3.87M) than relocation to Fort Detrick since the MILCON costs are primarily to rehabilitate existing facilities rather than constructing new facilities. See slides 5 and 6 of enclosure (8). He stated that the one-time costs and lack of any steady-state savings indicates that, even with relocation to APG, scenario DON-0132 will not realize a Payback and the 20-year NPV costs would be approximately \$3.79M. See slide 3 of enclosure (8). Mr. Leather then reviewed the recurring costs and savings. See slides 7 and 8 of enclosure (8).

25. The DAG recognized that this scenario, regardless of receiver site, did not appear to be cost effective and did not appear to be operationally efficient. Accordingly, the DAG decided not to conduct Selection Criteria 6 through 8 analyses at this time. Rather, the DAG directed the IAT HSA Team to consult with Marine Corps Recruiting Command and ascertain whether this scenario would be operationally effective for the Marine Corps.

26. CDR Clarke and CDR Flather used enclosure (9) to summarize the various scenarios for five HSA DON RSA Functions - IM, NAVFAC, NAVRESREDCOM, MCD, NLSO, and HRSC.

a. IM scenarios - DON-0040 and DON-0041. Ms. Davis reminded the DAG that, at its 4 January 2004 deliberative session, it reviewed updated COBRA results, Selection Criteria 6 through 8 analyses, and the CRRA for both scenarios. Upon this review, the DAG had directed the IAT HSA Team to consult with CNI and CFFC in order to assess issues concerning infrastructure laydown and regional command presence in the Northeast since scenario DON-0041 would disestablish Commander, Navy Region Northeast. Mr. Leather recapped the updated COBRA results, noting that an evaluation of the one-time costs and steady state savings for scenario DON-0040 indicates a Payback within one year and the NPV savings would be approximately \$33.3M. He stated that scenario DON-0041 had an immediate Payback and the NPV savings would be approximately \$84.6M. See slide 2 of

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enclosure (9). The DAG reviewed various discriminating factors between the two scenarios. The DAG noted that various HSA JCSG consolidation scenarios would reduce Navy IM responsibilities in the Northeast section of the United States and that various JCSG and DON scenarios would reduce DON's presence in the Northeast. See slide 3 of enclosure (9). Accordingly, the DAG decided to forward both scenarios to the IEG. Additionally, the DAG decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0041, subject to CFPC and CNI assessing the issues regarding infrastructure laydown and regional command presence in the Northeast issues.

b. NAVFAC scenarios - DON-0073, DON-0075, DON-0074A, DON-0154, and DON-0160. The DAG noted that it reviewed preliminary COBRA results, Selection 6 through 8 analyses, and CRRA's for all five scenarios at today's deliberative session. See paragraphs 3 through 13 above. The DAG reviewed a recap of the preliminary COBRA results and various discriminating factors among the five scenarios. See slides 4 and 5 of enclosure (9). The DAG decided to forward the five scenarios to the IEG. The DAG also decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0075 since it aligns with scenario DON-0041, which the DAG recommended for approval. See paragraph 26a. above. Additionally, the DAG decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0074A for the reasons expressed in paragraph 5 above. The DAG also decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0154 since relocation of NCC to Norfolk achieves operational synergies.

c. NAVRESREDCOM scenarios - DON-0078, DON-0077, DON-0155, DON-0079, and DON-0156. The DAG noted that it reviewed preliminary COBRA results, Selection 6 through 8 analyses, and CRRA's for all five scenarios at today's deliberative session. See paragraphs 15 through 22 above. The DAG reviewed a recap of the preliminary COBRA results and various discriminating factors among the five scenarios. See slides 6 and 7 of enclosure (9). The DAG decided to forward the five scenarios to the IEG. The DAG also decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0078 since it aligns with scenario DON-0041, has an immediate Payback, and has significant 20-year NPV savings. Additionally, the DAG decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0156 since

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it aligns with scenario DON-0041, consolidates two NAVRESREDCOMS with a region, and has a one-year Payback.

d. MCD scenarios - DON-0132 (Fort Detrick), DON-0132 (APG), and DON-0134. The DAG noted that it reviewed preliminary COBRA results for both DON-0132 scenarios at today's deliberative session and reviewed the preliminary COBRA results for scenario DON-0134 at its 30 December 2004 deliberative session. See paragraphs 23 through 25 above. The DAG reviewed a recap of the preliminary COBRA results and various discriminating factors among the MCD scenarios. See slides 8 and 9 of enclosure (9). The DAG noted that it has decided not to conduct Selection Criteria 6 through 8 analyses and CRRA for these scenarios and, accordingly, it will not make any candidate recommendations to the IEG at this time. See paragraph 25 above and paragraph 11 of DAG Deliberative Report of 30 December 2004.

e. NLSO and HRSC scenarios - DON-0080, DON-0081, DON-0082, and DON-0083. The DAG noted that it reviewed preliminary COBRA results for scenario DON-0080, which would realign Naval Legal Service Office (NLSO) Central, Pensacola, FL, to NLSO Southeast, Jacksonville, FL, at its 21 December 2004 deliberative session. Additionally, the DAG noted that it decided to recommend that the IEG remove this scenario since the JAG Corps has a strategic plan that enables it to accomplish realignment needs immediately and outside of the BRAC process. The DAG also noted that it discussed the three HRSC scenarios (DON-0081, DON-0082, and DON-0083) at its 21 December 2004 deliberative session and noted that the HSA JCSG has expressed concern that these three scenarios conflict with some of their HRSC scenarios. CDR Clarke and CDR Flather informed the DAG that it is anticipated that the HSA JCSG will forward a scenario to establish a Joint Civilian Personnel Management Function. The DAG directed the HSA IAT Team to consult with the HSA JCSG regarding this scenario and provide an update to the DAG.

27. The DAG recessed at 1230 and reconvened at 1712. All DAG members and other persons present when the DAG recessed were again present. LCDR Vincent J. Moore, JAGC, USNR, Recorder, joined the deliberative session at 1712. CAPT Thomas Mangold, USN, alternate for RDML (sel) Charles Martoglio, USN, Member, entered the deliberative session at 1724.

28. CDR Clarke presented a summary of Headquarters and Support Activity (HSA) scenarios that the DAG has decided to recommend as final candidates for IEG approval during today's and prior deliberative sessions. See enclosure (10). CDR Clarke noted

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that 25 scenarios to close Navy Reserve Centers with no identified receiver site, five scenarios to close Navy and Marine Corps Reserve Centers and Marine Corps Inspector and Instructor Staffs with receiver sites identified, and DON-0062, which closes five Naval Recruiting Districts, were approved for development as final candidate recommendations by the IEG at its 6 January 2005 deliberative session. He noted that, when combined with the IM, NAVRESREDCOM, and NAVFAC scenarios approved by the DAG for recommendation as final candidates at today's deliberative session, the HSA scenarios indicate 20-year NPV savings of approximately \$792M after an investment of approximately \$59.87M. See slide 5 of enclosure (10). CDR Clarke noted that since the NAVRESREDCOM scenarios did not factor in planned NAVRESREDCOM consolidation with IM Regions, the savings associated with those scenarios are probably understated.

29. RADM Christopher E. Weaver, USN, Member, entered the deliberative session at 1735.

30. CAPT Christopher T. Nichols, USN, members of the IAT Operations Team, and Mr. Leather provided updated COBRA results and CRRAs for three scenarios that would close NAVSTA Ingleside, TX, and relocate its mine warfare assets to various locations. Enclosure 11 pertains. CAPT Nichols reminded the DAG that it reviewed Selection Criteria 6 through 8 analyses for the three scenarios at its 30 December 2004 deliberative session. He noted that scenario DON-0032 relocates 10 MHCs and 10 MCMs to NAVSTA San Diego. See slide 2 of enclosure (11). Scenario DON-0003 relocates the MHCs and MCMs equally between NAVSTA San Diego and NAVPHIBASE Little Creek. See slide 3 of enclosure (11). Scenario DON-0031 relocates the MHCs and MCMs equally between NAVSTA San Diego and NAVSTA Mayport. See slide 4 of enclosure (11). CAPT Nichols noted that this update does not include the relocation of HM-15 assets from NAS Corpus Christi, TX. Additionally, this update does not reflect reductions in mine warfare vessels shown in Program Objective Memorandum (POM-06) since these reductions are not yet reflected in the 20-Year Force Structure Plan. The DAG noted that because the POM-06 changes are not in the Force Structure Plan, DON-0032A, which would only relocate 10 MCMs to NAVSTA San Diego, is being held for further consideration after the Force Structure Plan update.

31. Mr. Leather noted that an evaluation of the updated COBRA results indicate that, although all three scenarios have significant one-time costs (primarily due to MILCON to construct new facilities to accommodate relocated assets at the various

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receiving sites), the Payback is three years (scenarios DON-0003 and DON-0031) or four years (scenario DON-0032) and the 20-year NPV savings would be in excess of \$540M for each scenario. See slides 5 through 14 of enclosure (11). He stated that, if the reductions in POM-06 were factored in, then the COBRA results for all three scenarios would depict greater financial value. He indicated that scenario DON-0032 would probably have the greatest increased value since all assets are being relocated to one location. He noted that dual relocation sites would require some duplicate facilities at each site, e.g. maintenance facilities, EMR ranges. He informed the DAG that NAVSTA San Diego indicated that there are significant MILCON costs associated with the scenarios (e.g., gate improvement, BOQ, Child Development Center, and parking). He explained that if the POM-06 reductions are factored in, the MILCON costs would be reduced and a pier upgrade at NAVSTA San Diego would not be necessary. Mr. Leather indicated the MILCON costs for headquarters and training facilities at NAVBASE Point Loma are the same in each scenario and do not change as a result of POM-06. The DAG discussed costs that require additional research and possible revision, particularly those MILCON costs in scenario DON-0032 concerning a new main gate, BEQ, and CDC at NAVSTA San Diego. See slide 9 of enclosure (11).

32. The DAG then reviewed updated CRRAs for all three scenarios. See slides 18 through 20 of enclosure (11). The DAG noted that inclusion of the POM-06 reductions would probably lower the Executability Risk score from "6" to "5" for scenario DON-0032. The DAG, noting CFFC's preference to single site mine warfare ships, the expected synergy from locating the MINEWARCOM/ASW Center and mine warfare ships in the same geographic area, and recognizing that a change to the Force Structure Plan would reduce the number of ships going to NAVSTA San Diego and significantly reduce initial investment costs, decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0032. The DAG noted that this recommendation did not include relocation of the HM-15 assets. The DAG decided to continue to analyze the possibility of relocating the HM-15 assets to Naval Station Norfolk Chambers Field, VA.

33. CAPT Nichols and Mr. Leather provided updated COBRA results for scenario DON-0033, which closes SUBASE New London, CT, and relocates 11 SSNs to NAVSTA Norfolk, VA and six SSNs to SUBASE Kings Bay, GA; and scenario DON-0034, which relocates all 17 SSNs from SUBASE New London to NAVSTA Norfolk. Enclosure (12) pertains. CAPT Nichols reminded the DAG that it reviewed

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Selection Criteria 6 through 8 analyses for both of these scenarios at its 4 January 2005 deliberative session. Mr. Leather noted that an evaluation of the updated COBRA results indicates that, although both scenarios have significant one-time costs (primarily due to MILCON to construct new facilities to accommodate relocated assets at the receiving sites), the Payback is two years for both scenarios and the 20-year NPV savings would be approximately \$1.63B for scenario DON-0033 and \$1.56B for scenario DON-0034. See slides 2 through 10 of enclosure (12). He noted that both scenarios contain one-time costs to relocate an anechoic chamber to, and construct a new laboratory at, Naval Support Activity (NSA) Panama City, FL, in order to accommodate the relocation of the Naval Submarine Medical Research Laboratory (NSMRL) to NSA Panama City. Mr. Leather noted that the Medical JCSG evaluated the possibility of relocating NSMRL to Panama City through an independent scenario and has initially concluded that it is too cost prohibitive to be feasible. The Medical JCSG is assessing whether an alternative receiving site is feasible. He also noted that recurring costs for scenario DON-0033 include costs for maintenance personnel to conduct work that is currently done under contract at SUBASE New London.

34. The DAG discussed the significant issues associated with both scenarios. The DAG noted closure of SUBASE New London would have a significant impact on the Connecticut economy, including possible job losses in excess of nine percent of the employment population within the region of influence. The DAG also noted that there are various environmental impacts associated with these scenarios but noted that they could be addressed through appropriate mitigation at the receiver sites. Mr. Crabtree stated that CFFC has concerns with both scenarios because of possible adverse impact on strategic flexibility resulting from the loss of an East Coast submarine base. The DAG also discussed the effect of increased loading on submarine operations at NAVSTA Norfolk. The DAG reviewed updated CRRAs for both scenarios and concurred with the IAT Operations Team's recommendations with one modification. The DAG determined that the Issues portion of the CRRA for both scenarios should denote CFFC's concerns regarding any alteration of current submarine basing configuration on the East Coast. See slides 11 and 12 of enclosure (12). The DAG decided to recommend that the IEG approve preparation of a candidate recommendation package for scenario DON-0033 because it maintains two East Coast SSN homeports and limits congestion at NAVSTA Norfolk.

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35. CAPT Nichols and Mr. Leather provided updated COBRA results for scenarios DON-0006A and DON-0007, which close the portion of NAVBASE Point Loma, CA, known as SUBASE San Diego and relocates its four SSNs and floating drydock to NAVSTA Pearl Harbor, HI, and NAVSTA San Diego, CA, respectively. Enclosure (13) pertains. They noted that, under both scenarios, the Naval Underwater Warfare Center Detachment San Diego, the Fleet Industrial Supply Center fuel farm, and ~~FOIA(b)(2)~~ would be retained at NAVBASE Point Loma as enclaves. They noted that the receiving site for the Navy Substance Abuse and Rehabilitation Program (SARP) has been changed from Naval Hospital San Diego to Marine Corps Recruit Depot San Diego for both scenarios.

36. Mr. Leather noted that an evaluation of the updated COBRA results for scenario DON-0006A indicates that the Payback is two years and the 20-year NPV savings would be approximately \$298.86M. He noted that the one-time costs would be approximately \$110.54M (primarily to construct new, and rehabilitate existing facilities at NAVSTA Pearl Harbor and NAVBASE Point Loma) and the steady state savings would be approximately \$29.05M (primarily due to billet elimination). Mr. Leather noted that an evaluation of the updated COBRA results for scenario DON-0007 indicates that the Payback is 16 years and the 20-year NPV costs would be approximately \$66.34M. He noted that the one-time costs would be approximately \$300.21M (primarily to construct new facilities at NAVSTA San Diego and NAVBASE Point Loma) and the steady state savings would be approximately \$18.86M (primarily due to billet elimination). See slides 4 through 12 of enclosure (13).

37. The DAG discussed the need to refine cost data for both scenarios, in particular the costs for BEQ and a new headquarters complex to provide base support services for the remaining enclaves. The DAG questioned whether these services could be moved to remaining facilities or handled by other installations in the San Diego area. The DAG also discussed possible negative effects arising from these scenarios, including the loss of a strategic access point to San Diego harbor and the need for space to handle activities moved to the San Diego area by other scenarios. In addition, implementation of DON-0006A would eliminate a West Coast SSN homeport, thereby reducing strategic and operational capabilities, and result in the loss of the use of training waters off San Diego, submarine logistic support in San Diego, and a West Coast SSN homeport.

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38. CAPT Nichols and Mr. Leather then recapped the Selection Criterion 6 through 8 analyses and CRRA for scenario DON-0006A, which the DAG reviewed at its 4 January 2005 deliberative session. Slides 15 through 29 of enclosure (13) pertain. The DAG then discussed probable Selection Criteria 6 through 8 analyses for scenario DON-0007 and applied the probable results in order to develop a CCRA.

39. The DAG decided to continue data refinement on both of these scenarios and provide a status brief to the IEG. The DAG decided not to recommend either scenario for candidate development at this time.

40. The deliberative session ended at 1950.



ROBERT E. VINCENT II  
CDR, JAGC, U.S. Navy  
Recorder, IAT



Department of the Navy  
Infrastructure Analysis Team

# DON-0033 Candidate Recommendation Risk Assessment

**Executability Risk**

**Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 4 years

**Investment/Ratio of Initial Cost to 20 Year NPV**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

**Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

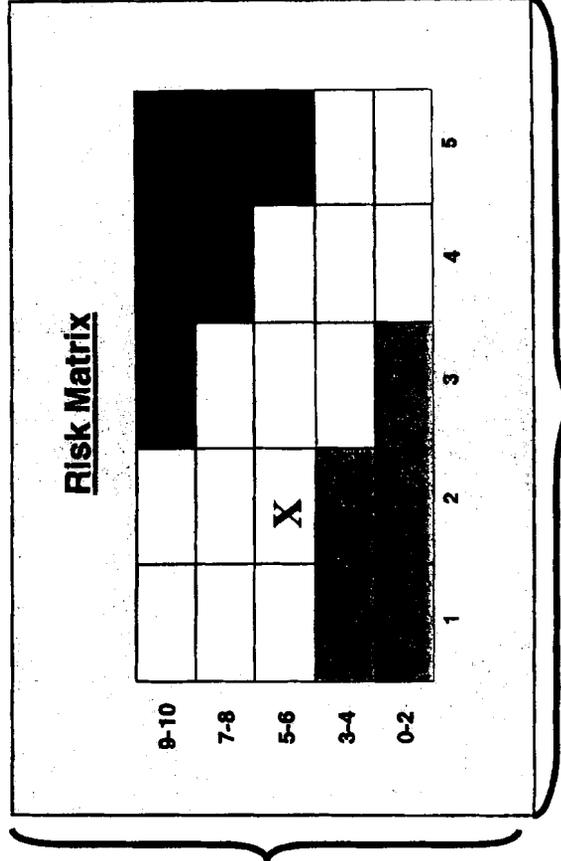
**Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

**Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

**Issues: see issue slide**



**Warfighting/Readiness Risk**

(0-1) Low Minor impact on mission capability

(2-3) Medium Reduced flexibility, but still mission capable

(4-5) High Significant impact, approaching point impact which affects capability to support/deploy forces

**COCOM Concerns:**



# DON-0034 Candidate Recommendation Risk Assessment

## Executability Risk

### Investment Recoupment

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 4 years

### Investment/Ratio of Initial Cost to 20 Year NPV

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

### Economic Impact

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

## Community Infrastructure Impact

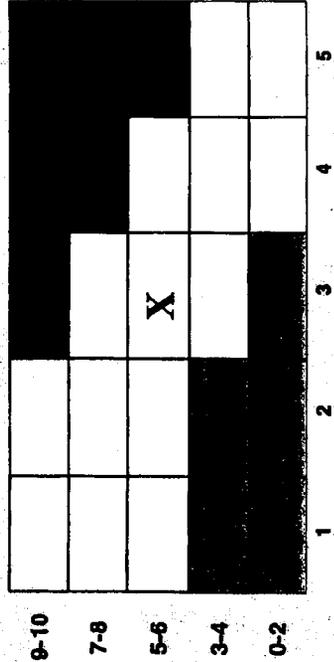
- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

## Environmental Impact

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

Issues: see issue slide

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) Medium Reduced flexibility, but still mission capable
- (4-5) High Significant impact, approaching point impact which affects capability to support/deploy forces

COCOM Concerns:



*Department of the Navy*  
*Infrastructure Analysis Team*

## **DON-0033 / DON-0034**

### **Issues**

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- **Significant impact on the economy of CT**
- **Strategic placement of SSNs in 2 vs. 1 east cost homeport**
- **Elimination of medical personnel to account for TRICARE costs (same for both scenarios)**
- **Norfolk loading**
- **OPNAV N41 indicates K-18 ARC waiver not an issue in Kings Bay**

Enclosed is the file N-MN-0433. This file contains the minutes of the IEG meeting of 13 January 2005. The file may be downloaded at [http://www.defenselink.mil/brac/minutes/brac\\_navy.html](http://www.defenselink.mil/brac/minutes/brac_navy.html). Please note the tabbed pages and sections of this file.



**DEPARTMENT OF THE NAVY**  
OFFICE OF THE SECRETARY  
1000 NAVY PENTAGON  
WASHINGTON, DC 20350-1000

MN-0433  
IAT/JAN  
27 January 2005

MEMORANDUM

Subj: MINUTES OF THE INFRASTRUCTURE EVALUATION GROUP (IEG)  
MEETING OF 13 JANUARY 2005

Encl: (1) 13 January 2005 IEG Meeting Agenda  
(2) Recording Secretary's Report of IEG Deliberations on  
13 January 2005

1. The fifty-second meeting of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) was convened at 1000 on 13 January 2005 in room 4D447 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Special Assistant to the Secretary of the Navy for all matters associated with BRAC 2005 (Special Assistant for BRAC), Co-Chair; ADM John B. Nathman, USN, Vice Chief of Naval Operations (VCNO), Co-Chair; Ms. Ariane Whittemore, Assistant Deputy Chief of Naval Operations for Fleet Readiness and Logistics (N4B), serving as alternate for VADM Justin D. McCarthy, USN, Deputy Chief of Naval Operations for Fleet Readiness and Logistics (N4), Member; VADM Kevin J. Cosgriff, USN, Deputy and Chief of Staff, U.S. Fleet Forces Command, Member; LtGen Richard L. Kelly, USMC, Deputy Commandant for Installations and Logistics (I&L), Member; LtGen Michael A. Hough, USMC, Deputy Commandant for Aviation (AVN), Member; Dr. Michael F. McGrath, Deputy Assistant Secretary of the Navy, Research Development Test & Evaluation (DASN(RDT&E)), Member; Mr. Robert T. Cali, Assistant General Counsel, Assistant Secretary of the Navy, Manpower & Reserve Affairs (M&RA), Member; Mr. Ronnie J. Booth, Navy Audit Service (NAVAUDSVC), Representative; Mr. Thomas N. Ledvina, Navy Office of General Counsel (OGC), Representative; LCDR Vincent J. Moore, JAGC, USNR, Recorder; and, Capt James A. Noel, USMC, Recorder. Gen William L. Nyland, USMC, Assistant Commandant of the Marine Corps (ACMC), Co-Chair, was absent.

2. The following members of the DON Analysis Group (DAG) were present: Mr. Thomas R. Crabtree, Director Fleet Training (N7A), U.S. Fleet Forces Command; Ms. Carla Liberatore, Assistant Deputy Commandant for Installations and Logistics (I&L), Headquarters, U.S. Marine Corps; BGen Martin Post, USMC, Assistant Deputy Commandant for Aviation; Mr. Paul Hubbell,

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Subj: MINUTES OF THE INFRASTRUCTURE EVALUATION GROUP (IEG)  
MEETING OF 13 JANUARY 2005

Deputy Assistant Deputy Commandant for Installations and Logistics (Facilities), Headquarters, U.S. Marine Corps; Mr. Michael F. Jaggard, Chief of Staff, Assistant Secretary of the Navy for Research, Development and Acquisition; Ms. Debra Edmond, Director, Office of Civilian Human Resources, Assistant Secretary of the Navy, Manpower & Reserve Affairs (M&RA); and, CAPT Thomas Mangold, USN, alternate for RDML(sel) Charles Martoglio, USN, Director, Strategy and Policy Division, N51.

3. The following members or representatives of the Functional Advisory Board (FAB) were present: VADM Gerald L. Hoewing, USN, Chief of Naval Personnel and Deputy Chief of Naval Operations for Manpower and Personnel; RADM Jay Cohen, USN, Chief of Naval Research; RADM William R. Klemm, USN, Deputy Commander, Logistics, Maintenance, and Industrial Operations, SEA-04, NAVSEASYSKOM; RADM Kathleen L. Martin, NC, USN, Deputy Chief, Bureau of Medicine and Surgery; Ms. Karin Dolan, Assistant Director of Intelligence for Support, Headquarters, U.S. Marine Corps; Mrs. Claudia Erland (formerly Ms. Clark), Deputy Director of Naval Intelligence (DDNI); Mr. Michael Rhodes, Assistant Deputy Commandant for Manpower and Reserve Affairs (M&RA), Headquarters, U.S. Marine Corps; BGen Willie J. Williams, USMC, Assistant Deputy Commandant, Installations and Logistics (Facilities); BGen Thomas L. Conant, USMC, Commanding General, Training Command and Deputy Commanding General, Training and Education Command; Mr. George Ryan, OPNAV 091; Col Michael J. Massoth, USMC; CAPT David W. Mathias, CEC, USN; CAPT Walter Wright, USN; CAPT William Wilcox, USN; CAPT Albert J. Shimkus, NC, USN; CAPT Nancy Hight, MSC, USN; and, Mr. Thomas B. Grewe.

4. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. John E. Leather; CAPT Jason A. Leaver, USN; Mr. Andrew S. Demott; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; CAPT Matthew A. Beebe, CEC, USN; CDR Judith D. Bellas, NC, USN; CDR Robert S. Clarke, CEC, USN; CDR Stephen J. Cincotta, USN; CDR Brian D. Miller, USNR; CDR Jennifer Flather, CEC, USN; LCDR Bernie J. Bosuyt, USN; and, LCDR Paul V. Neuzil, USN. All attendees were provided enclosure (1). Ms. Davis presented the minutes from the 6 January 2005 IEG meeting for review and they were approved. The IEG moved into deliberative session at 1001. See enclosure (2). The meeting adjourned at 1134.

  
Anne Rathmell Davis  
Co-Chair, IEG

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**TAB 1**

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# Infrastructure Evaluation Group

13 January 2005  
1000-1200  
Pentagon, Room 4D447

**Meeting called by:** Chairs Recorder: LCDR Moore

## ----- Agenda Topics -----

Review and approve minutes of IEG Meeting of 6 Jan 2005 Ms. Davis

Deliberative Session : Ms. Davis

- Scenario Data Call Status
- COBRA Recap, Criteria 6-8 and Risk Assessments
  - Installation Management
  - NAVFAC Activities
  - REDCOM
- DON Specific HSA Candidate Recommendations
- COBRA Recap, Criteria 6-8 and Risk Assessments
  - Surface/Subsurface
- Operational Candidate Recommendations
- Status/Upcoming Analysis
- JCSG Candidate Recommendations to Date
- IEG/FAB Open Discussion

### Administrative

- Next meeting 27 Jan 05, 1000-1200, 4D447

## Other Information

Draft minutes of 6 Jan 05 IEG meeting provided [To IEG members only]  
Report of 6 Jan 05 IEG deliberative session provided [To IEG members only]  
Other Read Aheads [To all attendees]

**TAB 2**



## INFRASTRUCTURE ANALYSIS TEAM

ODASN (IS&A), 2221 South Clark Street, Suite 900, Arlington, VA 22202

(703)-602-6500

RP-0434

IAT/JAN

24 January 2005

MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

Subj: REPORT OF IEG DELIBERATIONS OF 13 JANUARY 2005

Encl: (1) DON Analysis Group Brief to IEG of 13 January 2005

1. The thirty-sixth deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1001 on 13 January 2005 in room 4D447 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Co-Chair; ADM John B. Nathman, USN, Co-Chair; Ms. Ariane Whittemore, alternate for VADM Justin D. McCarthy, USN, Member; VADM Kevin J. Cosgriff, USN, Member; LtGen Richard L. Kelly, USMC, Member; LtGen Michael A. Hough, USMC, Member; Dr. Michael F. McGrath, Member; Mr. Robert T. Cali, Member; Mr. Ronnie J. Booth, Navy Audit Service, Representative; and, Mr. Thomas N. Ledvina, Navy Office of General Counsel (OGC), Representative. The following members of the DON Analysis Group (DAG) were present: Mr. Thomas R. Crabtree; Ms. Carla Liberatore; BGen Martin Post, USMC; Mr. Paul Hubbell; Mr. Michael F. Jaggard; Ms. Debra Edmond; and, CAPT Thomas Mangold, USN, alternate for RDML(sel) Charles Martoglio, USN. The following members or representatives of the Functional Advisory Board (FAB) were present: VADM Gerald L. Hoewing, USN; RADM Jay Cohen, USN; RADM William R. Klemm, USN; RADM Kathleen L. Martin, NC, USN; Ms. Karin Dolan; Mrs. Claudia Erland (formerly Ms. Clark); Mr. Michael Rhodes; BGen Willie J. Williams, USMC; BGen Thomas L. Conant, USMC; Mr. George Ryan; Col Michael J. Massoth, USMC; CAPT David W. Mathias, CEC, USN; CAPT Walter Wright, USN; CAPT William Wilcox, USN; CAPT Albert J. Shimkus, NC, USN; CAPT Nancy Hight, MSC, USN; and, Mr. Thomas B. Grewe. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. John E. Leather; CAPT Jason A. Leaver, USN; Mr. Andrew S. Demott; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; CAPT Matthew A. Beebe, CEC, USN; CDR Judith D. Bellas, NC, USN; CDR Robert S. Clarke, CEC, USN; CDR Stephen J. Cincotta, USN; CDR Brian D. Miller, USNR; CDR Jennifer Flather, CEC, USN; LCDR Bernie J. Bosuyt, USN; LCDR Paul V. Neuzil, USN; LCDR Vincent J. Moore, JAGC, USNR; and, Capt James A. Noel, USMC. All attendees were provided enclosure (1).

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2. Ms. Davis used slide 3 of enclosure (1) to update the DAG on the status of the scenario data call (SDC) process as of 11 January 2005, noting that the number of DON and JCSG scenarios posted in the OSD scenario tracking tool has not changed in the past week.

3. Ms. Davis used slide 5-7 of enclosure (1) to discuss scenario analysis for DON Specific HSA Regional Support Activity (RSA) Function Installation Management (IM) Regions. At its 23 December 2004 deliberative session, the IEG reviewed the preliminary COBRA analysis and directed the DAG to continue scenario analysis for scenarios DON-0040 and DON-0041. Ms. Davis reviewed the COBRA data for these scenarios and informed the IEG that the results of Selection Criteria 6-8 analyses show they have no significant economic, community or environmental impact on losing or gaining communities. Ms. Davis then presented the Candidate Recommendation Risk Assessment (CRRA) for these scenarios. See slide 6 of enclosure (1). The CRRA tool indicates that the IM Regions scenarios have minimal executability and warfighting/readiness risk and no COCOM concerns. The IEG noted removal of Navy regional command presence from the Northeast and span of control as issues for scenario DON-0041. The IEG discussed these issues and determined that even if no closures affect the Northeast, management of the Northeast is feasible from the Mid-Atlantic IM Region.

4. The IEG discussed the significant differences between the two IM Regions scenarios, i.e., DON-0040 has a one-year Payback and retains Navy regional presence in the Northeast while DON-0041 has an immediate Payback, and increases the management distance for Northeast installations. The IEG noted that HSA JCSG consolidation scenarios will likely reduce Navy IM Northeast responsibilities and that DON and JCSG scenarios will likely reduce significant Navy presence in the Northeast. The IEG also noted that scenario DON-0041 supports efficiencies favored by Commander, Navy Installations (CNI). Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0041.

5. Ms. Davis used slides 8-14 of enclosure (1) to discuss Selection Criteria 5-8 analyses and the CRRA for various Naval Facilities Engineering Command (NAVFAC) scenarios. At its 23 December 2004 deliberative session, the IEG was apprised of developments for three Facility Engineering Command (FEC) scenarios (DON-0073, DON-0075 and DON-0074A) and approved scenario data calls (SDC) for fence-line closure scenarios (DON-

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0154 and DON-0160) that relocate the Navy Crane Center (NAVCRANECEN). DON-0073, which aligns with IM scenario DON-0040, relocates NAVFAC Engineering Field Activity (EFA) Northeast from Philadelphia, PA (leased space in Lester, PA), to SUBASE New London, CT. DON-0075 consolidates EFA Northeast with FEC Mid-Atlantic, Norfolk, VA (aligns with IM scenario DON-0041). DON-0074A consolidates Engineering Field Division (EFD) South (Charleston, SC) with EFA Southeast (Jacksonville, FL), EFA Midwest (Great Lakes, IL) and EFD Atlantic (Norfolk, VA). DON-0154 relocates the NAVCRANECEN from leased space in Lester, PA to Norfolk, VA while DON-0160 relocates the NAVCRANECEN to the Philadelphia Naval Business Complex (PNBC).

6. The IEG reviewed the COBRA model results for these scenarios. See slide 8 of enclosure (1). DON-0073 has one-time costs of \$11.33 million, provides a Payback in 7 years, and has a 20-year net present value (NPV) savings of \$14.89 million. DON-0075 has one-time costs of \$10.88 million, provides a Payback in 2 years, and has a 20-year NPV savings of \$51.772 million. DON-0074A has one-time costs of \$25.05 million, provides a Payback in 8 years, and has a 20-year NPV savings of \$20.42 million. DON-0154 has one-time costs of \$3.78 million, provides a Payback in 5 years, and has a 20-year NPV savings of \$6.47 million. DON-0160 has one-time costs of \$973 thousand, provides a Payback in 2 years, and has a 20-year NPV savings of \$6.15 million.

7. Ms. Davis informed the IEG that the results of Selection Criteria 6-8 analyses for these scenarios show they have no significant economic, community or environmental impact on losing or gaining communities. See slide 8 of enclosure (1). The IEG next reviewed the CRRAs for each scenario. See slides 9-13 of enclosure (1). The CRRAs indicate that none of the scenarios has significant warfighting/readiness risk. DON-0075 and DON-0160 have minimal executability risk, DON-0073 and DON-0154 have slightly higher executability risk (larger investment and longer Payback term), and DON-0074A has a relatively high executability risk (larger investment, longer Payback term, and a larger economic impact).

8. The IEG noted that DON-0073 aligns EFA NE with the seven IM regional alignment in DON-0040 while DON-0075 aligns EFA NE with the six IM regional alignment in DON-0041 (approved for candidate recommendation by the IEG in paragraph 5 above). The IEG noted that DON-0074A consolidates EFD South in a manner that falls in on IM regions and comports with NAVFAC transformation and support plans for IM regions. Additionally, the IEG noted

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that DON-0074A would allow the Navy to vacate leased space. In comparing DON-0154 and DON-0160, the IEG noted that although DON-0154 has a slightly longer Payback period, it aligns like components and provides for NAVFAC/NAVSEA synergy in Norfolk. Accordingly, the IEG approved the DAG's recommendation to prepare candidate recommendation packages for DON-0074A, DON-0075 and DON-0154.

9. Ms. Davis used slides 15-19 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for Reserve Readiness Command (REDCOM) scenarios. DON-0077 relocates REDCOM Northeast, Newport, RI to New London, CT. DON-0078 consolidates REDCOM South, NAS JRB Ft Worth, TX with REDCOM Midwest, Great Lakes, IL. DON-0079 consolidates REDCOM Northeast with REDCOM Mid-Atlantic, Washington DC. At its 23 December 2004 deliberative session, the IEG was apprised that the DAG was considering re-issuing two of three REDCOM scenarios as consolidations with the IM Regions (DON-0077 and DON-0079), and the IEG approved SDCs for scenarios that consolidate REDCOM Northeast with COMNAVREG Northeast (DON-0155) and consolidate REDCOM Northeast and REDCOM Mid-Atlantic with COMNAVREG Mid-Atlantic (DON-0156).

10. The IEG reviewed the COBRA model results for these scenarios. See slide 15 of enclosure (1). DON-0078 has one-time costs of \$650 thousand, provides an immediate Payback, and has a 20-year NPV savings of \$57.17 million. DON-0077 and DON-0155 each have one-time costs of \$2.03 million, never show a Payback, and have 20-year NPV costs of \$4.27 million. The IEG noted that no billet savings were reported for these scenarios since a manpower study could not be completed within the 48-hour period allotted for the SDC response. DON-0079 indicates an immediate Payback with a 20-year NPV savings of \$41.53 million. DON-0156 indicates a Payback in one year with a 20-year NPV savings of \$38.64 million. The IEG noted that since DON-0079 allows for consolidation with another REDCOM, it is slightly more advantageous in terms of cost. However, the IEG further noted that the COBRA data is similar for DON-0079 and DON-0156 and stated its preference for DON-0156 since this scenario allows for co-location with the IM region.

11. Ms. Davis informed the IEG that the results of Selection Criteria 6-8 analyses for these scenarios show they have no significant economic, community or environmental impact on losing or gaining communities. See slide 15 of enclosure (1). The IEG next reviewed the CRRA for each scenario. See slides 16-18 of enclosure (1). The CRRAs indicate that no scenario has

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significant warfighting/readiness risk. DON-0077 and DON-0155 have a slightly higher executability risk (no Payback indicated). The IEG noted that DON-0078 aligns with the IM regions and provides an immediate Payback after a very small investment. The IEG noted that DON-0077 and DON-0155 align with the seven IM regional alignment but never show a Payback. The IEG noted that DON-0079 and DON-0156 align with the six IM regional alignment and require a small investment. The IEG further noted that DON 0079 provides a slightly faster Payback than DON-0156, however DON-0079 consolidates the REDCOMS away from the IM region while DON-0156 consolidates the REDCOMS with the IM region. Accordingly, the IEG approved the DAG's recommendation to prepare candidate recommendation packages for DON-0078 and DON-0156.

12. The IEG reviewed its decisions to prepare candidate recommendation packages for six RSA scenarios, noting that these scenarios have combined one-time costs of \$48.74 million and have a combined 20-year NPV savings of \$259.09 million. See slide 20 of enclosure (1). Ms. Davis reviewed the list of DON HSA scenarios evaluated by the IEG but not approved as candidate recommendations. See slide 21 of enclosure (1).

13. Ms. Davis used slides 22 and 23 of enclosure (1) to review the overall impact of approved candidate recommendations for the following DON HSA functions:

a. DON Specific HSA Reserve Centers. Ms. Davis informed the IEG that approved candidate recommendations for Naval Reserve Centers (NRC) and Navy Marine Corps Reserve Centers (NMCRC) reduce capacity by 11.8% (5,352 KSF to 4,720 KSF) and increase the average military value of the remaining reserve centers from 59.96 to 61.32. Candidate recommendations for Inspector Instructor Staffs (I&I) will allow the Marine Corps to improve AT/FP posture by utilizing excess administrative and training space behind DOD fencelines, improve proximity to training facilities, and reduce infrastructure management.

b. DON Specific HSA Recruiting Districts/Stations Function. Approved candidate recommendations for Naval Recruiting Districts (NRDs) reduce capacity by 16.1%, increase average military value for the remaining NRDs from 68.97 to 69.79, and further the CNRC transformation plan.

c. DON HSA Regional Support Activities. Approved candidate recommendations increase the average military value for the remaining IM regions (60.85 to 67.36), NAVFAC activities

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(58.00 to 67.27), and REDCOMs (72.03 to 75.68). All further the DON regional support concept.

The total one-time costs for DON Specific HSA Function candidate recommendations are \$59.87 million and the total 20-year NPV savings are \$792.49 million.

14. Ms. Davis used slides 25-28 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for scenarios that close NAVSTA Ingleside, TX. DON-0003 relocates the assets equally to NAVSTA San Diego, CA and NAB Little Creek, VA and DON-0031 relocates the assets equally to NAVSTA San Diego, CA and NAVSTA Mayport, FL. DON-0032 relocates assets (including 10 MHCs and 10 MCMs) to NAVSTA San Diego, CA. She noted that the three scenarios relocate or consolidate COMINWARCOM, MINEWARTRACEN, and COMOMAG to NAVSTA San Diego, CA. Ms. Davis noted that the analysis for these scenarios is based on the current Force Structure Plan (i.e., 20 ships) and the costs include bringing facilities up to current standards. She noted that these scenarios do not presently include the relocation of the HM-15 squadron from NAS Corpus Christi, TX to NAS North Island, CA since this action may be cost prohibitive. Ms. Davis informed the IEG that at its 30 December 2004 deliberative session, the DAG noted that since movement of HM-15 is not an operational imperative, the operational benefit does not appear to outweigh the costs. Subsequently, at its 10 January 2005 deliberative session, the DAG decided to recommend this scenario to the IEG without the relocation of HM-15, pending additional analysis to explore relocating HM-15 to NAVSTA Norfolk, VA.

15. The IEG reviewed the COBRA model results for these scenarios. DON-0003 indicates one-time costs of \$200.72 million, a Payback in three years, and a 20-year NPV savings of \$583.64 million. DON-0031 indicates one-time costs of \$206.69 million, a Payback in three years, and 20-year NPV savings of \$578.36 million. DON-0032 indicates one-time costs of \$231.64 million, a Payback in four years, and 20-year NPV savings of \$541.42 million. See slide 25 of enclosure (1).

16. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease in excess of 2% of the NAVSTA Ingleside region of influence (ROI) population, thereby activating the Housing Assistance Program (HAP), which provides assistance to eligible homeowners in order to offset real estate losses suffered as a result of BRAC actions. Ms. Davis noted that NAVSTA San Diego

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expressed concern that additional loading at the base will exacerbate traffic congestion. The economic and community impact analyses for the proposed receiving sites did not identify any additional issues of concern. See slide 26 of enclosure (1).

17. Ms. Davis informed the IEG that Selection Criterion 8 impacts at San Diego may include dredging for 20 vessels which would require screening for munitions and possible upland disposal. Additionally, she noted that the new mission will require jurisdictional wetlands use, however, the mission can be fully performed within existing jurisdictional wetland restrictions. No other substantial environmental issues were identified and there are no known environmental impediments precluding implementation of these scenarios. See slide 26 of enclosure (1).

18. The IEG next reviewed the CRRAs for these scenarios. See slide 27 of enclosure (1). Ms. Davis noted that the CRRAs were the same for all three scenarios. The CRRAs indicate minimal warfighting/readiness risk and medium executability risk (primarily due to large initial investment and economic impact to NAVSTA Ingleside ROI). The IEG discussed U.S. Pacific Command's (PACOM) concern that there is a lack of forward deployed mine warfare ships in the Pacific and noted that locating these assets in San Diego would not prevent forward deployment. The IEG discussed that DON-0003 and DON-0031 require duplication of investment because these scenarios split the assets. The IEG further noted that investment costs for DON-0032's will ultimately depend on the number of mine warfare ships to be retained in the inventory. It is possible that the FSP will be revised (10 mine warfare ships). Lastly, the IEG noted that DON-0032 is consistent with CFFC's desire to create a Mine Warfare Center of Excellence in San Diego.

19. The IEG reviewed the COBRA analysis for the three scenarios, noting that the analysis would change significantly if the current FSP requirement were modified. The IEG noted that single siting on the west coast is the preferred operational laydown for these assets and that this will ensure capacity is available at NAB Little Creek for future platforms. Additionally, single siting at NAVSTA San Diego will maximize synergies gained from locating MINEWARCOM, the Anti-Submarine Warfare (ASW) Center, and surface mine warfare ships in the same geographic area. Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0032.

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20. Ms. Davis used slides 29-33 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for two Surface/Subsurface scenarios that would close SUBASE New London, CT. DON-0033 relocates six SSNs to SUBASE Kings Bay, GA and 11 SSNs to NAVSTA Norfolk, VA and DON-0034 relocates 17 SSNs to NAVSTA Norfolk, VA. Ms. Davis noted that the analysis for these scenarios is based on the current FSP and force laydown (East-West split). She also noted that scenario costs include bringing facilities up to current standards, and that personnel savings may be overstated (i.e., since Medical personnel account for approximately half of the eliminated personnel, application of the approved TRICARE convention for evaluating Medical personnel in COBRA may not be accurate). Ms. Davis informed the IEG that an embedded Medical JCSG scenario relocates NAVMEDRSRCHLAB to Panama City, FL, and the Medical JCSG is reviewing less costly alternatives.

21. The COBRA data for scenario DON-0033 indicates one-time costs of \$653.25 million, a Payback in one year, and 20-year NPV savings of \$1.66 billion. The COBRA data for scenario DON-0034 indicates one-time costs of \$618.39 million, a Payback in two years, and 20-year NPV savings of \$1.56 billion. See slide 29 of enclosure (1). The IEG noted that any changes to the force laydown (e.g., movement of east coast submarine assets to the west coast) could reduce the requirement for military construction (MILCON) at NAVSTA Norfolk.

22. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. See slide 30 of enclosure (1). Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease of 9% in the SUBASE New London ROI (largest impact for any DON scenario). Ms. Davis noted that the economic and community impact analyses for the proposed receiving sites did not identify any issues of concern.

23. Ms. Davis informed the IEG that Selection Criterion 8 issues include:

a. SUBASE Kings Bay, GA. The Northern Right Whales and manatees in the area may impact operations. Although wetlands restrict 36% of the acreage on the installation, the new mission should not be adversely impacted. The new mission will require dredging for piers.

b. NAVSTA Norfolk, VA. An air conformity determination may be required. The new mission will require dredging, but all

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areas to be dredged could be packaged into one permit. Higher frequency and concentration of operations could possibly impact marine mammals.

No other substantial environmental issues were identified. The IEG noted that there are no known environmental impediments precluding implementation of these scenarios.

24. The IEG next reviewed the CRRAs for the scenarios. See slides 31 and 32 of enclosure (1). The CRRAs indicate medium executability and warfighting/readiness risk. The medium executability risk is primarily due to large initial investment and economic impact to SUBASE New London ROI. Both scenarios have a medium warfighting/readiness since they reduce the number of bases that berth submarines. DON-0034 has a higher warfighting/readiness risk since it single sites east coast SSNs. The IEG noted that CFFC does not concur with either scenario because they alter the current SSN basing configuration.

25. The IEG noted that both scenarios reflect similar COBRA results and reduce excess capacity by 16.25 CGEs. The IEG noted that DON-0033 maintains strategic and operational flexibility by retaining two SSN sites on the east coast but requires significant investment to replicate SSN capability at SUBASE Kings Bay and changes the nature of the mission at SUBASE Kings Bay. The IEG noted that DON-0034 would increase congestion at NAVSTA Norfolk. Additionally, the IEG expressed concern that DON-0034 reduces strategic and operational flexibility by single siting SSNs on the east coast. Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0033.

26. Ms. Davis used slides 34-38 of enclosure (1) to discuss Selection Criteria 5-8 analyses, and CRRA for two Surface/Subsurface scenarios that would close SUBASE San Diego, CA. DON-0006A would relocate four SSNs and ARCO (a floating dry-dock) to NAVSTA Pearl Harbor, HI. DON-0007 would relocate four SSNs and ARCO to NAVSTA San Diego, CA. Ms. Davis noted that portions of SUBASE San Diego are retained as enclaves for both scenarios and scenario costs include bringing facilities up to current standards.

27. The COBRA data for scenario DON-0006A indicates one-time costs of \$109.86 million, provides a Payback in 2 years, and 20-year NPV savings of \$299.51 million. The COBRA data for scenario DON-0007 indicates one-time costs of \$252.86 million

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(primarily MILCON at NAVSTA San Diego to build SSN capacity), provides a Payback in 16 years, and has a 20-year NPV savings of \$17.90 million. See slide 34 of enclosure (1).

28. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. See slide 34 of enclosure (1). Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease of less than 1%. She noted that except for identified traffic concerns at NAVSTA San Diego, the economic and community impact analyses for the proposed receiving sites did not identify any issues of concern.

29. Ms. Davis informed the IEG that the Selection Criterion 8 issues include:

a. NAVSTA Pearl Harbor, HI. The new mission will require dredging.

b. NAVSTA San Diego, CA. An air conformity determination may be required. The new mission will require dredging, but all areas to be dredged could be packaged into one permit. Higher frequency and concentration of operations could possibly impact marine mammals.

No other substantial environmental issues were identified. The IEG noted that there are no known environmental impediments precluding implementation of these scenarios.

30. The IEG next reviewed the CRRAs for the scenarios. See slides 36 and 37 of enclosure (1). The CRRAs indicate medium warfighting/readiness risk for both scenarios. PACOM and CFFC continue to express concern that loss of Ballast Point could create force protection issues. Ms. Davis noted that DON-0007 has higher executability risk because of the cost to build SSN capacity at NAVSTA San Diego. See slide 37 of enclosure (1). The IEG noted that loss of the strategic location at San Diego harbor is an issue for both scenarios and the loss of west coast SSN homeporting capability is an additional issue for DON-0006A.

31. The IEG reviewed the COBRA data for both scenarios and noted the following issues relating to the scenarios. Both scenarios reduce excess capacity by 10.5 CGEs and would result in the loss of the strategic location at Ballast Point. DON-0006A would also result in the inability to use training waters off San Diego and submarine logistic support in San Diego. CFFC noted, and the IEG agreed, that strategic capability and flexibility maintained on the east coast should also be

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maintained on the west coast. The IEG directed the DAG to continue data refinement for scenarios DON-0006A and 0007.

32. Ms. Davis used slides 39-42 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for Surface/Subsurface scenario DON-0005, which closes NAVSTA Everett, WA and relocates a CVN to NAVSTA Bremerton, WA and relocates two DDGs and three FFGs to NAVSTA San Diego, CA. Ms. Davis noted that scenario costs include bringing facilities up to current standards and that the scenario requires land acquisition for additional bachelor housing units at NAVSTA Bremerton. She reminded the IEG that it eliminated scenario DON-0035 (an alternate scenario that moved the CVN to NAS North Island) from further consideration at its 6 January 2005 deliberative session. The COBRA data for scenario DON-0005 indicates one-time costs of \$295.06 million, provides a Payback in three years, and 20-year NPV savings of \$822.9 million.

33. The IEG next reviewed the Selection Criteria 6-8 analyses for this scenario. Ms. Davis informed the IEG that the Selection Criterion 6 analysis reflects an estimated employment decrease of less than 1%. She noted that the impact of Snohomish County will probably be more significant, but that there is no current method to calculate this economic impact. Ms. Davis stated that the impact at receiving sites includes traffic concerns at NAVSTA Bremerton and NAVSTA San Diego and the requirement to acquire 5.5 acres and relocate tenants at NAVSTA Bremerton. No substantial environmental issues were identified.

34. The IEG next reviewed the CRRA for this scenario. See slide 41 of enclosure (1). The CRRA indicates medium executability risk and high warfighting/readiness risk. The medium executability risk is due to the large initial investment, length of Payback term, and economic and community infrastructure impact. The IEG noted that PACOM does not concur with this scenario because of the loss of west coast CVN homeport flexibility and would prefer realignment of an east coast CVN. The IEG noted that DON-0005, while retaining two CVNs in the Pacific Northwest, reduces strategic and operational flexibility by limiting carrier berthing on the west coast since only five carriers could be berthed without building new facilities. The IEG directed the DAG to continue data refinement for DON-0005.

35. The IEG reviewed its decisions to prepare candidate recommendation packages for three Surface/Subsurface scenarios,

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noting that the recommendations result in capacity decreases from 426 CGEs to 390 CGEs for active bases (8.3% reduction) and an overall capacity decreases from 578 CGEs to 542.75 CGEs (6.1% reduction). The candidate recommendations result in an increase in the average military value score from 52.87 to 55.96 for the remaining bases performing the surface/subsurface function. The total one-time costs are \$895.88 million and have a 20-year NPV savings of \$2.82 billion. See slide 43 of enclosure (1). Ms. Davis reviewed the list of Surface/Subsurface and Ground Operations scenarios evaluated by the IEG but not approved as candidate recommendations. See slide 44 of enclosure (1).

36. The IEG reviewed the Payback summary for all approved DON candidate recommendations to date. These candidate recommendations have a combined one-time cost of \$955.75 million and a combined 20-year NPV savings of \$3.61 billion. See slide 47 of enclosure (1). Ms. Davis advised the IEG that additional analysis is required to complete candidate recommendations for various DON functions, including Marine Corps Districts, Officer Accession, Recruit Training, and Aviation. See slide 47 of enclosure (1). She provided a list of potential fence-line closures based on JCSG actions that will require further analysis by the IEG. See slide 48 of enclosure (1). Lastly, Ms. Davis informed the IEG that the HSA JCSG has approved eight candidate recommendations (HSA-0007, 0011, 0012, 0013, 0018, 0032, 0034 and 0075) and the Medical JCSG has approved two candidate recommendations (MED-0004 and 0053). See slide 49 of enclosure (1).

37. The IEG received the following JCSG status updates:

a. Intelligence. Mrs. Erland informed the IEG that the JCSG is considering candidate recommendations for five of eleven scenarios that appear to have long Payback terms and require significant investment. She noted that the JCSG generally requires refinement of Army COBRA data. Additionally, Mrs. Erland informed the IEG that the Intelligence JCSG is coordinating with the HSA JCSG to ensure appropriate consideration of Intelligence matters for a scenario that would relocate U.S. Southern Command headquarters. Lastly, she noted that the Intelligence JCSG continues to coordinate with the Education and Training JCSG concerning scenarios affecting the Defense Language Institute (DLI) and the Navy Marine Corps Intelligence Training Center (NMITC), Dam Neck, VA.

b. Medical. RADM Martin informed the IEG that a scenario to disestablish the Uniformed Services University of the Health

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Sciences (USUHS) is scheduled for discussion at the next meeting of the Infrastructure Steering Group (ISG).

c. Education and Training. VADM Hoewing informed the IEG that two candidate recommendations have been approved by the JCSG. E&T-0014 develops a center for ministry training at Ft Jackson, SC (relocating DON assets from NAVSTA Newport, RI). E&T-0016 develops a center for culinary training at Ft. Lee, VA (relocating DON assets from Lackland AFB, San Antonio, TX). VADM Hoewing informed the IEG that this recommendation is being forwarded to the ISG despite objections from DON and Air Force. He noted that the JCSG is no longer pursuing a scenario to consolidate signal intelligence (E&T-0040) and that the viability of scenarios to consolidate intelligence training at Goodfellow AFB will be discussed at a future session of the JCSG. VADM Hoewing informed the IEG that the JCSG is considering a scenario that creates a supply and logistics joint center of excellence (E&T-0004). He noted that the Marine Corps does not support this scenario and that the COBRA data indicates a Payback in 26 years. VADM Hoewing informed the IEG that the JCSG is continuing to review a scenario involving the DLI that indicates a large Payback but has high operational risk. Lastly, he noted that the JCSG will soon brief the ISG concerning its analysis of flight training.

d. Headquarters and Support Activities. Mr. Rhodes informed the IEG that the JCSG is analyzing a scenario that consolidates various Defense Information Systems Agency (DISA) activities, and scenarios that create regional correctional facilities.

e. Technical. RADM Cohen informed the IEG that the JCSG is considering a candidate recommendation (Tech-0040) that creates a joint research center at the Anacostia Annex. He noted that this scenario relocates and co-locates Service and Defense Agency activities (e.g., the Office of Naval Research, Arlington, VA). Lastly, RADM Cohen informed the IEG that a closure scenario for NAWC Lakehurst may require an enclave to avoid potential loss of unique facilities and intellectual capital.

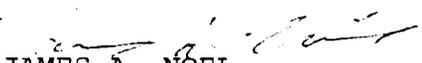
f. Supply and Storage. CAPT Wright informed the IEG that the JCSG is considering two scenarios that consolidate Service Inventory Control Points (ICP) with Defense Logistics Agency (DLA). He noted that these scenarios require a large investment, provide high Payback, and have high operational risk. CAPT Wright indicated that the Industrial JCSG review of

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scenarios that regionalize the industrial distribution system require Supply and Storage JCSG coordination to account for retail storage at industrial activities.

38. The IEG adjourned at 1134.

  
JAMES A. NOEL  
CAPTAIN, USMC  
Recorder, IAT

Enclosed is the file N-RP-0434. This file contains the report of the IEG deliberations of 13 January 2005. The file may be downloaded at [http://www.defenselink.mil/brac/minutes/brac\\_navy.html](http://www.defenselink.mil/brac/minutes/brac_navy.html). Please note the tabbed pages and sections.

Department of the Navy



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RP-0434  
 IAT/JAN  
 24 January 2005

MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

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Encl: (1) DON Analysis Group Brief to IEG of 13 January 2005

1. The thirty-sixth deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1001 on 13 January 2005 in room 4D447 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Co-Chair; ADM John B. Nathman, USN, Co-Chair; Ms. Ariane Whittemore, alternate for VADM Justin D. McCarthy, USN, Member; VADM Kevin J. Cosgriff, USN, Member; LtGen Richard L. Kelly, USMC, Member; LtGen Michael A. Hough, USMC, Member; Dr. Michael F. McGrath, Member; Mr. Robert T. Cali, Member; Mr. Ronnie J. Booth, Navy Audit Service, Representative; and, Mr. Thomas N. Ledvina, Navy Office of General Counsel (OGC), Representative. The following members of the DON Analysis Group (DAG) were present: Mr. Thomas R. Crabtree; Ms. Carla Liberatore; BGen Martin Post, USMC; Mr. Paul Hubbell; Mr. Michael F. Jaggard; Ms. Debra Edmond; and, CAPT Thomas Mangold, USN, alternate for RDML(sel) Charles Martoglio, USN. The following members or representatives of the Functional Advisory Board (FAB) were present: VADM Gerald L. Hoewing, USN; RADM Jay Cohen, USN; RADM William R. Klemm, USN; RADM Kathleen L. Martin, NC, USN; Ms. Karin Dolan; Mrs. Claudia Erland (formerly Ms. Clark); Mr. Michael Rhodes; BGen Willie J. Williams, USMC; BGen Thomas L. Conant, USMC; Mr. George Ryan; Col Michael J. Massoth, USMC; CAPT David W. Mathias, CEC, USN; CAPT Walter Wright, USN; CAPT William Wilcox, USN; CAPT Albert J. Shimkus, NC, USN; CAPT Nancy Hight, MSC, USN; and, Mr. Thomas B. Grewe. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. John E. Leather; CAPT Jason A. Leaver, USN; Mr. Andrew S. Demott; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; CAPT Matthew A. Beebe, CEC, USN; CDR Judith D. Bellas, NC, USN; CDR Robert S. Clarke, CEC, USN; CDR Stephen J. Cincotta, USN; CDR Brian D. Miller, USNR; CDR Jennifer Flather, CEC, USN; LCDR Bernie J. Bosuyt, USN; LCDR Paul V. Neuzil, USN; LCDR Vincent J. Moore, JAGC, USNR; and, Capt James A. Noel, USMC. All attendees were provided enclosure (1).

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2. Ms. Davis used slide 3 of enclosure (1) to update the DAG on the status of the scenario data call (SDC) process as of 11 January 2005, noting that the number of DON and JCSG scenarios posted in the OSD scenario tracking tool has not changed in the past week.

3. Ms. Davis used slide 5-7 of enclosure (1) to discuss scenario analysis for DON Specific HSA Regional Support Activity (RSA) Function Installation Management (IM) Regions. At its 23 December 2004 deliberative session, the IEG reviewed the preliminary COBRA analysis and directed the DAG to continue scenario analysis for scenarios DON-0040 and DON-0041. Ms. Davis reviewed the COBRA data for these scenarios and informed the IEG that the results of Selection Criteria 6-8 analyses show they have no significant economic, community or environmental impact on losing or gaining communities. Ms. Davis then presented the Candidate Recommendation Risk Assessment (CRRA) for these scenarios. See slide 6 of enclosure (1). The CRRA tool indicates that the IM Regions scenarios have minimal executability and warfighting/readiness risk and no COCOM concerns. The IEG noted removal of Navy regional command presence from the Northeast and span of control as issues for scenario DON-0041. The IEG discussed these issues and determined that even if no closures affect the Northeast, management of the Northeast is feasible from the Mid-Atlantic IM Region.

4. The IEG discussed the significant differences between the two IM Regions scenarios, i.e., DON-0040 has a one-year Payback and retains Navy regional presence in the Northeast while DON-0041 has an immediate Payback, and increases the management distance for Northeast installations. The IEG noted that HSA JCSG consolidation scenarios will likely reduce Navy IM Northeast responsibilities and that DON and JCSG scenarios will likely reduce significant Navy presence in the Northeast. The IEG also noted that scenario DON-0041 supports efficiencies favored by Commander, Navy Installations (CNI). Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0041.

5. Ms. Davis used slides 8-14 of enclosure (1) to discuss Selection Criteria 5-8 analyses and the CRRA for various Naval Facilities Engineering Command (NAVFAC) scenarios. At its 23 December 2004 deliberative session, the IEG was apprised of developments for three Facility Engineering Command (FEC) scenarios (DON-0073, DON-0075 and DON-0074A) and approved scenario data calls (SDC) for fence-line closure scenarios (DON-

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0154 and DON-0160) that relocate the Navy Crane Center (NAVCRANECEN). DON-0073, which aligns with IM scenario DON-0040, relocates NAVFAC Engineering Field Activity (EFA) Northeast from Philadelphia, PA (leased space in Lester, PA), to SUBASE New London, CT. DON-0075 consolidates EFA Northeast with FEC Mid-Atlantic, Norfolk, VA (aligns with IM scenario DON-0041). DON-0074A consolidates Engineering Field Division (EFD) South (Charleston, SC) with EFA Southeast (Jacksonville, FL), EFA Midwest (Great Lakes, IL) and EFD Atlantic (Norfolk, VA). DON-0154 relocates the NAVCRANECEN from leased space in Lester, PA to Norfolk, VA while DON-0160 relocates the NAVCRANECEN to the Philadelphia Naval Business Complex (PNBC).

6. The IEG reviewed the COBRA model results for these scenarios. See slide 8 of enclosure (1). DON-0073 has one-time costs of \$11.33 million, provides a Payback in 7 years, and has a 20-year net present value (NPV) savings of \$14.89 million. DON-0075 has one-time costs of \$10.88 million, provides a Payback in 2 years, and has a 20-year NPV savings of \$51.772 million. DON-0074A has one-time costs of \$25.05 million, provides a Payback in 8 years, and has a 20-year NPV savings of \$20.42 million. DON-0154 has one-time costs of \$3.78 million, provides a Payback in 5 years, and has a 20-year NPV savings of \$6.47 million. DON-0160 has one-time costs of \$973 thousand, provides a Payback in 2 years, and has a 20-year NPV savings of \$6.15 million.

7. Ms. Davis informed the IEG that the results of Selection Criteria 6-8 analyses for these scenarios show they have no significant economic, community or environmental impact on losing or gaining communities. See slide 8 of enclosure (1). The IEG next reviewed the CRRAs for each scenario. See slides 9-13 of enclosure (1). The CRRAs indicate that none of the scenarios has significant warfighting/readiness risk. DON-0075 and DON-0160 have minimal executability risk, DON-0073 and DON-0154 have slightly higher executability risk (larger investment and longer Payback term), and DON-0074A has a relatively high executability risk (larger investment, longer Payback term, and a larger economic impact).

8. The IEG noted that DON-0073 aligns EFA NE with the seven IM regional alignment in DON-0040 while DON-0075 aligns EFA NE with the six IM regional alignment in DON-0041 (approved for candidate recommendation by the IEG in paragraph 5 above). The IEG noted that DON-0074A consolidates EFD South in a manner that falls in on IM regions and comports with NAVFAC transformation and support plans for IM regions. Additionally, the IEG noted

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that DON-0074A would allow the Navy to vacate leased space. In comparing DON-0154 and DON-0160, the IEG noted that although DON-0154 has a slightly longer Payback period, it aligns like components and provides for NAVFAC/NAVSEA synergy in Norfolk. Accordingly, the IEG approved the DAG's recommendation to prepare candidate recommendation packages for DON-0074A, DON-0075 and DON-0154.

9. Ms. Davis used slides 15-19 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for Reserve Readiness Command (REDCOM) scenarios. DON-0077 relocates REDCOM Northeast, Newport, RI to New London, CT. DON-0078 consolidates REDCOM South, NAS JRB Ft Worth, TX with REDCOM Midwest, Great Lakes, IL. DON-0079 consolidates REDCOM Northeast with REDCOM Mid-Atlantic, Washington DC. At its 23 December 2004 deliberative session, the IEG was apprised that the DAG was considering re-issuing two of three REDCOM scenarios as consolidations with the IM Regions (DON-0077 and DON-0079), and the IEG approved SDCs for scenarios that consolidate REDCOM Northeast with COMNAVREG Northeast (DON-0155) and consolidate REDCOM Northeast and REDCOM Mid-Atlantic with COMNAVREG Mid-Atlantic (DON-0156).

10. The IEG reviewed the COBRA model results for these scenarios. See slide 15 of enclosure (1). DON-0078 has one-time costs of \$650 thousand, provides an immediate Payback, and has a 20-year NPV savings of \$57.17 million. DON-0077 and DON-0155 each have one-time costs of \$2.03 million, never show a Payback, and have 20-year NPV costs of \$4.27 million. The IEG noted that no billet savings were reported for these scenarios since a manpower study could not be completed within the 48-hour period allotted for the SDC response. DON-0079 indicates an immediate Payback with a 20-year NPV savings of \$41.53 million. DON-0156 indicates a Payback in one year with a 20-year NPV savings of \$38.64 million. The IEG noted that since DON-0079 allows for consolidation with another REDCOM, it is slightly more advantageous in terms of cost. However, the IEG further noted that the COBRA data is similar for DON-0079 and DON-0156 and stated its preference for DON-0156 since this scenario allows for co-location with the IM region.

11. Ms. Davis informed the IEG that the results of Selection Criteria 6-8 analyses for these scenarios show they have no significant economic, community or environmental impact on losing or gaining communities. See slide 15 of enclosure (1). The IEG next reviewed the CRRA for each scenario. See slides 16-18 of enclosure (1). The CRRAs indicate that no scenario has

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significant warfighting/readiness risk. DON-0077 and DON-0155 have a slightly higher executability risk (no Payback indicated). The IEG noted that DON-0078 aligns with the IM regions and provides an immediate Payback after a very small investment. The IEG noted that DON-0077 and DON-0155 align with the seven IM regional alignment but never show a Payback. The IEG noted that DON-0079 and DON-0156 align with the six IM regional alignment and require a small investment. The IEG further noted that DON 0079 provides a slightly faster Payback than DON-0156, however DON-0079 consolidates the REDCOMs away from the IM region while DON-0156 consolidates the REDCOMs with the IM region. Accordingly, the IEG approved the DAG's recommendation to prepare candidate recommendation packages for DON-0078 and DON-0156.

12. The IEG reviewed its decisions to prepare candidate recommendation packages for six RSA scenarios, noting that these scenarios have combined one-time costs of \$48.74 million and have a combined 20-year NPV savings of \$259.09 million. See slide 20 of enclosure (1). Ms. Davis reviewed the list of DON HSA scenarios evaluated by the IEG but not approved as candidate recommendations. See slide 21 of enclosure (1).

13. Ms. Davis used slides 22 and 23 of enclosure (1) to review the overall impact of approved candidate recommendations for the following DON HSA functions:

a. DON Specific HSA Reserve Centers. Ms. Davis informed the IEG that approved candidate recommendations for Naval Reserve Centers (NRC) and Navy Marine Corps Reserve Centers (NMCRC) reduce capacity by 11.8% (5,352 KSF to 4,720 KSF) and increase the average military value of the remaining reserve centers from 59.96 to 61.32. Candidate recommendations for Inspector Instructor Staffs (I&I) will allow the Marine Corps to improve AT/FP posture by utilizing excess administrative and training space behind DOD fencelines, improve proximity to training facilities, and reduce infrastructure management.

b. DON Specific HSA Recruiting Districts/Stations Function. Approved candidate recommendations for Naval Recruiting Districts (NRDs) reduce capacity by 16.1%, increase average military value for the remaining NRDs from 68.97 to 69.79, and further the CNRC transformation plan.

c. DON HSA Regional Support Activities. Approved candidate recommendations increase the average military value for the remaining IM regions (60.85 to 67.36), NAVFAC activities

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(58.00 to 67.27), and REDCOMs (72.03 to 75.68). All further the DON regional support concept.

The total one-time costs for DON Specific HSA Function candidate recommendations are \$59.87 million and the total 20-year NPV savings are \$792.49 million.

14. Ms. Davis used slides 25-28 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for scenarios that close NAVSTA Ingleside, TX. DON-0003 relocates the assets equally to NAVSTA San Diego, CA and NAB Little Creek, VA and DON-0031 relocates the assets equally to NAVSTA San Diego, CA and NAVSTA Mayport, FL. DON-0032 relocates assets (including 10 MHCs and 10 MCMs) to NAVSTA San Diego, CA. She noted that the three scenarios relocate or consolidate COMINELWARCOM, MINEWARTRACEN, and COMOMAG to NAVSTA San Diego, CA. Ms. Davis noted that the analysis for these scenarios is based on the current Force Structure Plan (i.e., 20 ships) and the costs include bringing facilities up to current standards. She noted that these scenarios do not presently include the relocation of the HM-15 squadron from NAS Corpus Christi, TX to NAS North Island, CA since this action may be cost prohibitive. Ms. Davis informed the IEG that at its 30 December 2004 deliberative session, the DAG noted that since movement of HM-15 is not an operational imperative, the operational benefit does not appear to outweigh the costs. Subsequently, at its 10 January 2005 deliberative session, the DAG decided to recommend this scenario to the IEG without the relocation of HM-15, pending additional analysis to explore relocating HM-15 to NAVSTA Norfolk, VA.

15. The IEG reviewed the COBRA model results for these scenarios. DON-0003 indicates one-time costs of \$200.72 million, a Payback in three years, and a 20-year NPV savings of \$583.64 million. DON-0031 indicates one-time costs of \$206.69 million, a Payback in three years, and 20-year NPV savings of \$578.36 million. DON-0032 indicates one-time costs of \$231.64 million, a Payback in four years, and 20-year NPV savings of \$541.42 million. See slide 25 of enclosure (1).

16. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease in excess of 2% of the NAVSTA Ingleside region of influence (ROI) population, thereby activating the Housing Assistance Program (HAP), which provides assistance to eligible homeowners in order to offset real estate losses suffered as a result of BRAC actions. Ms. Davis noted that NAVSTA San Diego

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expressed concern that additional loading at the base will exacerbate traffic congestion. The economic and community impact analyses for the proposed receiving sites did not identify any additional issues of concern. See slide 26 of enclosure (1).

17. Ms. Davis informed the IEG that Selection Criterion 8 impacts at San Diego may include dredging for 20 vessels which would require screening for munitions and possible upland disposal. Additionally, she noted that the new mission will require jurisdictional wetlands use, however, the mission can be fully performed within existing jurisdictional wetland restrictions. No other substantial environmental issues were identified and there are no known environmental impediments precluding implementation of these scenarios. See slide 26 of enclosure (1).

18. The IEG next reviewed the CRRA for these scenarios. See slide 27 of enclosure (1). Ms. Davis noted that the CRRA was the same for all three scenarios. The CRRAs indicate minimal warfighting/readiness risk and medium executability risk (primarily due to large initial investment and economic impact to NAVSTA Ingleside ROI). The IEG discussed U.S. Pacific Command's (PACOM) concern that there is a lack of forward deployed mine warfare ships in the Pacific and noted that locating these assets in San Diego would not prevent forward deployment. The IEG discussed that DON-0003 and DON-0031 require duplication of investment because these scenarios split the assets. The IEG further noted that investment costs for DON-0032's will ultimately depend on the number of mine warfare ships to be retained in the inventory. It is possible that the FSP will be revised (10 mine warfare ships). Lastly, the IEG noted that DON-0032 is consistent with CFFC's desire to create a Mine Warfare Center of Excellence in San Diego.

19. The IEG reviewed the COBRA analysis for the three scenarios, noting that the analysis would change significantly if the current FSP requirement were modified. The IEG noted that single siting on the west coast is the preferred operational laydown for these assets and that this will ensure capacity is available at NAB Little Creek for future platforms. Additionally, single siting at NAVSTA San Diego will maximize synergies gained from locating MINEWARCOM, the Anti-Submarine Warfare (ASW) Center, and surface mine warfare ships in the same geographic area. Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0032.

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20. Ms. Davis used slides 29-33 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for two Surface/Subsurface scenarios that would close SUBASE New London, CT. DON-0033 relocates six SSNs to SUBASE Kings Bay, GA and 11 SSNs to NAVSTA Norfolk, VA and DON-0034 relocates 17 SSNs to NAVSTA Norfolk, VA. Ms. Davis noted that the analysis for these scenarios is based on the current FSP and force laydown (East-West split). She also noted that scenario costs include bringing facilities up to current standards, and that personnel savings may be overstated (i.e., since Medical personnel account for approximately half of the eliminated personnel, application of the approved TRICARE convention for evaluating Medical personnel in COBRA may not be accurate). Ms. Davis informed the IEG that an embedded Medical JCSG scenario relocates NAVMEDRSRCHLAB to Panama City, FL, and the Medical JCSG is reviewing less costly alternatives.

21. The COBRA data for scenario DON-0033 indicates one-time costs of \$653.25 million, a Payback in one year, and 20-year NPV savings of \$1.66 billion. The COBRA data for scenario DON-0034 indicates one-time costs of \$618.39 million, a Payback in two years, and 20-year NPV savings of \$1.56 billion. See slide 29 of enclosure (1). The IEG noted that any changes to the force laydown (e.g., movement of east coast submarine assets to the west coast) could reduce the requirement for military construction (MILCON) at NAVSTA Norfolk.

22. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. See slide 30 of enclosure (1). Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease of 9% in the SUBASE New London ROI (largest impact for any DON scenario). Ms. Davis noted that the economic and community impact analyses for the proposed receiving sites did not identify any issues of concern.

23. Ms. Davis informed the IEG that Selection Criterion 8 issues include:

a. SUBASE Kings Bay, GA. The Northern Right Whales and manatees in the area may impact operations. Although wetlands restrict 36% of the acreage on the installation, the new mission should not be adversely impacted. The new mission will require dredging for piers.

b. NAVSTA Norfolk, VA. An air conformity determination may be required. The new mission will require dredging, but all

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areas to be dredged could be packaged into one permit. Higher frequency and concentration of operations could possibly impact marine mammals.

No other substantial environmental issues were identified. The IEG noted that there are no known environmental impediments precluding implementation of these scenarios.

24. The IEG next reviewed the CRRAs for the scenarios. See slides 31 and 32 of enclosure (1). The CRRAs indicate medium executability and warfighting/readiness risk. The medium executability risk is primarily due to large initial investment and economic impact to SUBASE New London ROI. Both scenarios have a medium warfighting/readiness since they reduce the number of bases that berth submarines. DON-0034 has a higher warfighting/readiness risk since it single sites east coast SSNs. The IEG noted that CFFC does not concur with either scenario because they alter the current SSN basing configuration.

25. The IEG noted that both scenarios reflect similar COBRA results and reduce excess capacity by 16.25 CGEs. The IEG noted that DON-0033 maintains strategic and operational flexibility by retaining two SSN sites on the east coast but requires significant investment to replicate SSN capability at SUBASE Kings Bay and changes the nature of the mission at SUBASE Kings Bay. The IEG noted that DON-0034 would increase congestion at NAVSTA Norfolk. Additionally, the IEG expressed concern that DON-0034 reduces strategic and operational flexibility by single siting SSNs on the east coast. Accordingly, the IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0033.

26. Ms. Davis used slides 34-38 of enclosure (1) to discuss Selection Criteria 5-8 analyses, and CRRA for two Surface/Subsurface scenarios that would close SUBASE San Diego, CA. DON-0006A would relocate four SSNs and ARCO (a floating dry-dock) to NAVSTA Pearl Harbor, HI. DON-0007 would relocate four SSNs and ARCO to NAVSTA San Diego, CA. Ms. Davis noted that portions of SUBASE San Diego are retained as enclaves for both scenarios and scenario costs include bringing facilities up to current standards.

27. The COBRA data for scenario DON-0006A indicates one-time costs of \$109.86 million, provides a Payback in 2 years, and 20-year NPV savings of \$299.51 million. The COBRA data for scenario DON-0007 indicates one-time costs of \$252.86 million

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(primarily MILCON at NAVSTA San Diego to build SSN capacity), provides a Payback in 16 years, and has a 20-year NPV savings of \$17.90 million. See slide 34 of enclosure (1).

28. The IEG next reviewed the Selection Criteria 6-8 analyses for these scenarios. See slide 34 of enclosure (1). Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease of less than 1%. She noted that except for identified traffic concerns at NAVSTA San Diego, the economic and community impact analyses for the proposed receiving sites did not identify any issues of concern.

29. Ms. Davis informed the IEG that the Selection Criterion 8 issues include:

a. NAVSTA Pearl Harbor, HI. The new mission will require dredging.

b. NAVSTA San Diego, CA. An air conformity determination may be required. The new mission will require dredging, but all areas to be dredged could be packaged into one permit. Higher frequency and concentration of operations could possibly impact marine mammals.

No other substantial environmental issues were identified. The IEG noted that there are no known environmental impediments precluding implementation of these scenarios.

30. The IEG next reviewed the CRRAs for the scenarios. See slides 36 and 37 of enclosure (1). The CRRAs indicate medium warfighting/readiness risk for both scenarios. PACOM and CFFC continue to express concern that loss of Ballast Point could create force protection issues. Ms. Davis noted that DON-0007 has higher executability risk because of the cost to build SSN capacity at NAVSTA San Diego. See slide 37 of enclosure (1). The IEG noted that loss of the strategic location at San Diego harbor is an issue for both scenarios and the loss of west coast SSN homeporting capability is an additional issue for DON-0006A.

31. The IEG reviewed the COBRA data for both scenarios and noted the following issues relating to the scenarios. Both scenarios reduce excess capacity by 10.5 CGEs and would result in the loss of the strategic location at Ballast Point. DON-0006A would also result in the inability to use training waters off San Diego and submarine logistic support in San Diego. CFFC noted, and the IEG agreed, that strategic capability and flexibility maintained on the east coast should also be

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maintained on the west coast. The IEG directed the DAG to continue data refinement for scenarios DON-0006A and 0007.

32. Ms. Davis used slides 39-42 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for Surface/Subsurface scenario DON-0005, which closes NAVSTA Everett, WA and relocates a CVN to NAVSTA Bremerton, WA and relocates two DDGs and three FFGs to NAVSTA San Diego, CA. Ms. Davis noted that scenario costs include bringing facilities up to current standards and that the scenario requires land acquisition for additional bachelor housing units at NAVSTA Bremerton. She reminded the IEG that it eliminated scenario DON-0035 (an alternate scenario that moved the CVN to NAS North Island) from further consideration at its 6 January 2005 deliberative session. The COBRA data for scenario DON-0005 indicates one-time costs of \$295.06 million, provides a Payback in three years, and 20-year NPV savings of \$822.9 million.

33. The IEG next reviewed the Selection Criteria 6-8 analyses for this scenario. Ms. Davis informed the IEG that the Selection Criterion 6 analysis reflects an estimated employment decrease of less than 1%. She noted that the impact of Snohomish County will probably be more significant, but that there is no current method to calculate this economic impact. Ms. Davis stated that the impact at receiving sites includes traffic concerns at NAVSTA Bremerton and NAVSTA San Diego and the requirement to acquire 5.5 acres and relocate tenants at NAVSTA Bremerton. No substantial environmental issues were identified.

34. The IEG next reviewed the CRRA for this scenario. See slide 41 of enclosure (1). The CRRA indicates medium executability risk and high warfighting/readiness risk. The medium executability risk is due to the large initial investment, length of Payback term, and economic and community infrastructure impact. The IEG noted that PACOM does not concur with this scenario because of the loss of west coast CVN homeport flexibility and would prefer realignment of an east coast CVN. The IEG noted that DON-0005, while retaining two CVNs in the Pacific Northwest, reduces strategic and operational flexibility by limiting carrier berthing on the west coast since only five carriers could be berthed without building new facilities. The IEG directed the DAG to continue data refinement for DON-0005.

35. The IEG reviewed its decisions to prepare candidate recommendation packages for three Surface/Subsurface scenarios,

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noting that the recommendations result in capacity decreases from 426 CGEs to 390 CGEs for active bases (8.3% reduction) and an overall capacity decreases from 578 CGEs to 542.75 CGEs (6.1% reduction). The candidate recommendations result in an increase in the average military value score from 52.87 to 55.96 for the remaining bases performing the surface/subsurface function. The total one-time costs are \$895.88 million and have a 20-year NPV savings of \$2.82 billion. See slide 43 of enclosure (1). Ms. Davis reviewed the list of Surface/Subsurface and Ground Operations scenarios evaluated by the IEG but not approved as candidate recommendations. See slide 44 of enclosure (1).

36. The IEG reviewed the Payback summary for all approved DON candidate recommendations to date. These candidate recommendations have a combined one-time cost of \$955.75 million and a combined 20-year NPV savings of \$3.61 billion. See slide 47 of enclosure (1). Ms. Davis advised the IEG that additional analysis is required to complete candidate recommendations for various DON functions, including Marine Corps Districts, Officer Accession, Recruit Training, and Aviation. See slide 47 of enclosure (1). She provided a list of potential fenceline closures based on JCSG actions that will require further analysis by the IEG. See slide 48 of enclosure (1). Lastly, Ms. Davis informed the IEG that the HSA JCSG has approved eight candidate recommendations (HSA-0007, 0011, 0012, 0013, 0018, 0032, 0034 and 0075) and the Medical JCSG has approved two candidate recommendations (MED-0004 and 0053). See slide 49 of enclosure (1).

37. The IEG received the following JCSG status updates:

a. Intelligence. Mrs. Erland informed the IEG that the JCSG is considering candidate recommendations for five of eleven scenarios that appear to have long Payback terms and require significant investment. She noted that the JCSG generally requires refinement of Army COBRA data. Additionally, Mrs. Erland informed the IEG that the Intelligence JCSG is coordinating with the HSA JCSG to ensure appropriate consideration of Intelligence matters for a scenario that would relocate U.S. Southern Command headquarters. Lastly, she noted that the Intelligence JCSG continues to coordinate with the Education and Training JCSG concerning scenarios affecting the Defense Language Institute (DLI) and the Navy Marine Corps Intelligence Training Center (NMITC), Dam Neck, VA.

b. Medical. RADM Martin informed the IEG that a scenario to disestablish the Uniformed Services University of the Health

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Sciences (USUHS) is scheduled for discussion at the next meeting of the Infrastructure Steering Group (ISG).

c. Education and Training. VADM Hoewing informed the IEG that two candidate recommendations have been approved by the JCSG. E&T-0014 develops a center for ministry training at Ft Jackson, SC (relocating DON assets from NAVSTA Newport, RI). E&T-0016 develops a center for culinary training at Ft. Lee, VA (relocating DON assets from Lackland AFB, San Antonio, TX). VADM Hoewing informed the IEG that this recommendation is being forwarded to the ISG despite objections from DON and Air Force. He noted that the JCSG is no longer pursuing a scenario to consolidate signal intelligence (E&T-0040) and that the viability of scenarios to consolidate intelligence training at Goodfellow AFB will be discussed at a future session of the JCSG. VADM Hoewing informed the IEG that the JCSG is considering a scenario that creates a supply and logistics joint center of excellence (E&T-0004). He noted that the Marine Corps does not support this scenario and that the COBRA data indicates a Payback in 26 years. VADM Hoewing informed the IEG that the JCSG is continuing to review a scenario involving the DLI that indicates a large Payback but has high operational risk. Lastly, he noted that the JCSG will soon brief the ISG concerning its analysis of flight training.

d. Headquarters and Support Activities. Mr. Rhodes informed the IEG that the JCSG is analyzing a scenario that consolidates various Defense Information Systems Agency (DISA) activities, and scenarios that create regional correctional facilities.

e. Technical. RADM Cohen informed the IEG that the JCSG is considering a candidate recommendation (Tech-0040) that creates a joint research center at the Anacostia Annex. He noted that this scenario relocates and co-locates Service and Defense Agency activities (e.g., the Office of Naval Research, Arlington, VA). Lastly, RADM Cohen informed the IEG that a closure scenario for NAWC Lakehurst may require an enclave to avoid potential loss of unique facilities and intellectual capital.

f. Supply and Storage. CAPT Wright informed the IEG that the JCSG is considering two scenarios that consolidate Service Inventory Control Points (ICP) with Defense Logistics Agency (DLA). He noted that these scenarios require a large investment, provide high Payback, and have high operational risk. CAPT Wright indicated that the Industrial JCSG review of

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scenarios that regionalize the industrial distribution system require Supply and Storage JCSG coordination to account for retail storage at industrial activities.

38. The IEG adjourned at 1134.

  
JAMES A. NOEL  
CAPTAIN, USMC  
Recorder, IAT

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**TAB 1**



*Department of the Navy*  
**DON Analysis Group**

**DON Analysis Group**  
**Brief to**  
**Infrastructure Evaluation Group**

**13 January 2005**

**13 Jan 05**

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*Department of the Navy*  
*DON Analysis Group*

# Agenda

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- **Scenario Data Call Status**
- **COBRA Recap, Criteria 6-8 and Risk Assessments**
  - Installation Management
  - NAVFAC Activities
  - REDCOM
- **DON Specific HSA Candidate Recommendations**
- **COBRA Recap, Criteria 6-8 and Risk Assessments**
  - Surface/Subsurface
- **Operational Candidate Recommendations**
- **Status/Upcoming Analysis**
- **JCSG Candidate Recommendations**
- **IEG/FAB Open Discussion**

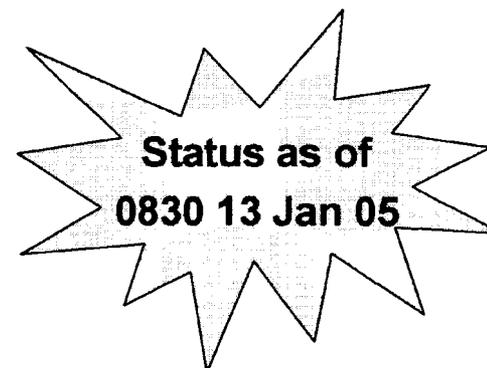


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# Scenario Data Call Status

**DON**

Type	IN OSD Tracker	SDC Released	DAG Review	IEG Review
Operational	29	29	29	17
DON E&T	8	8	8	4
DON HSA	115	112	57	52
Fencelines	8	8	6	3
<b>Total</b>	<b>160</b>	<b>157</b>	<b>100</b>	<b>76</b>



**JCSG**

JCSG	In OSD Tracker	Template RCVD	SDC Released	A/W Release	Template Withdraw	Template Returned
E&T	54	32	32	0	5	31
HSA	127	52	52	0	0	51
IND	125	49	49	0	0	49
MED	56	23	23	0	1	23
S&S	46	14	14	0	0	14
TECH	59	32	32	0	0	28
INTEL	11	0	0	0	0	0
<b>Total</b>	<b>478</b>	<b>202</b>	<b>202</b>	<b>0</b>	<b>6</b>	<b>196</b>



# **DON Specific HSA Scenarios Criteria 6, 7, 8 & Risk Assessment and Summary**



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# Regional Support Activities IM Regions

- **Scenarios**
  - DON-0040, 6 + 1 CONUS Regions
  - DON-0041, 5 + 1 CONUS Regions
  
- **Results of Criteria 6, 7, and 8 Analysis show the Regional candidate scenarios have:**
  - No significant economic impact on both losing and gaining economic regions
  - No significant community impact on both losing and gaining communities.
  - No significant Criterion 8 impacts

SDC#	Closes/Realigns	Billets Elim	Billets Moved	One-Time Costs (&M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)
DON-0040	NavRegion South, GulfC, CNRFC	45	38	3.259	-2.720	1	-33.300
DON-0041	NavRegion South, GulfC, CNRFC, & Northeast	92	78	6.413	-6.532	Immediate	-84.622

All Dollars shown in Millions



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# Candidate Recommendation Risk Assessment (DON-0040/0041)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years**
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years

### **Investment/Ratio of Initial Cost to 20 Year NPV**

- 0: Initial investment < \$100M and ratio is > 5 to 1**
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

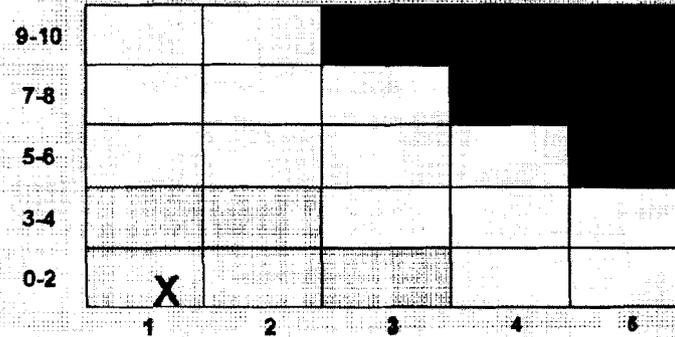
### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues: (DON-0041)**

- Removes regional command presence from NE
- Span of control

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability**
- (2-3) Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: **None**



Department of the Navy  
DON Analysis Group

# IM Regions Summary

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- **Discriminating Characteristics**
  - DON-0040, 6 + 1 CONUS Regions
    - 1-yr payback
    - Retains Regional presence in Northeast
  - DON-0041, 5 + 1 CONUS Regions
    - Immediate payback
    - Increases management distance for Northeast Installations
- **Other considerations**
  - Favorable JCSG consolidation scenarios reduce Navy IM responsibilities in Northeast
  - DON/JCSG scenarios reduce significant Northeast presence

## ***DAG Recommendation:***

***Prepare Candidate Recommendation package for DON-0041***



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DON Analysis Group

# Regional Support Activities NAVFAC Scenarios

- **Scenarios**

- DON-0073, Relocate EFA NE to SUBASE New London
- DON-0075, Consolidate EFA NE with EFD MA, Norfolk
- DON-0074A, Consolidate EFD South with EFA SE, EFA MW and EFD Atlantic
- DON-0154, Relocate NAVCRANECEN to Norfolk
- DON-0160, Relocate NAVCRANECEN to PNBC

- **Results of Criteria 6, 7, and 8 Analysis show:**

- No significant economic impact on losing or gaining economic regions
- No significant community impact on losing or gaining communities
- No significant environmental impact on losing or gaining communities

SDC#	Closes/Reallgns	Billets Elim	Billets Moved	One-Time Costs (\$M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)
DON-0073	NAVFAC EFANE (Relocate to Groton)	0	192	11.327	-2.156	7	-14.893
DON-0075	NAVFAC EFANE (Norfolk)	35	157	10.867	-5.025	2	-51.772
DON-0074A	NAVFAC EFD South (Consolidate)	50	448	25.047	-3.673	8	-20.417
DON-0154	NAVCRANECEN (Relocate to Norfolk)	0	55	3.781	-0.822	5	-6.466
DON-0160	NAVCRANECEN (Relocate to PNBC)	0	55	0.973	-0.589	2	-6.153

All Dollars shown in Millions



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DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0073)

**Executability Risk**

**Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years

**Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1\*
- 2: Initial investment > \$200M or ratio is < 3 to 1

**Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (> .1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

**Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

**Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

**Issues:**

Tied to IM Regions discussion  
Removes from leased space

**Risk Matrix**

9-10					
7-8					
5-6					
3-4		X			
0-2					
		1	2	3	4
					6

**Warfighting/Readiness Risk**

- (0-1) Low Minor impact on mission capability
  - (2-3) Medium Reduced flexibility, but still mission capable
  - (4-5) High Significant impact, approaching point which affects capability to support/deploy forces
- COCOM Concerns: None



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0075)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1**
- 2: Initial investment > \$200M or ratio is < 3 to 1

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (> .1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

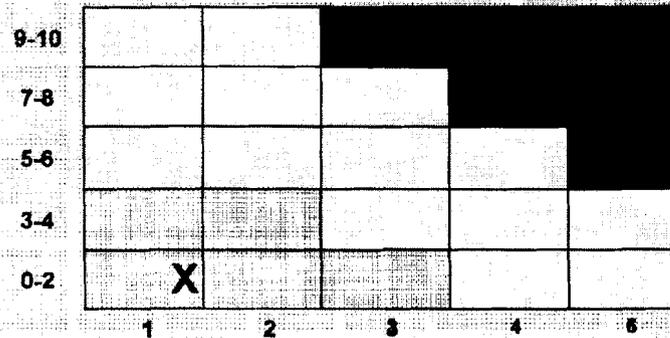
### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

- Tied to IM Regions decision
- Removes from leased space

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability**
- (2-3) Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: **None**



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0074A)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years**

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1\*
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)**
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

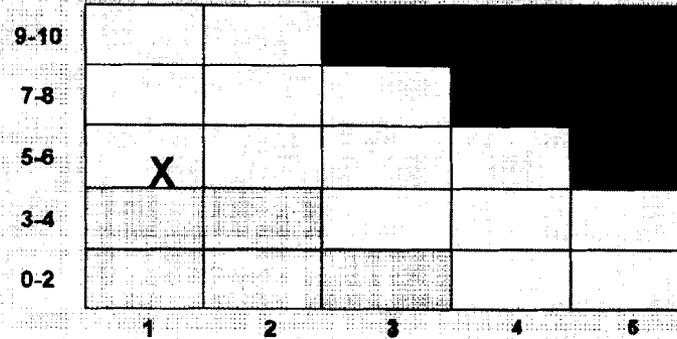
### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues;**

Splits EFD South to consolidate with supported regions  
Higher cost due to SE Region MILCON

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low *Minor* impact on mission capability
- (2-3) Medium Reduced flexibility, but still mission capable
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: **None**



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0154)

**Executability Risk**

**Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years

**Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

**Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (> .1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

**Community Infrastructure Impact**

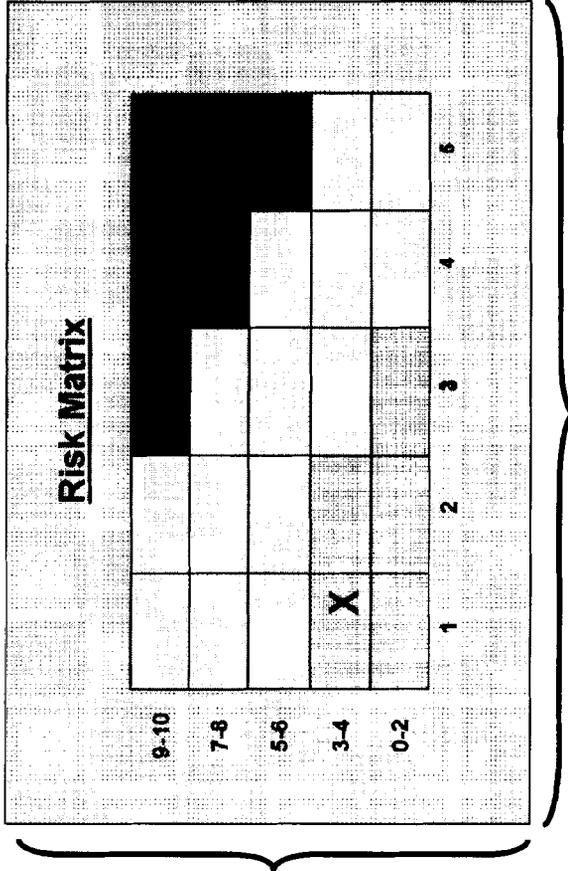
- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

**Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

**Issues:**

Other space may be available in Norfolk than NNSY  
Relocation with Norfolk provides synergies that remaining in Philadelphia can't



**Warfighting/Readiness Risk**

(0-1) Low Minor impact on mission capability

(2-3) Medium Reduced flexibility, but still mission capable

(4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: None



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0160)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1**
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

Relocation with Norfolk provides synergies that remaining in Philadelphia can't

## Risk Matrix

9-10					
7-8					
5-6					
3-4					
0-2	X				
	1	2	3	4	5

## Warfighting/Readiness Risk

- (0-1) Low **Minor impact on mission capability**
- (2-3) Medium Reduced flexibility, but still mission capable
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: **None**



# NAVFAC Summary

- **Discriminating Characteristics**
  - **DON-0073, EFA NE relocate to SUBASE NL**
    - Aligns with IM Regions (6+1); Investment required; 8-yr payback
  - **DON- 0075, EFA NE consolidate with EFD MA**
    - Aligns with IM Regions (5+1); Investment required; 2-yr payback
  - **DON-0074A, EFD South consolidate with EFA SE, MW and EFD MA**
    - Large investment; 8-yr payback
  - **DON-0154, Relocate NAVCRANECEN to Norfolk**
    - Aligns with like components; FAC/SEA synergy in Norfolk; 5-yr payback
  - **DON-0160, Relocate NAVCRANECEN to PNBC**
    - Stays in Philly; low cost; Not behind secured fenceline; 2-yr payback

***DAG Recommendation:  
Prepare Candidate Recommendation packages for DON-0075,  
DON-0074A, DON-0154***



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# Regional Support Activities REDCOMS

- **Scenarios**
  - DON-0078, Consolidate REDCOM South with REDCOM MW
  - DON-0077/ DON-0155, Relocate REDCOM NE to New London/Consolidate REDCOM NE with CNR NE
  - DON-0079/DON-0156, Consolidate REDCOM NE with REDCOM MA (Washington DC)/Consolidate REDCOM NE and REDCOM MA with CNR MA, Norfolk, VA
- **Results of Criteria 6, 7, and 8 Analysis show the REDCOM candidate scenarios have:**
  - No significant economic impact on losing or gaining economic regions
  - No significant community impact on losing or gaining communities
  - No significant environmental impact on losing or gaining communities

SDC#	Closes/Realigns	Billets Elim	Billets Moved	One-Time Costs (&M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)
DON-0078	REDCOM South (Consolidate with REDCOM MW)	41	18	0.650	-4.001	Immediate	-57.174
DON-0077	REDCOM NE (Relocate to New London)	0	49	2.030	0.169	Never	4.266
DON-0155	REDCOM NE (Consolidate with CNRNE)	0	49	2.030	0.169	Never	4.266
DON-0079	REDCOM NE (Consolidates with REDCOM MA)	39	10	1.133	-2.949	Immediate	-41.535
DON-0156	REDCOM NE & MA (Consolidates with CNRMA)	33	59	1.982	-3.000	1	-38.640

All Dollars shown in Millions



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DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0078)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years**
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1**
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

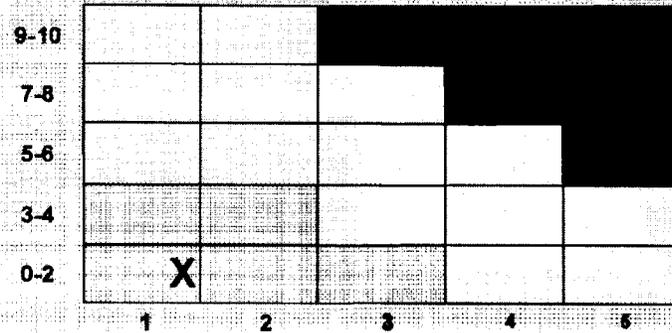
### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

Consolidates REDCOM located with CNRMA; facilitates IM Regions decision

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability**
- (2-3) Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: **NONE**



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0077/0155)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years**

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

Moves REDCOM to CNR NE location; no personnel savings  
Tied to IM Regions decision

## Risk Matrix

9-10					
7-8					
5-6					
3-4	X				
0-2					
	1	2	3	4	5

## Warfighting/Readiness Risk

- (0-1) **Low Minor impact on mission capability**
- (2-3) **Medium Reduced flexibility, but still mission capable**
- (4-5) **High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: **NONE**



Department of the Navy  
DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0079/0156)

## Executability Risk

### **Investment Recoupment**

- 0: Immediately self financing 0-1 years**
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years

### **Investment/Ratio of 20 Year NPV to Initial Cost**

- 0: Initial investment < \$100M and ratio is > 5 to 1**
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1

### **Economic Impact**

- 0: Low direct/indirect job losses in community (<.1%)**
- 1: Some direct/indirect job losses in community (> .1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### **Community Infrastructure Impact**

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### **Environmental Impact**

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

**(DON-0079)**

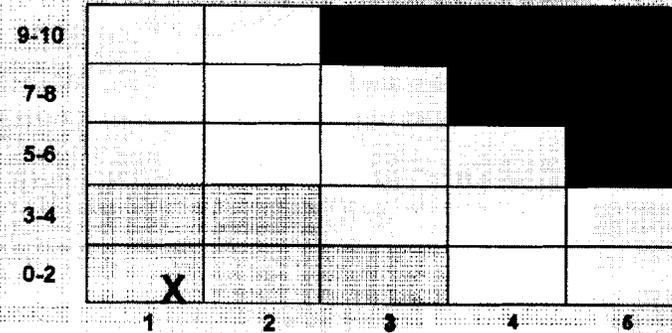
Tied to IM Regions decision but put MA REDCOM support in NDW

**(DON-0156)**

Tied to IM Regions decision

Consolidates REDCOMS located with CNR MA

## Risk Matrix



## Warfighting/Readiness Risk

(0-1) **Low Minor impact on mission capability**

(2-3) **Medium Reduced flexibility, but still mission capable**

(4-5) **High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: **NONE**



# REDCOM Summary

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- **Discriminating Characteristics**
  - **DON-0078, Consolidate REDCOM South with REDCOM MW**
    - Aligns with IM Regions; Very small investment; Immediate payback
  - **DON-0077/0155, Relocate REDCOM NE to COMNAVREG NE**
    - Aligns with IM Regions (6+1); Small investment; Does not pay back
  - **DON-0079, Consolidate REDCOM NE with REDCOM MA (NDW)**
    - Aligns with IM Regions (5+1); Small investment; Immediate payback; Puts REDCOM support separate from region supported
  - **DON-0156, Consolidate REDCOM NE and REDCOM MA with CNRMA**
    - Aligns with IM Regions (5+1); Small investment; 1-yr payback

***DAG Recommendation:***  
***Prepare Candidate Recommendation packages for DON-0078,  
DON-0156***



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DON Analysis Group

# Regional Support Activities Recap

• **Six Scenarios close the following:**

- DON-0041 Consolidate COMNAVREG Gulf Coast, South, Northeast and COMNAVRESFORCOM IM function
- DON-0074A Consolidate NAVFAC EFD South with NAVFAC EFA Southeast, ENGFLDACT MW and NAVFAC EFD Mid-Atlantic
- DON-0075 Consolidate NAVFAC EFA Northeast with NAVFAC EFD Mid-Atlantic
- DON-0078 Consolidate REDCOM South with REDCOM Midwest
- DON-0154 Relocate NAVCRANECEN Lester, PA to Norfolk
- DON-0156 Consolidate REDCOM Northeast and REDCOM Mid-Atlantic with COMNAVREG Mid-Atlantic

SDC#	Closes/Realigns	Billets Elim	Billets Moved	One-time Costs (\$M)	Steady-State Savings (\$M)	ROI	20-Year NPV
DON-0041	CNR South, GulfC, CNRFC, & Northeast	92	78	6.413	-6.532	Immediate	-84.622
DON-0074A	NAVFAC EFD South (Consolidate)	50	448	25.047	-3.673	8	-20.417
DON-0075	NAVFAC EFANE (Consolidate)	35	157	10.867	-5.025	2	-51.772
DON-0078	RESREDCOM South (Consolidate)	41	18	0.650	-4.001	Immediate	-57.174
DON-0154	NAVCRANECEN (Relocate to Norfolk)	0	55	3.781	-0.822	5	-6.466
DON-0156	REDCOM NE & MA (Realign with CNRMA)	33	59	1.982	-3.000	1	-38.64
Totals for RSA		251	815	48.740	-23.053	-	-259.091

***DAG Recommendation:***  
***Prepare Candidate Recommendation packages for 6 Regional Support Activity scenarios***



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# DON HSA Scenarios Evaluated Not Recommended

SDC #	Description	Rationale
DON-0012	Close I&I Newport News, VA	Cost
DON-0017	Close NMCRC Reading, PA	Cost
DON-0026	Close NMCRC Peoria, IL	Cost
DON-0044	Close MWSS 473, Fresno, CA (I&I)	Cost
DON-0058	Close I&I Charleston, SC	Cost
DON-0059	Close I&I Memphis, TN	Cost
DON-0061	Close 5 NRDs (includes S.Antonio)	Claimant Concerns
DON-0063	Close 8 NRDs	Claimant Concerns
DON-0040	Close Regions GC, So, and CNRFC (7 CONUS Region)	Better alternative (DON-0041, 6 CONUS Regions)
DON-0042	Close Region ComNavMar	Cost, Claimant Concerns
DON-0073	Relocate NAVFAC EFANE	Not aligned with IM Region candidate
DON-0074	Close NAVFAC EFD South	Cost, Reissued as DON-0074A
DON-0076	Close NAVFAC OICC Mar and PWC Guam	Cost, Claimant Concerns
DON-0077	Relocate REDCOM NE	Cost, Not aligned with IM Region candidate
DON-0079	Consolidate REDCOM NE with REDCOM MA	Better alternative (DON-0156 to CNRMA)
DON-0080	Close NLSO Central, Pensacola, FL	Very small action, pursue outside BRAC
DON-0155	Consolidate REDCOM NE with CNR NE	Better alternative (DON-0156 to CNRMA)
DON-0160	Relocate NAVCRANECEN (to Philadelphia)	Better alternative (DON-0154 to Norfolk)



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# DON HSA Scenarios Evaluated Impact of Recommendations

- **Reserves**
  - NRC/NMCRCs
    - Reduces capacity from 5,352 ksf to 4,720 ksf (11.8%)
    - Average milval increases from 59.96 to 61.32
  - I&Is
    - Utilize excess admin/training space behind fencelines
    - Improve AT/FP posture
    - Improve proximity to training facilities
    - Reduce USMC infrastructure management
- **Recruiting**
  - NRDs
    - Reduces capacity by 16.1%
    - Average milval increases from 68.97 to 69.79
    - Furthers CNRC Transformation Plan
- **Regional Support Activities**
  - IM Regions
    - Average milval increases from 60.85 to 67.36
  - NAVFAC Activities
    - Average milval increases from 58.00 to 67.27
  - REDCOMs
    - Average milval increases from 72.03 to 75.68
  - Furthers DON Regional Support concept

13 Jan 05

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## DON Specific HSA Payback Summary

Activity	Billets Eliminated	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV
Reserve Centers	177	142	8.69	-23.189	-325.642
Regional Support	251	815	48.74	-23.053	-259.091
Recruiting	152	0	2.444	-14.529	-207.761
<b>TOTAL H&amp;SA</b>	<b>580</b>	<b>957</b>	<b>59.874</b>	<b>-60.771</b>	<b>-792.494</b>



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# **Operational Scenarios Criteria 6, 7, 8 & Risk Assessment and Summary**

**13 Jan 05**

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# Surface/Subsurface Close Naval Station Ingleside

- **DON-0003 Splits assets between San Diego and Little Creek**
- **DON-0031 Splits assets between San Diego and Mayport**
- **Don-0032 Single sites all assets at San Diego**
- **All scenarios relocate/consolidate COMINEWARCOM, MINEWARTRACEN, and COMOMAG to San Diego**
- **All Scenarios assume current Force Structure Plan (20 ships)**
- **Scenarios cost bringing facilities up to standards**
- **At present, scenarios do not include movement of Corpus Christi HM-15**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0003 (Lcreek/SD)	694	2112	200.72	-61.09	3	-583.64
DON-0031 (Mayport/SD)	700	2106	206.69	-61.14	3	-578.36
DON-0032 (SD Only)	726	2080	231.64	-60.25	4	-541.42



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# Criteria 6-8 Considerations Close Naval Station Ingleside

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- **Results of Criterion 6, 7, and 8 Analysis show the Ingleside scenarios have:**
  - Economic impact on losing economic region results in job change in excess of 2%
  - Naval Station Ingleside reports Scenario will result in loss of government salaries in local community in excess of \$112.5M annually and loss of \$13.9M in local procurement
  - Minimal community impact at receiving site (traffic concerns at NS San Diego)
  - Criterion 8 impacts at San Diego include:
    - Dredging for 20 vessels, if required, will be more complex due to screening for munitions and possible upland disposal required
    - Jurisdictional wetlands use will be required by the new mission, however, the mission can be fully performed considering jurisdictional wetland restrictions



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# Candidate Recommendation Risk Assessment (DON-0003/0031/0032)

## Executability Risk

### Investment Recoupment

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### Investment/Ratio of Initial Cost to 20 Year NPV

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### Economic Impact

- 0: Low direct/indirect job losses in community (< 1%)
- 1: Some direct/indirect job losses in community (> 1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)**

### Community Infrastructure Impact

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### Environmental Impact

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible**
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues: (DON-0003/0031)**

Requires some Duplication of investment with split scenario

### **(DON-0032)**

Single Site investment dependent upon # of ships

Consistent with CFFC intent to have Mine Warfare Center of Excellence

## Risk Matrix

9-10					
7-8					
5-6	<b>X</b>				
3-4					
0-2					
	1	2	3	4	5

## Warfighting/Readiness Risk

(0-1) Low *Minor impact on mission capability*

(2-3) Medium Reduced flexibility, but still mission capable

(4-5) High Significant impact, approaching point which affects capability to support/deploy forces

**COCOM Concerns: PACOM concern over lack of forward deployed MIW ships in theater**



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# Close Naval Station Ingleside Summary

- **DON-0003 Split Assets between San Diego and Little Creek**
  - Three year payback
  - \$200M initial investment
- **DON-0031 Split Assets between San Diego and Mayport**
  - Three year payback
  - \$206M initial investment
- **DON-0032 Single Site Assets at San Diego**
  - Four year payback
  - \$231M initial investment; declines to \$140.5M if fewer ships
  - Single site at West Coast Port preferred operationally
  - Ensures capacity available at Little Creek for future platforms
  - Synergy between MINEWARCOM/ASW Center and surface mine warfare ships

***DAG Recommendation:***  
***Prepare Candidate Recommendation package for DON-0032***



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# Surface/Subsurface Close SUBASE New London

- **DON-0033 Six SSNs and drydock to SUBASE Kings Bay and 11 SSNs to NS Norfolk; SUBSCOL relocated to Kings Bay, NAVMEDRSRCHLAB relocated to Panama City**
- **DON-0034 All 11 SSNs and drydock to NS Norfolk; SUBSCOL relocated to Norfolk, NAVMEDRSRCHLAB relocated to Panama City**
- **Based on current 20 year Force Structure Plan and Laydown**
- **Scenarios cost bringing facilities up to standards**
- **Personnel savings may be overstated (medical personnel)**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0033 (KingsBay/Norfolk)	1621	6567	653.25	-203.41	2	-1658.74
DON-0034 (Norfolk)	1544	6645	618.39	-195.61	2	-1555.40

All Dollars shown in Millions



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DON Analysis Group

## Criteria 6-8 Considerations Close SUBASE New London

---

- **Results of Criterion 6, 7, and 8 Analysis show the SUBASE New London scenarios have:**
  - Economic impact on losing economic region results in job change in excess of 9%
  - Minimal community impact at losing and receiving sites
  - Criterion 8 impacts at receiving sites include:
    - **Kings Bay:**
      - Operations will be impacted by the Northern Right Whale and manatees
      - 36% wetland restricted acres on the military installation. New mission will not impact wetlands
      - New mission will require dredging
    - **Norfolk:**
      - Air Conformity determination may be required
      - New mission will require dredging; all areas to be dredged could be packaged into one permit. Costs associated with permits and contracts
      - Possible impacts from higher frequency/concentration of operations on marine mammals



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# Candidate Recommendation Risk Assessment (DON-0033)

## Executability Risk

### *Investment Recoupment*

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### *Investment/Ratio of Initial Cost to 20 Year NPV*

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### *Economic Impact*

- 0: Low direct/indirect job losses in community (< .1%)
- 1: Some direct/indirect job losses in community (> .1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)**

### *Community Infrastructure Impact*

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### *Environmental Impact*

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible**
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

CFFC does not concur with altering current submarine base configuration

## Risk Matrix

9-10					
7-8					
5-6		X			
3-4					
0-2					
	1	2	3	4	5

## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: NONE



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# Candidate Recommendation Risk Assessment (DON-0034)

## Executability Risk

### *Investment Recoupment*

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### *Investment/Ratio of Initial Cost to 20 Year NPV*

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### *Economic Impact*

- 0: Low direct/indirect job losses in community (<.1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)**

### *Community Infrastructure Impact*

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel**
- 1: Some potential impact on receiving site community(ies) but absorption likely over time
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### *Environmental Impact*

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible**
- 2: Complex mitigation at receiving site probable; uncertainty about executability

#### **Issues:**

*CFFC does not concur with altering current submarine base configuration*

## Risk Matrix

9-10					
7-8					
5-6			X		
3-4					
0-2					
	1	2	3	4	5

## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) **Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: **NONE**



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DON Analysis Group

# Close SUBASE New London Summary

- **DON-0033 Relocates Assets to Kings Bay and Norfolk**
  - Two year payback with \$653M initial investment
  - Reduces excess capacity (16.25 CGEs)
  - Maintains strategic and operational flexibility (2 SSN sites on East Coast)
  - Requires significant investment to replicate SSN capability at Kings Bay and change nature of Kings Bay mission
- **DON-0034 Relocates Assets to Norfolk**
  - Two year payback with \$618M initial investment
  - Reduces excess capacity (16.25 CGEs)
  - Reduces strategic operational flexibility (single sites SSNs on the East Coast)
  - Increases congestion at Norfolk

***DAG Recommendation:  
Prepare Candidate Recommendation package for DON-0033***



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# Surface/Subsurface Close SUBASE San Diego

- **DON-0006A Relocate assets (4 SSNs and drydock) to NS Pearl Harbor, other NB Point Loma assets relocate locally**
- **DON-0007 Relocates assets to NS San Diego, other NB Point Loma assets relocate locally**
- **Scenarios cost bringing facilities up to standards**
- **Retain necessary portions of SUBASE San Diego as enclaves**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0006A (Pearl)	243	2339	109.86	-29.05	2	-299.51
DON-0007 (NS SDGO)	231	2339	252.86	-19.29	16	17.90

All Dollars shown in Millions



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DON Analysis Group

# Criteria 6-8 Considerations Close SUBASE San Diego

---

- **Results of Criterion 6, 7, and 8 Analysis show the SUBASE San Diego scenarios have:**
  - Economic impact on losing economic regions results in job change less than 1%
  - Minimal community impact at losing and receiving sites (traffic concerns at NS San Diego)
  - Criterion 8 impacts at receiving sites include:
    - **Pearl Harbor:**
      - New mission will require dredging
    - **San Diego:**
      - Air Conformity determination may be required
      - New mission will require dredging; all areas to be dredged could be packaged into one permit. Costs associated with permits and contracts
      - Possible impacts from higher frequency/concentration of operations on marine mammals



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DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0006A)

## Executability Risk

### *Investment Recoupment*

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 5 years

### *Investment/Ratio of Initial Cost to 20 Year NPV*

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1**
- 2: Initial investment > \$200M or ratio is < 3 to 1

### *Economic Impact*

- 0: Low direct/indirect job losses in community (< 1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)**
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### *Community Infrastructure Impact*

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time**
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### *Environmental Impact*

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible**
- 2: Complex mitigation at receiving site probable; uncertainty about executability

### **Issues:**

- Loss of SSN homeporting capability on West Coast
- Loss of Strategic Location at San Diego Harbor

## Risk Matrix

9-10					
7-8					
5-6			X		
3-4					
0-2					
	1	2	3	4	5

## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) **Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

**COCOM Concerns: PACOM does not concur; retain for response capability**



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# Candidate Recommendation Risk Assessment (DON-0007)

## Executability Risk

### Investment Recoupment

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years
- 2: Investment is not recoverable in less than 5 years**

### Investment/Ratio of Initial Cost to 20 Year NPV

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### Economic Impact

- 0: Low direct/indirect job losses in community (< 1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)**
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### Community Infrastructure Impact

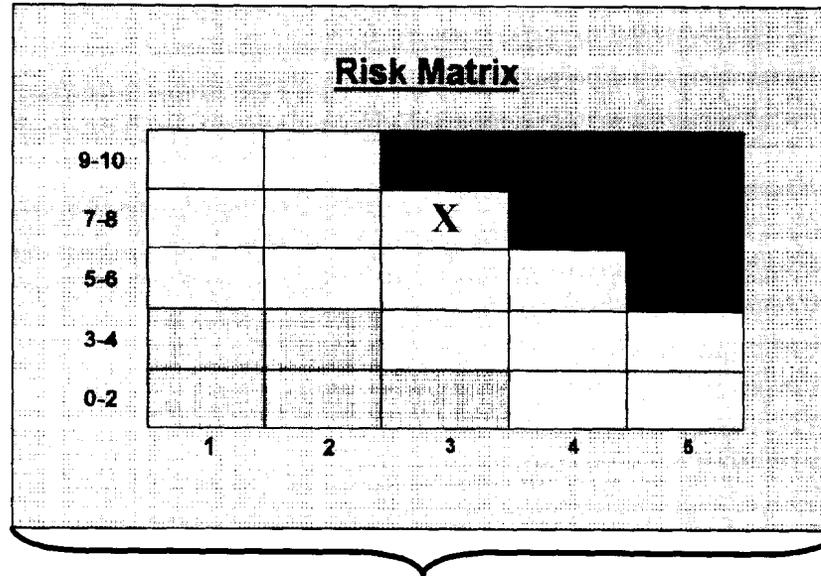
- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time**
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

### Environmental Impact

- 0: Minimal impact at receiving site or no risk of executability
- 1: Mitigation at receiving site required but possible**
- 2: Complex mitigation at receiving site probable; uncertainty about executability

#### **Issues:**

Loss of Strategic Location at San Diego Harbor



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) Medium Reduced flexibility, but still mission capable**
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces

COCOM Concerns: **PACOM does not concur; retain for response capability**



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DON Analysis Group

# Close SUBASE San Diego Summary

- **DON-0006A Relocates Assets to Pearl Harbor**
  - Two year payback with \$105M initial investment
  - Reduces excess capacity (10.5 CGEs)
  - Eliminates SSN homeporting on the West Coast thereby reducing strategic and operational capabilities
  - Loss of strategic location at Ballast Point
  - Loss of ability to use training waters off San Diego
  - Loss of submarine logistic support in San Diego
- **DON-0007 Relocates Assets to San Diego**
  - Sixteen year payback with \$253M initial investment
  - Reduces excess capacity (10.5 CGEs)
  - Loss of strategic location at Ballast Point

***DAG Recommendation:***  
***Continue Data Refinement for DON-0006A and DON-0007***



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# Surface/Subsurface Close Naval Station Everett

- **DON-0005 Relocates CVN to Naval Station Bremerton; Relocates 2 DDGs and 3 FFGs to NS San Diego**
- **Scenarios cost bringing facilities up to standards**
- **Scenario requires land acquisition to increase Bremerton footprint**
- **DON-0035 Relocate CVN to North Island eliminated as infeasible**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0005 (Bremerton)	893	4828	295.06	-86.64	3	-822.90

All Dollars shown in Millions



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DON Analysis Group

## **Criteria 6-8 Considerations Close Naval Station Everett**

---

- **Results of Criterion 6, 7, and 8 Analysis show the Everett scenario has:**
  - Economic impact on losing economic region results in job change less than 1%. Impact on Snohomish County alone will be more significant
  - Impact at receiving sites include traffic concerns at NS Bremerton and San Diego. NS Bremerton requires land acquisition of 5.5 acres and relocation of tenants
  - No significant Criterion 8 impacts



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DON Analysis Group

# Candidate Recommendation Risk Assessment (DON-0005)

## Executability Risk

### *Investment Recoupment*

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years**
- 2: Investment is not recoverable in less than 4 years

### *Investment/Ratio of Initial Cost to 20 Year NPV*

- 0: Initial investment < \$100M and ratio is > 5 to 1
- 1: Initial investment < \$200M and ratio is > 3 to 1
- 2: Initial investment > \$200M or ratio is < 3 to 1**

### *Economic Impact*

- 0: Low direct/indirect job losses in community (<1%)
- 1: Some direct/indirect job losses in community (>.1% and < 1%)**
- 2: Greater potential economic effect on community due to single action or cumulative effort of all actions (>1%)

### *Community Infrastructure Impact*

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) but absorption likely over time**
- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

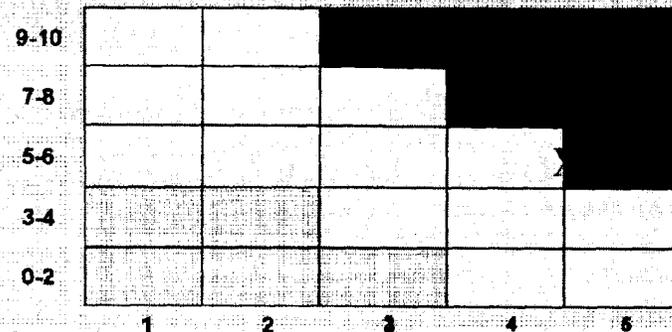
### *Environmental Impact*

- 0: Minimal impact at receiving site or no risk of executability**
- 1: Mitigation at receiving site required but possible
- 2: Complex mitigation at receiving site probable; uncertainty about executability

#### **Issues:**

- CVN Homeport flexibility
- Economic Impact on Snohomish Country

## Risk Matrix



## Warfighting/Readiness Risk

- (0-1) Low Minor impact on mission capability
- (2-3) Medium Reduced flexibility, but still mission capable
- (4-5) High Significant impact, approaching point which affects capability to support/deploy forces**

COCOM Concerns: PACOM does not concur with scenario. Loses West Coast CVN Homeport Flexibility; would prefer realignment of East Coast CVN.



Department of the Navy  
DON Analysis Group

# Close Naval Station Everett Summary

- **DON-0005 Relocates CVN to Bremerton; 2 DDGs and 3 FFGs to San Diego**
  - Three year payback with \$295M initial investment
  - Reduces excess capacity (12 CGEs)
  - Retains two CVNs in Pacific Northwest
  - Reduces strategic and operational flexibility by limiting carrier berthing on West Coast (5 carrier limit unless new facilities constructed)

***DAG Recommendation:  
Continue Data Refinement for DON-0005***



Department of the Navy  
DON Analysis Group

## Surface/Subsurface Recap Summary

- **DON-0002:** Close NAVSTA Pascagoula MS; assets to NAVSTA Mayport FL
- **DON-0032:** Close NAVSTA Ingleside TX; assets to NAVSTA San Diego CA
- **DON-0033:** Close SUBASE New London CT; assets to SUBASE Kings Bay GA and NAVSTA Norfolk VA
- **Overall impact of these scenarios**
  - Capacity decreases from 426 CGEs to 390.75 CGEs (-8.3%) for active bases
  - Overall capacity decreases from 578 CGEs to 542.75 CGEs (-6.1%)
  - Average military value score increases from 52.87 to 55.96

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	Payback Years	20 Year NPV
DON-0002 Pascagoula to Mayport	540	414	11.04	-47.42	Immediate	-651.14
DON-0032 Ingleside to SDGO	726	2,080	231.64	-60.25	4	-541.42
DON-0033 New London to Kings Bay/Norfolk	1,621	6,567	653.20	-200.81	2	-1,624.90
Totals	2,887	9061	895.88	-308.48	-----	-2,817.46

All Dollars shown in Millions

**DAG Recommendation:**  
**Prepare Candidate Recommendation packages for three  
Surface/Subsurface Activities**



Department of the Navy  
DON Analysis Group

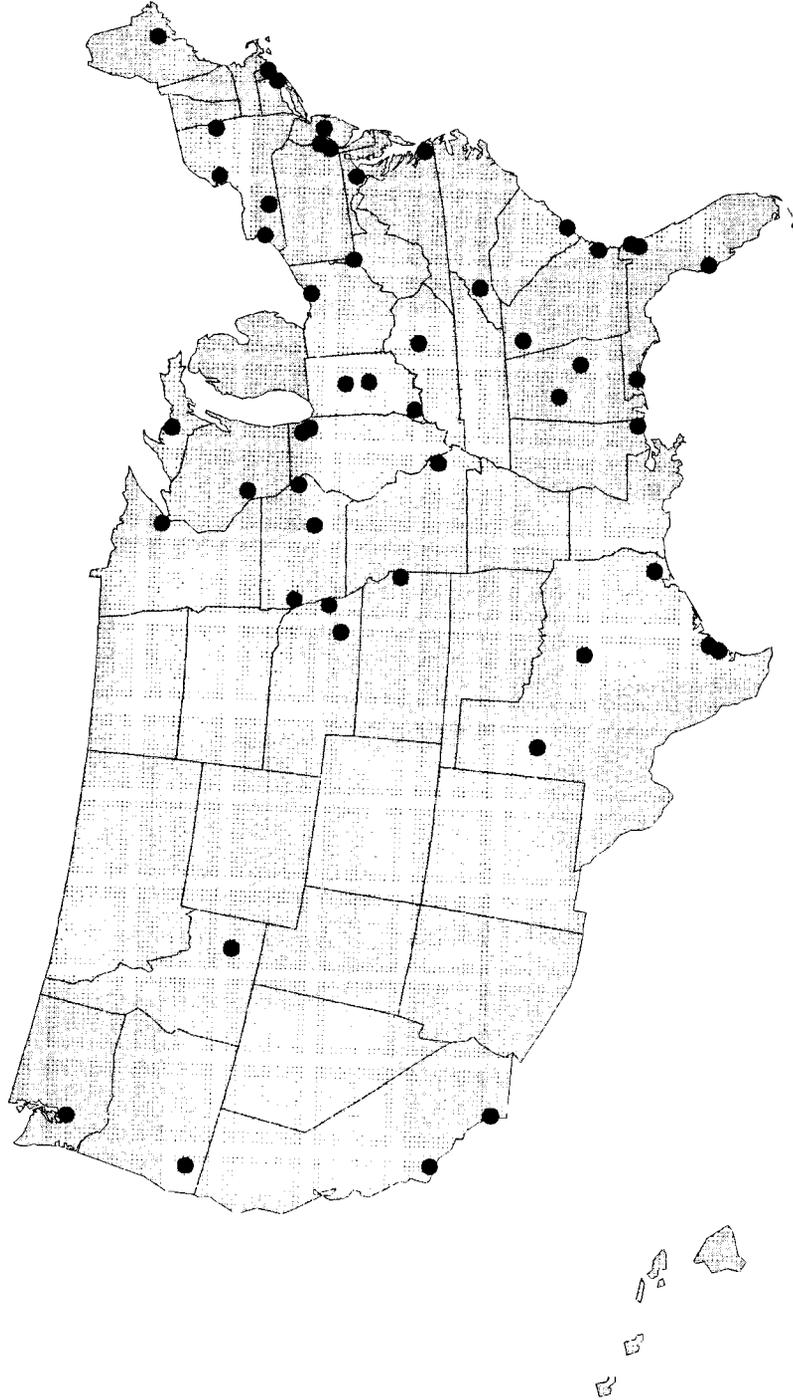
# Operational Scenarios Evaluated - Not Recommended

<u>SDC#</u>	<u>Scenario Description</u>	<u>Rationale</u>
<b>Surface/Subsurface</b>		
DON-0001	Pascagoula to Norfolk	Operational concerns
DON-0003	Ingleside to San Diego/Little Creek	Split site/cost
DON-0004	Norfolk to New London	Cost
DON-0005	Everett to Bremerton	Operational concerns
DON-0006A	SUBASE San Diego to NS Pearl Hrbr	Operational concerns
DON-0007	SUBASE San Diego to NS San Diego	Cost/Operational concerns
DON-0031	Ingleside to San Diego/Mayport	Split site/cost
DON-0034	New London to Norfolk (only)	Cost
DON-0035	Everett to North Island/NS San Diego	Not feasible
<b>Ground</b>		
DON-0008	Gulfport to Camp Lejeune	Cost



Department of the Navy  
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# DON Candidate Recommendations



●	Gaining
○	Losing



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# DON Candidate Recommendation Payback Summary

	<b>Billets Elim</b>	<b>Billets Moved</b>	<b>One-Time Costs</b>	<b>Steady-State Savings</b>	<b>20 Year NPV</b>
<b>Reserve Centers</b>	<b>177</b>	<b>142</b>	<b>8.69</b>	<b>-23.189</b>	<b>-325.642</b>
<b>Regional Support</b>	<b>251</b>	<b>815</b>	<b>48.74</b>	<b>-23.053</b>	<b>-259.091</b>
<b>Recruiting</b>	<b>152</b>	<b>0</b>	<b>2.444</b>	<b>-14.529</b>	<b>-207.761</b>
<b>Surface/Subsurface</b>	<b>2,887</b>	<b>9061</b>	<b>895.88</b>	<b>-308.48</b>	<b>-2,817.46</b>
<b>TOTAL</b>	<b>3,467</b>	<b>10,018</b>	<b>955.754</b>	<b>-369.251</b>	<b>-3,609.954</b>

All Dollars shown in Millions



*Department of the Navy*  
*DON Analysis Group*

## Remaining Analysis

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- **Marine Corps Districts**
- **Additional Reserve (JAST)**
- **Officer Accession**
- **Recruit Training**
- **Aviation**
- **Carrier move**
- **Fenceline Closures from JCSG Candidate Recommendations**



*Department of the Navy*  
*DON Analysis Group*

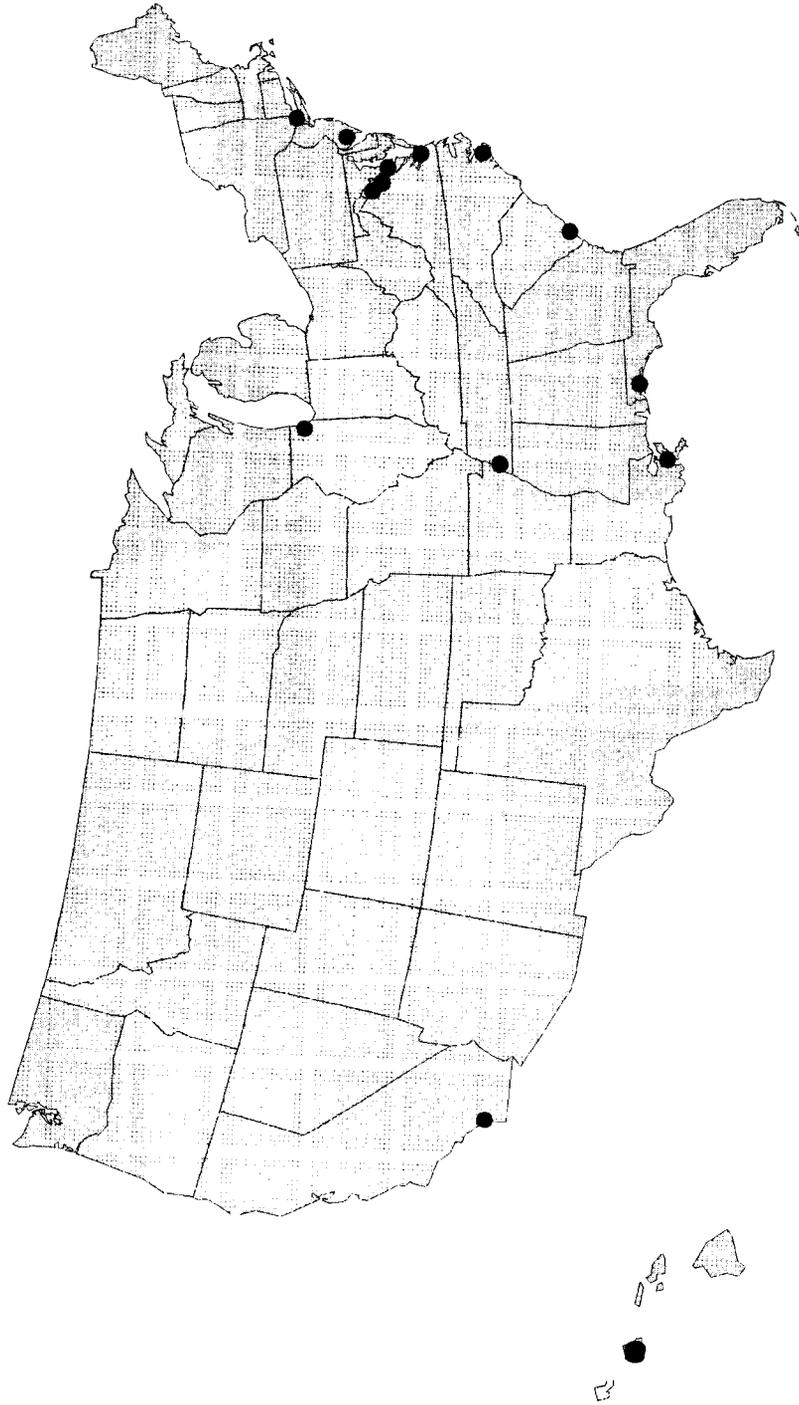
## Fenceline Closures

- **DON-0039 – Close NS Newport, RI**
- **DON-0070/0071 – Close PG School Monterey**
- **DON-0072 – Close Potomac Annex**
- **DON-0126 – Close Navy Supply Corps School, Athens**
- **DON-0131 – Close Naval Shipyard Norfolk**
- **DON-0133 – Close Naval Shipyard Portsmouth**
- **DON-0152 – Close NAS Whiting Field**
- **DON-0157 – Close MCSA Kansas City**
- **DON-0158/0059 – Close/Realign NSA New Orleans**
- **DON-XXXX – NSWC Div Corona**
- **DON-XXXX – NAS Pt. Mugu**
- **DON-XXXX – NAES Lakehurst**



Department of the Navy  
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# JCSG Candidate Recommendations



●	Gaining
○	Losing



Department of the Navy  
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## JCSG Candidate Recommendations

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### Headquarters & Support Activities:

- HSA-0018 – DFAS Consolidation
- HSA-0007 – Create Navy Human Resources Center at Millington
- HSA-0011 – Establish Joint Base McGuire/Dix/Lakehurst
- HSA-0012 – Establish Joint Base Andrews/Washington
- HSA-0013 – Establish Joint Base Pearl Harbor/Hickham
- HSA-0032 – Consolidate Charleston AFB/WPNSTA Charleston
- HSA-0034 – Consolidate South Hampton Roads Installations
- HSA-0075 – Establish Joint Base Monmouth/Earle Colts Neck

### Medical:

- MED-0004 – Disestablish Inpatient Mission at NH Cherry Point
- MED-0053 – Disestablish Inpatient Mission at NAVSTA Great Lakes

### • Issues?

13 Jan 05

Draft Deliberative Document - For Discussion Purposes Only - Do Not Release Under FOIA



Department of the Navy  
DON Analysis Group

# IEG-FAB Open Discussion

13 Jan 05

Draft Deliberative Document - For Discussion Purposes Only - Do Not Release Under FOIA



G A O

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United States Government Accountability Office  
Washington, DC 20548

August 23, 2005

The Honorable Anthony J. Principi, Chairman  
Defense Base Closure and Realignment Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202

Subject: Post-Hearing Questions Related to Department of Defense Base  
Realignment and Closure (BRAC) Recommendations

Dear Mr. Chairman:

On July 18, 2005, we provided testimony before the Commission regarding our July 1, 2005, report on the Department of Defense's (DOD) 2005 Base Realignment and Closure (BRAC) selection process and recommendations. We provided you with answers to an initial set of questions for the record on August 10, 2005. This letter responds to your request that we provide answers to an additional set of follow-up questions to that testimony. Your questions, along with our responses, follow.

### Questions

1. The majority of the Navy's claimed recurring savings at Naval Submarine Base New London come from billet reductions. Already, the GAO has indicated that the Navy included the elimination of 214 medical positions that were non-BRAC programmed reductions. Connecticut argues that the Navy included the elimination of Base Operating Support (BOS) billets that were achieved since the Cost of Base Realignment Actions (COBRA) model's baseline date of September, 30, 2003.

#### **Questions for GAO:**

- **Did the Navy take credit for, or "double count," these BOS reductions in its BRAC savings estimate for New London?**
- **If so, please quantify any overstated savings included in the BRAC savings estimate.**

Answer: We have not completed sufficient work to determine the extent to which changes in authorized personnel levels may have occurred subsequent to the Navy's completion of its BRAC cost and savings analysis. Based on DOD policy, the Navy used September 30, 2003 as the baseline to compute

personnel savings in the COBRA model. Navy data indicated that 557 of the 743 civilian positions that would be eliminated under the proposed action were base operating support personnel. Again, we have not performed any additional analysis on what changes to authorized personnel have occurred since the fiscal year 2003 baseline, or to compare the extent to which actual personnel levels may have been greater or less than those authorized. Therefore, we are not in a position to determine whether or to what extent the Navy may have double counted personnel reductions.

2. Please confirm if the Navy COBRA model replaces the equivalent of 438 nuclear submarine maintenance contractors at Naval Submarine Base New London (~\$50 million per year) with 143 government employees at Kings Bay and Norfolk (~\$8 million per year).

According to Connecticut, in estimating DON-0033 costs and savings, the Navy: 1.) cut the number of submarine maintenance personnel by two-thirds for the same workload; and 2) used the actual New London rate (\$57 per hour) in estimating recurring savings at New London, and the COBRA model default rate (\$29 per hour) for a civilian government employee to calculate recurring costs at Kings Bay and Norfolk. (As a reference point, Norfolk Naval Shipyard responded in its original data call with a need for 207 billets at a rate of \$87 per hour.)

**Questions for GAO:**

- **Are the Navy's estimates and assumptions realistic and accurate with respect to these assumptions on submarine maintenance personnel under DON-0033.**
- **If not, are the Navy's stating savings overstated? By how much?**

Answer: The Navy COBRA does not identify the number of nuclear submarine maintenance contractors at Naval Submarine Base New London, but does indicate that the contractor workload would be performed by 143 government employees (106 at Norfolk Navy Shipyard and 37 at Kings Bay). After DOD's recommendations were made public, the Navy found that 37 additional employees would be required at Kings Bay, which would increase the number of government employees to 180. This increase of 37 government employees is not reflected in the Navy COBRA.

According to Navy data obtained when we were completing our work, Electric Boat has three separate contracts with Naval Submarine Base New London involving 322 personnel, and not 438 as identified above. These contracts include:

- 260 personnel assigned to a regional support group which include trades, supervisors, quality assurance, non-destructive testers, and some engineering and diving services;
- 27 personnel assigned to the nuclear regional maintenance department; and

–35 personnel to man and operate the submarine base floating drydock.

We have not performed any additional work to determine the extent to which these numbers may have changed nor did we analyze the extent to which each of these contractor personnel were engaged in nuclear submarine maintenance.

3. An information package recently submitted to the BRAC Commission cited a legal opinion of the Connecticut Attorney General, Richard Blumenthal, showing a unique arrangement between Connecticut and the Navy in terms of environmental clean-up. The 1994 agreement requires the Navy to complete the full environmental remediation of Naval Submarine Base New London before transferring the property over to another entity. Furthermore, the State of Connecticut Attorney General Blumenthal asserts that the Navy is required to turn over Submarine Base New London immediately to the state of Connecticut upon cessation of naval operations on that property.

Attorney General Blumenthal's opinion is on file with the BRAC Commission for GAO's review.

**Questions for GAO:**

- **Did the Navy consider the potential impact of this agreement on its cost savings estimate for closing Naval Submarine Base New London?**
- **If not, how might this arrangement impact the cost projections of closing the base?**

Answer: We had not seen the Attorney General legal opinion or the 1994 agreement at the time we completed our July 1, 2005 report, nor have we conducted any review of the impacts of potential environmental cleanup issues at this military installation since then.

4. The State of Connecticut asserts that it would take years to complete an adequate study of radioactive waste contamination at the Naval Submarine Base New London in order to determine what cleanup will be necessary.

**Questions for GAO:**

- **Did the Navy consider how a delay in the productive reuse of the site, while the extent of necessary cleanup is determined and then performed, would affect the economic impact of closing the base on surrounding communities?**

Answer: As we noted in our July 1 report, DOD's assessment of economic impact focused broadly on potential job changes resulting from proposed BRAC actions and did not consider how any delay in the productive reuse of the property caused by environmental cleanup would affect economic impact. Our prior work indicates that the services historically do not consider such impacts during the BRAC selection and recommendation process because it is

difficult to project how these potential delays translate into specific economic impacts. Various factors contribute to this uncertainty, such as unknown environmental cleanup standards based on planned reuse and the possibility that transfer and reuse of the property will occur in a piecemeal fashion, involving various parcels of land, and over time as environmental cleanup occurs.

If you or your staff have any questions concerning this response, please contact me on (202) 512-5581.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Barry W. Holman". The signature is written in a cursive, flowing style.

Barry W. Holman, Director  
Defense Capabilities and Management





G A O

Accountability • Integrity • Reliability

United States Government Accountability Office  
Washington, DC 20548Comptroller General  
of the United States

August 10, 2005

The Honorable Anthony J. Principi, Chairman  
Defense Base Closure and Realignment Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202Subject: Post-Hearing Questions Related to Department of Defense Base  
Realignment and Closure (BRAC) Recommendations

Dear Mr. Chairman:

On July 18, 2005, we provided testimony before the Commission regarding our July 1, 2005, report on the Department of Defense's 2005 Base Realignment and Closure selection process and recommendations. This letter responds to your request that we provide answers to follow-up questions to that testimony. Your questions, along with our responses, follow.

### Questions

1. As GAO notes in its report (p. 105), most of the projected recurring savings from the closure of Submarine Base New London would come from the elimination of billets there. Some 1,500 billets would be eliminated, including 743 civilian billets, which is about 80% of the total civilian billets at the base.

#### **Question: Is GAO satisfied that:**

- (i) **The Navy conducted a sufficiently rigorous analysis to justify the elimination of so many billets at New London?**

Answer: The Navy's rationale for eliminating civilian positions seemed reasonable at the time we completed our work for our July 1 report. However, more recent information indicates that the number of overall BRAC-related billets to be eliminated was overstated. At the time we were completing work on our July 1 report, cognizant personnel from Naval Base New London reported that they had coordinated with personnel at both Naval Station Kings Bay and Naval Station Norfolk regarding the number of civilians that would be required to support the

missions being relocated. For example, a significant number of the civilian positions being eliminated at Naval Station New London provide base operating support, and these positions are not required at the gaining installations. Navy officials stated that base operating support at Kings Bay is performed under contract and not by federal employees, and only a few positions are needed at Norfolk because of the large existing workforce that provides base operating support. The recommendation also projected eliminating 817 military positions, which include 400 medical positions. However, more recent information from the Navy's BRAC office suggests that the number of positions likely to be eliminated due to the proposed BRAC actions was overstated. Specifically, Navy officials now indicate that they had included in their BRAC calculations the elimination of 214 medical positions (35 officer and 179 enlisted) that were non-BRAC programmed reductions. Thus, the number of BRAC-related military positions that would be freed up, but not necessarily eliminated, under the BRAC proposal would be 603 rather than 817.

**(ii) The information developed in the data calls was properly verified by the Naval Audit Service and at higher echelons in the chain of command of the bases involved?**

Answer: GAO is satisfied that the efforts of the Naval Audit Service helped to better ensure the integrity of the data used in the BRAC process. Through extensive audits of the capacity, military value, and scenario data collected from field activities, the audit service notified the Navy of any data discrepancies for the purpose of follow-on corrective action. The Naval Audit Service visited 214 sites, one of which was New London. As noted in our July 1 report, the Naval Audit Service deemed the Navy data sufficiently reliable for use in the BRAC process. The Naval Audit Service also sought to help ensure the integrity of the overall process by selectively examining certifications of data at higher echelons in the chain of command although, in this instance, it did not specifically review higher echelon certifications for New London data.

2. On July 6<sup>th</sup>, this Commission received sworn testimony that closure of Submarine Base New London could dramatically impact submarine shipbuilding costs. In fact, John Casey, President of the nation's primary submarine contractor, General Dynamics-Electric Boat testified that New London's closure could result in additional procurement costs of up to \$50 million per year. The additional costs would come from Electric Boat's inability to deflect overhead costs to maintenance contracts it currently fulfills at the base.

**Question: Did you find any evidence that the Defense Department considered these additional costs in its BRAC analysis?**

Answer: We found no evidence that the Navy included these additional potential costs in its BRAC analysis.

3. GAO points out in its report (p. 103) that uncertainty remains over the Navy force structure. This is particularly true with regard to attack submarines. This uncertainty was one of the factors pointed to by GAO as perhaps warranting additional attention from this Commission.

**Question:** Does GAO have concerns that, in the face of such uncertainty, a decision to close a base like New London would have the effect of restricting the Navy's flexibility regarding long-term submarine requirements since we would now have only two East Coast bases to homeport, train, and maintain them?

Answer: Our work examining BRAC issues does not put us in a position to comment on the extent to which a potential closure of the New London base would affect the availability of facilities for the Navy to maintain its future fleet should conditions change. Our July 1 report pointed out that there was uncertainty as to what the Navy's future force structure will actually look like. Since then, we have seen even more uncertainty expressed over this issue, with concerns recently having been expressed by some key members of the House Armed Services Committee that the future planned size of the submarine fleet may be insufficient to handle combatant commanders' needs. Concerns have also been expressed by former senior leaders in the Navy. As a result, it may be prudent to seek additional information from the Department of Defense regarding these uncertainties—particularly as they relate to military value.

4. On June 6, the Connecticut delegation testified that the Navy's cost estimate for moving the Submarine School to Kings Bay was understated. For example, they testified that: The Navy's school construction cost of \$211 per square foot is not consistent with recent experience averaged at \$325 per square foot - a \$47M difference; the Navy did not factor in the cost of reassembling and testing the submarine trainers - a \$31 million difference; the Navy did not factor in the 20 per cent additional costs associated with building on the unstable soil of Kings Bay - a \$30 million difference; and the Navy did not consider the costs of additional family housing units.

**Question:** Was the GAO able to verify the accuracy of the Navy's cost estimates of moving SUBSCOL in light of these discrepancies?

Answer: We verified that the Navy used standard cost factors in the COBRA model in completing its cost analysis. The Navy used a standard factor (\$211 per square foot) to estimate military construction costs for an instruction building at Kings Bay. The Navy analysis did not consider any additional cost factor based on unstable soil conditions. The Navy analysis did include an estimate of about \$18 million to disassemble, pack, ship, and reassemble trainers based on the recent experience of moving a trainer from New London, Connecticut, to Bangor, Washington.

Given the questions that have been raised about the completeness of the Navy's cost estimates, as noted above, we completed a sensitivity analysis, assuming \$108 million (\$77 million for military construction and \$31 million for moving) in increased costs, as well as considering the impact of 214 fewer military positions being eliminated as discussed above in question 1. Our analysis showed that the 20-year net present value savings decreased from \$1.6 billion to \$1.2 billion and the payback period increased from 3 to 4 years.

We should emphasize, as noted in our July 1 report, that cost and savings estimates produced at this point using the COBRA model represent estimates based largely on standard factors and other data that are useful for comparing competing alternatives.

However, as we have pointed out in the past, the COBRA analysis does not provide budget quality data—that level of granularity comes later, as BRAC decisions are finalized and detailed implementation plans are developed.

5. No question cited.

6. **Question.** What do you see as the successes and opportunities missed this BRAC round in terms of advancing jointness among the services and across common support functions? Did you see any improvements in this area this time compared to prior BRAC rounds?

Answer: As noted in our July 1 report, we found that DOD's recommendations make some progress toward the goal of fostering joint activity among the military services, based on a broad definition of joint activity to include consolidation, co-location, and locating activities in proximity to one another. There are several recommendations that consolidate functions across the department, such as initial Joint Strike Fighter training and establishing two regional medical centers, one in the national capital region and another in San Antonio, Texas. There are proposals to co-locate some activities, such as moving the U.S. Third Army Headquarters to Shaw Air Force Base, South Carolina, which will co-locate the Army and Air Force components of the U.S. Central Command. The recommendations also propose consolidating transportation management, religious studies and culinary training among the military services.

As for missed opportunities, we found that in some cases the joint cross-service groups proposed scenarios that would have merged a common support function across the services, but alternatively a service solution was adopted by DOD. For example, the Headquarters and Support Activity Joint Cross-Service Group proposed to (1) consolidate civilian personnel offices under a new defense agency, and (2) co-locate all military personnel centers in San Antonio, Texas, in anticipation of a standard military personnel system being implemented across the department. However, in both cases, DOD decided to consolidate personnel centers within each service.

7. **Question.** While each service cannot count the savings from the drawdown of overseas force structure as part of BRAC, what is your view on reapplying these savings to the cost of executing BRAC restationing implementation costs?

Answer: As we noted in our July 1 report, DOD determined, and we agree, that the inclusion of such savings based on overseas base closures in the domestic BRAC process is not appropriate. Further, it is probably premature to attempt to consider any potential savings, for any purpose, from changes in the overseas force structure before all costs associated with those actions are fully known. At the same time, one could also argue that costs currently being included under the BRAC process for the domestic restationing of forces currently based overseas would occur regardless of BRAC.

- 8. Question. Does GAO believe that military value is enhanced and efficiencies gained with the Army running an airfield that will have the same level of training activity or more (with the addition of the 4th BCT to the 82d Airborne Division) in the future?**

Answer: We have not completed a sufficient level of work on that issue to provide a meaningful answer.

- 9. Question. Does GAO have any observations or comments on the potential loss of already existing synergies, joint culture and joint-contingency operations planning capabilities between Pope AFB and Ft Bragg, if Pope is realigned as recommended?**

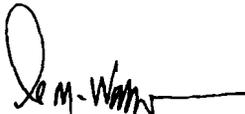
Answer: We have not completed a sufficient level of work on that issue to provide a meaningful answer.

- 10. Question. How would you assess the success of DOD's recommendations toward reducing excess capacity within the department? Do you have any observations on where DOD ended up compared with the attention given to DOD's data more than a year ago projecting excess capacity in the 25 percent range?**

Answer: As noted in our July 1 report, DOD projects that its proposed BRAC actions would reduce excess domestic infrastructure capacity by about \$27 billion, or 5 percent, as estimated in terms of plant replacement value. Two caveats to that figure need to be noted. First, the figure did not account for the projected increases in domestic military construction projects associated with relocating forces from overseas. Second, reductions in leased space are not considered in the plant replacement value analysis, since such an analysis considers only government-owned space. DOD estimates that its recommendations will reduce leased space by about 12 million square feet. Further, as you can glean from our July 1 report, each of the military services and joint cross-service groups used multiple quantitative measures to assess capacity, making it difficult to project a single cumulative value for excess capacity--either existing, proposed for elimination, or likely to remain after this BRAC round.

If you or your staff have any questions concerning this response, please contact me on (202) 512-5500, or Barry W. Holman, Director for Defense Infrastructure Issues on (202) 512-5581.

Sincerely yours,



David M. Walker  
Comptroller General  
of the United States



**DEPARTMENT OF THE NAVY**  
OFFICE OF THE SECRETARY  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

18 August 2005

The Honorable Anthony J. Principi  
Chairman  
Defense Base Closure and Realignment Commission  
2521 South Clark Street, Suite 600  
Arlington, VA 22202

Dear Chairman Principi:

This is in response to the August 15, 2005 inquiry (HJT #14) from Mr. Frank Cirillo of your staff requesting comments on the New London Community's most recent COBRA run and supporting documentation.

The Department of Navy Infrastructure Analysis Team for BRAC 2005 has thoroughly reviewed the "State of Connecticut Summary of Cost/Savings Analysis for Proposed Closure of Naval Submarine Base New London" dated August 11, 2005. The Community's analysis identified numerous changes to the closure recommendation, the majority of which we do not concur with as identified in the attached. The Community's basic assertion is that DON introduced flaws into the COBRA model such as mixed sources of inputs, mixed quality of inputs, omitted costs and overstated recurring savings. Our subsequent review of the Community's analysis has only strengthened the confidence of the DoD/DON recommendation.

The Community identified an additional \$452.5 million of one-time costs and an additional \$176 million/year of additional recurring costs. Of the one-time costs, the DON acknowledges \$54 million of additional one time cost due to the need for a new floating drydock in Norfolk. The drydock that was considered available in the recommendation has been determined to be unavailable. Of the recurring costs, the DON acknowledges an additional \$5.4million/year TRICARE cost attributable to the New London area that was not reflected in the recommendation. Additionally, the DON has previously acknowledged in my letter of 26 July 2005 to Mr. Michael Regan concerning Naval Submarine Bases New London and Kings Bay an additional \$1.2 million/year due to the need for 32 additional civilian personnel to support submarine maintenance at the receiving sites. Other than the above-acknowledged items, we do not agree with the validity of the Community's COBRA analysis and do not believe they should be accepted for consideration of this recommendation. Again, we continue to fully support the DoD recommendation as put forth.

I trust this information satisfactorily addresses your concerns. If we can be of further assistance, please let me know

Sincerely,



Anne Rathmell Davis  
Special Assistant to the Secretary of the Navy  
for Base Realignment and Closure

Attachement:  
As Stated

**Excerpts from SUBASE New London Community  
“State of Connecticut Summary of Cost/Savings Analysis for Proposed  
Closure of Naval Submarine Base New London”  
with DON Response**

***One-Time Military Construction Costs Underestimated (\$269 Million)***

*DoD's analysis underestimated the cost of reconstructing the SUBASE New London Submarine School training facilities. The Navy used a construction cost of \$211 per square foot to construct new facility at Kings Bay. This is similar to the cost to build a typical high school.*

*Recent experience indicates a more accurate figure would be \$325 per square foot. This increased cost can be attributed to higher structural and services requirements, such as Information Technology services, security to a secret level, and the extra static and dynamic loading that the Submarine School building must accommodate to support fire, vessel flooding, machinery, and other operational trainers and simulators. The \$114 per square foot increase results in additional cost of \$47 million.*

- The COBRA Model uses the \$211/square foot for the Applied Instruction Building (FAC 1712) and \$222/square foot for the Simulator Facility (FAC 1721).
- The COBRA model MILCON costs are based on the Facilities Pricing Guide unit cost factors, which account for local cost factors.
- The fire-fighting, flooding and various other machinery and trainers are already in existence at the Trident Training Facility and are not required to be duplicated for Submarine School.
- The additional cost of \$114/square foot suggested by the Community is not supported, therefore the additional cost of \$47 million should not be factored into the COBRA analysis.

*To construct an equivalent footprint to match the 10 buildings that exist at SUBASE New London, the cost would increase another \$28 million.*

- Duplication of the footprint to match the 10 buildings that exist at SUBASE New London is not required. SUBASE Kings Bay certified that it could provide the necessary space and facilities required by the mission by accommodation of use of existing facilities and with the MILCON included in the recommendation COBRA.
- Therefore, the additional cost of \$28 million should not be factored into the COBRA analysis.

*Submarine School estimate does not take into account site issues that exist at Kings Bay. According to a Federal Emergency Management Agency (FEMA) report on the soil conditions at Kings Bay, construction costs would likely be 20% higher, resulting in an additional \$30 million plus in construction costs. This is because the soil conditions at Kings Bay require additional site work, such as piles and foundation reinforcement.*

- We have not seen the FEMA study. According to base engineers, only one area of SUBASE Kings Bay required soil stabilization during initial base construction. This area is not located where any planned future construction would occur. Waterfront structures are accounted for being on piles.
- Based on unit cost factors, we do not believe the construction costs would be 20% higher, and thus the additional cost of \$30 million should not be factored into the COBRA analysis.

*The DoD proposal also showed a shortfall in BEQ military construction funding. Kings Bay BEQ and messing capability improvements were not priced appropriately. The Navy identified 311 available beds at Kings Bay with new construction planned for 1,375 beds, for a total of 1,686 beds.*

*However, the requirements based on New London's actual BEQ population are much higher. The Submarine School alone requires 1,500 beds, with one third of other requirements at 633 beds, for a total 2,233 required beds. That amounts to a shortfall of 547 beds. When those beds are multiplied by the Navy average of \$37,000/bed, it totals \$20 million in unaccounted-for funding.*

- A source is not provided for the 311 bed excess capacity reported by the Community.
- SUBASE Kings Bay's certified response indicated it required 286,000 square feet of Bachelor Enlisted Quarters based on following calculations:
  - SUBASE Kings Bay reported 495 bed excess capacity
  - Total Student population transferring = 1519
  - Total non-Student enlisted population transferring = 1043
  - Requirement based on housing all 1519 students, 112 enlisted staff, and 200 E1-E3 (20% of non-Student enlisted population)
  - Total requirement to house = 1831 enlisted personnel
  - Total requirement less excess capacity = 1336
  - Total of 151 one-person room and 612 two-person rooms at 370 sq feet each equates to 282,310 sq feet
  - An additional 3600 square feet for kitchen spaces arrives at a grand total of 285,910 square feet required (rounded to 286,000 square feet)
- Note: there was a mathematical error in the Community's response, with 1500 plus 633 = 2133 beds vice 2233 beds.
- The additional cost of \$20 million should not be factored into the COBRA analysis.

*The data calls report between 150 and 200 vacant Navy housing units at Kings Bay. However, we estimate that the proposed transfer of submarine crews and their dependents to Kings Bay will require the provision of at least an additional 800 DoD living units, at a current cost of about \$100,000 per unit, or a one time cost of \$80 million.*

- The DON recommendation assumes no family housing units will be constructed, consistent with DON housing policies. Based on the number of units available and the ability of the community to provide housing, there is no basis for additional Navy

housing units using MILCON. According to the data reported in the Criteria Seven section of the recommendations, the local Kings Bay community has available rental and sale units in excess of that required. In addition, the need for 800 units is excessive, and not supported by the number of personnel being transferred in the recommendation.

- The \$80 million should not be included in the COBRA analysis.

*After further dialog with the Navy, we have determined that the Kings Bay pier costs are understated by \$10 million. We agree in part with the Navy that portions of the pier's outfitting costs are included elsewhere in the COBRA model. However, we disagree with the Navy's allocation of various facility services to the pier. For example, the Navy over allocated expenses such as HVAC, water and electrical to the pier. The total pier cost per the COBRA model is \$14 million. When the aforementioned services are properly allocated, the cost totals \$24 million. Thus, there is a net understatement of \$10 million.*

- This information is not accurate. SUBASE Kings Bay provided the following MILCON requirements associated with the piers needed to support the influx of submarines which is contained in COBRA:

Facility	Cost
Pier	\$11.1M
Waterfront Utility Plant	\$9.2M
Electrical Power Plant Upgrades	\$8.8M
Electrical Distribution Lines	\$4.8M
Electrical Substation	\$3.6M
<b>TOTAL</b>	<b>\$37.5M</b>

- The \$10 million is not substantiated as additional costs and should not be incorporated in the COBRA analysis.

*We have also determined that the proposed lease termination, refurbishment, and re-location of the floating dry-dock RESOLUTE (ARDM- 10) from Seattle to Norfolk . . . A much more likely outcome would be construction of a new floating dry-dock for approximately \$93 million, as proposed in DON-0004. This would represent a net increase of \$54 million over the Navy assumption.*

- NAVSEA indicates that RESOLUTE is not available to return to Norfolk due to contractual obligations elsewhere.
- An increase of \$54 million (the delta between \$39M for RESOLUTE and \$93M for a new dry-dock) appears reasonable and should be included in the COBRA analysis.

***One-Time Moving Costs Understated (\$31 Million)***

*The Navy did not include the cost of installing and testing equipment at the receiving facility. Based on Electric Boat experience, this is estimated to cost \$16 million.*

- This statement is incorrect. SUBASE New London reported a One-Time Moving Cost of \$10.38 million to include installation, testing, and new site training. This cost was included in the recommendation COBRA analysis.
- The \$16 million recommended by Electric Boat is not substantiated and thus additional costs should not be incorporated in the COBRA analysis.

*In addition, the cost of personnel relocation is understated by about \$15 million. The actual cost to relocate 408 additional military personnel would be \$1.2 million, and the cost to relocate 370 additional civilians as proposed in Scenario DON-0033B would be \$13.8 million. These additional personnel relocations are discussed under recurring costs, below.*

- The Community's assumption does a parametric analysis of transfer of BOS personnel. The relocation of an additional 408 personnel is addressed below in the section: "recurring personnel savings overstated," specifically the items discussing BOS personnel and costs.
- Since the relocation of 408 additional personnel is unsubstantiated, the additional \$15 million of one-time cost should not be included in the COBRA analysis.

***One-Time Environmental Closure Costs Understated (\$27.5 Million)***

*Resource Conservation and Recovery Act (RCRA) and Underground Storage Tank (UST) closure costs are essentially omitted, and Navy radiological cost estimates are extremely low compared with required protocols for performing radiological assessments and surveys. It should be noted that the RCRA closure costs and the radiological costs would be incurred only if the base closes, and therefore cannot be viewed as the same "non-issue" as the Navy considers the remediation costs.*

*DEP reviewed only installation costs and not the ARDM-4. It estimated the RCRA costs at \$4.3 million, UST closure costs at \$1.2 million, and the radiological cleanup cost at \$31.5 million, for a total of \$37 million. The difference between this amount and the Navy's \$9.5 million installation estimate is \$27.5 million.*

- The RCRA and UST cost are part of the Installation Restoration Program under the Defense Environmental Restoration Program (DERP) and are addressed below in the section: "one-time environmental remediation cost."
- The Community's assessment that the radiological cost estimates for closure are understated is addressed as follows:
  - The Navy's standard for radiological closure of a nuclear-capable facility is to perform surveys and sampling to "prove the negative." We have substantial knowledge of existing site conditions due to extensive routine monitoring. We perform closure surveys to verify these conditions to the satisfaction of all parties so the site can be radiologically released for unrestricted future use. For example, the Navy has extensive and relatively recent experience in closing facilities that

performed complex radiological work, including nuclear refuelings, and releasing them for unrestricted future use with respect to radioactivity: Charleston and Mare Island Naval Shipyards between 1993 and 1996, and the former S1C Prototype nuclear reactor plant (used for training sailors) in Windsor, Connecticut (completed in 2001). EPA and the states were fully involved throughout these processes. An example of how the Navy does business is the fact that during the verification survey, sample, and remediation process to release Charleston and Mare Island Naval Shipyards, the total amount of Naval Nuclear Propulsion Program radioactivity found in the environment that required cleanup was only two to three microcuries at each facility, about the amount of radioactivity in a single home smoke detector.

- SUBASE New London cost for radiological assessment is \$9.95 million: \$3.44 million for surveys and sampling, \$3.28 million for facility dismantlement, and \$3.23 million for radiological waste disposal. The survey total was based on release of 624,832 square feet for the Naval Nuclear Propulsion Program (NNPP), and 269,073 square feet for general radioactive material (G-RAM; all Navy non-NNPP applications of radioactivity, such as medical or historical radium use).
- Our experience provides a firm basis for developing estimates to close facilities that did similar radiological work and which have similar radiological histories. Actual costs for radiologically closing Charleston and Mare Island are most relevant for closing shipyards and Naval bases, and were used for comparison to determine realistic closure cost estimates for other potentially closing facilities. The resulting one-time costs were included in the BRAC totals that were used in the decision-making process.
- Based on the above rationale, the additional one-time cost for radiological cleanup should not be included in the COBRA analysis.

#### ***One-Time Environmental Remediation Costs Ignored (\$125 Million)***

*The estimate of \$23 million for remediation under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) may be reasonable for the items it covers. However, the reality is that closure would have to address much more than this figure reflects.*

*In addition to CERCLA, full remediation must comply with RCRA, UST, PCB and Pesticide requirements. Connecticut has identified \$125 million worth of work to properly prepare the base for transfer and re-use. Detailed accounting in support of this amount was provided in the SDS and by Commissioner McCarthy at the August 2 meeting with BRAC staff.*

*Moreover, the Federal Facilities Agreement (FFA) requires cleanup before any transfer of the Navy property. (Please see our SDS, Criterion 8, Attachment 4, for a detailed memo from the Connecticut State Attorney General on this issue.) Therefore, in order for the Navy to transfer the property before the 2011 BRAC implementation cutoff, these costs must be included in the COBRA analysis.*

- The Department did not include environmental restoration costs in calculations for determining which bases to close. Since the Department of Defense has a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned, or remains open, environmental restoration costs at closing bases were not considered in the COBRA calculations. This approach is consistent with procedures used in prior BRAC rounds and responds to Government Accountability Office (GAO) concerns. The GAO has stated that determining final restoration costs could be problematic before a closure decision, since neither reuse plans nor studies to identify related restoration requirements would have been initiated.
- Attached is some detailed information on the \$23 million environmental restoration Cost to Complete estimate for New London that was included in the Criterion 8 analysis. It is noted that since the inception of the DERA program, \$56.5 million has already been expended through FY 2003. Included in that attachment is the list of Applicable, Relevant and Appropriate Requirements (ARARs) under Federal and state law. Both Federal and state law are integrated into the Installation Restoration program where applicable.
- In addition, it should be emphasized that the State of Connecticut, particularly the Department of Environmental Protection, has been an active partner with the Department of the Navy in the Installation Restoration program at Naval Submarine Base New London. From the time they signed the Federal Facilities Agreement on October 26, 1994 through today, they have been informed of and fully participated in our process. Under our Defense and State Memorandums of Agreement (DSMOA) they have been provided reimbursement funding for their regulatory oversight of the New London program. They most recently received \$30,000 in advance for their July 1, 2005 to June 30, 2006 oversight at New London as well as the restoration sites at Naval Undersea Warfare Center Detachment in East Lyme and the Naval Weapons Industrial Reserve Plant in Bloomfield. From FY95 through FY04, the State of Connecticut has received DSMOA funding ranging up to \$1.5 million annually. Again, the State of Connecticut have been partners in our restoration program at New London.
- Additionally, the State of Connecticut, the Environmental Protection Agency, and the Department of Navy signed a Federal Facility Agreement (FFA), that *“(i) Provide for the appropriate involvement by the State in the initiation, development, selection and enforcement of Remedial Actions to be undertaken at the NSB New London (NSBNL), including the review of and comment on all applicable data as it becomes available; consultation regarding studies and reports; the development of action plans and other deliverables; and identification and integration of State ARARs\* for the Remedial Action process; (\*ARARs- Applicable, Relevant and Appropriate Requirements)*
- The FFA memorializes that the Navy must complete all remedial action determined to be necessary before the property may be deeded over. This FFA anticipates that remedy selection will be the product of a three-party discussion, taking into

consideration the use to be made of the property, and allows for early transfer of property before remediation is complete. Neither CERCLA, nor the FFA, requires clean-up completion prior to property transfer. Early transfer of installations with NPL sites can be accomplished upon concurrence of DoD, EPA and the governor.

- Based on the above rationale, one time environmental remediation costs should not be incorporated in the COBRA analysis.

***Recurring Personnel Savings Overstated (\$84 Million/Year)***

*Of the 46 functions considered in the Navy's COBRA, recurring personnel reduction savings are overstated in 18 of those functions by a wide range of factors. Over all functions, this overstatement averages about 50%, or \$84 million/year. In fact, \$169 million of the \$192 million net recurring savings was due to the elimination of 1,560 billets. The Navy justifies its recurring savings by assuming the 1,560 unspecified personnel are in excess at Norfolk and Kings Bay. Elimination of these billets is the bulk of the recurring savings.*

*Clearly, if such excess labor does exist at Norfolk and Kings Bay, the Navy could merely eliminate these billets in place and achieve the same substantial recurring savings claimed from the realignment without incurring the one-time costs of the proposal.*

*The DON-0033B scenario eliminates:*

*136 officers @ \$124,972 = \$17 million per year*

*681 enlisted @ \$82,399 = \$56 million per year*

*743 Civilians @ \$59,959 = \$53 million per year*

*Basic allowance for housing = Savings of \$43 million per year*

*The expected personnel savings are unrealistic and not likely to materialize. The most significant Navy-documented examples of overstated billet reductions concern medical personnel and personnel funded under Base Operating Support (BOS) lines.*

*Today, 533 medical billets at SUBASE New London service 8,045 personnel.*

*Only 62 are to be relocated to service 6,485 relocated personnel. This represents an unfathomable 725% increase in the ratio of service personnel to medical providers.*

*Subsequent to its July 1 report to the BRAC Commission, the Government Accountability Office (GAO) found that 214 of the medical billets at New London are being eliminated outside of the BRAC process and, thus, should not have been counted as savings. This reduces the claimed recurring savings by \$18 million.*

- The analysis conducted by the receiving medical facilities and certified by the Bureau of Medicine is summarized below:

**Branch Health Clinic in Kings Bay, GA (39 Billets Authorized)**

A. Students moving to KBAY (1,447)

New stand alone MED/DEN Clinic to be constructed

*With respect to BOS, of the 1,188 BOS billets at SUBASE New London, only 283 billets were added at Kings Bay and Norfolk combined, with a plus-up to non-payroll BOS of \$3 million -- equivalent to about 50 civilian billets. This would be a relocation equivalent to 333 billets, far below the 594 billets that the standard COBRA algorithm of 50% fixed 50% variable would seem to have required. Some economies might be expected, yet these ratios defy common sense.*

- The significant reduction in Base Operating Support (BOS) personnel required at SUBASE Kings Bay and NAVSTA Norfolk is indicative of the difference between BOS managed by government employees vice non-payroll (contract) personnel.
- The increase in non-payroll BOS at Kings Bay and Norfolk is \$14.9 million/year as reflected in the recommendation COBRA analysis, vice \$3 million/year as stated above. Using the example of SUBASE Kings Bay, the total base population increases from 9,743 to 12,967, which is a change of 33 percent. Non-Payroll BOS change is 17%, which would reflect the 50% ratios stated above. This result was determined through COBRA algorithms and correlates well with expected results.

*Finally, as described generally in the GAO report of July 1, 2005 (GAO-05-785, p. 104), many SUBASE New London billets were already scheduled for elimination. The Chief of Navy Installations (CNI) initiated these eliminations. For example, SUBASE New London has already experienced a reduction of non-medical billets from 1,223 as of September 30, 2003, to 994 today. This billet reduction results in an overstatement in the Navy COBRA model in recurring savings of \$19 million. This savings should not be attributed to BRAC. Significant further CNI reductions are planned at New London through 2011. These plans are current, assume continued operation of the SUBASE, and are not related to BRAC.*

- For the purposes of BRAC analysis, personnel data was collected based on manpower authorizations as of September 2003 and projected through FY2011. This information is used as the baseline in all BRAC analysis, DOD-wide, to ensure consistency of analysis. The exception in the analysis were personnel numbers adjusted in our recommendations if Force Structure Plan changes directly impacted the size of units being realigned in a recommendation, e.g. decommissioning of MHC between FY2006-2011. Therefore, although it is recognized there could be adjustments to manpower authorizations, both upward and downward in execution, for analysis consistency we used the certified data as provided.

#### ***Recurring Other Unique Costs Underestimated (\$42 Million/Year)***

*Four hundred thirty-eight mission essential contractor billets that exist at SUBASE New London at \$57 dollars an hour (\$50 million/year) today are to be replaced by only 143 government billets at \$29 dollars per hour (\$8 million/year). This does not make sense based on experience in New London where just the opposite occurred: contractor billets replaced government billets. The Navy directed (and continues to use in the field) substitution of contractor employees at New London because it saved*

*significant costs, with one contractor employee replacing 1.6 enlisted personnel. We believe, based on discussion with EB, that Norfolk Naval Shipyard or a contractor will still need skilled labor and that, therefore, Navy claimed savings are overstated by \$42 million per year. It is worth noting that in the original data call, Norfolk requested 207 maintenance billets at an average of \$87 per hour (\$36 million/year) to support two-thirds of the New London submarines. This request was apparently ignored.*

- The DoN COBRA analysis incorporates \$50.8 million of recurring savings based on the elimination of contract support for Naval Submarine Support Facility as provided by Electric Boat and others. To account for maintenance at receiving sites, a combined increase of 175 civilian positions was identified and incorporated, utilizing the standard, approved COBRA personnel model. This is a correction to the recommendation value of 143 civilians (as previously acknowledged in my letter of 26 July 2005 to Mr. Michael Regan concerning Naval Submarine Bases New London and Kings Bay). The personnel requirements augment the programmed work force at the receiving sites to accomplish the required maintenance. This result has been thoroughly analyzed and evaluated for accuracy by the Industrial Joint Cross Service Group. The result makes sense given the economies of scale at the receiving facilities to accept the additional maintenance, the future workload and programmed personnel at the receiving sites.
- Additionally, the Community's COBRA not only included the additional \$50 million of annual recurring cost, but also eliminated the savings from the recommendation COBRA, thereby double counting this additional recurring cost.
- The DON acknowledges an approximate increase of \$1.2 million of annual recurring cost, which should be included in the COBRA analysis to reflect the 32 additional civilian personnel.

***Additional Electric Boat Overhead (\$50 Million/Year)***

*EB currently performs submarine overhaul and repair work at its shipyard in Groton. As EB President Casey testified at the July 6 hearing, this work absorbs \$50 million of total EB overhead per year. If this work were lost, this overhead cost necessarily would be applied to new submarine construction.*

- The Community's estimate of \$50 million/year in overhead is nearly equal to the entire value of the maintenance contracts that would be impacted by the closure. The fixed overhead associated with the New London submarine maintenance support is approximately \$9M in FY 2005. The actual value that would be applied to other contracts would depend on the value of contracts in place at the time of execution and would be appropriately absorbed by those contracts.
- Attached is a letter response to Representative Simmons addressing this issue.

- The \$50 million/year of additional overhead is a clear overstatement and should not be included in the COBRA analysis.

***Discussion Point: DoD Net Present Value Discount Rate***

*The attached Connecticut COBRA run uses the DOD discount rate of 2.83% to determine Net Present Value (NPV). While we have not changed this value in our run, we strongly note that for debt financed economic evaluation, the correct discount rate is not the forecasted inflation rate, but rather the cost of money to the borrowing entity. For the federal government, this should be at least the cost of debt financing, such as the ten-year treasury rate, currently at about 4.25%.*

*Using a higher discount rate lowers the savings or costs in terms of NPV. In other words, the value of a future dollar today depends on the cost of achieving that dollar savings. If the cost requires the issuance of debt, then the cost of acquiring that money must be included in evaluating that future revenue stream. That cost diminishes the value of that future dollar above the simple cost of inflation. The difference between 2.83% and a 4.25% discount rate in a cost benefit analysis such as COBRA DON-0033B is that the higher rate diminishes the value by about \$300 million in the Navy COBRA run.*

- The standard reference for calculating future value of government costs and savings is Office of Management and Budget (OMB) Circular No. A-94, "Discount Rates to Be Used in Evaluating Time-Distributed Costs and Benefits," dated March 27, 1972. For BRAC 2005, OSD directed the military departments and the joint cross-service groups to use the average of the 10-year and 30-year Real Treasury Interest Rates as published by OMB in January 2005, as the discount rate for COBRA analyses. Therefore, the discount rate used for all DOD BRAC scenarios is 2.8 percent (10-year rate is 2.5 percent and the 30-year rate is 3.1 percent).



**DEPARTMENT OF THE NAVY**  
 OFFICE OF THE SECRETARY  
 1000 NAVY PENTAGON  
 WASHINGTON DC 20350-1000

26 July 2005

Mr. Michael Regan  
 505 Hudson Street  
 Hartford, CT 06106

Dear Mr. Regan:

This is a response to your June 27, 2005 request for information regarding the tools used to assess the economic impact of the proposed BRAC recommendations and infrastructure for Naval Submarine Bases New London and Kings Bay. This response has been coordinated with the Commander, Fleet Forces Command.

*Known Errors*

*During the 6/24/05 teleconference you mentioned that you know of 4 errors.*

- 1. Please tell us what those four known errors are.*
- 2. Please tell us of any other errors that have come to your attention since the teleconference.*

During the week of 27 June in a telephone conversation between Mr. Gabe Stern, your staff, and CDR Steve Cincotta the following information was provided:

The DON review of the DON-0033R COBRA run, identified four discrepancies in the final report:

1. COBRA Screen Three: Transfer of Personnel from New London to Kings Bay one (1) civilian indicated in FY06 is should actually be allocated to FY08 making the FY08 total 32 vice 31.
2. COBRA Screen Six: Base Personnel Information. The 37 civilians gained in FY08 at Kings Bay should be doubled (two separate set of 37 bodies for different functions) bringing the total to 74 in FY08.
- 3/4. COBRA Screen Six: Base Personnel Information. The personnel reported gained for Norfolk Naval Shipyard in FY10 and FY11 appear to be in error (should read 61 in FY10 and 40 in FY11 vice 64 and 42 respectively).

*Economic Impact Analysis*

*Data*

*Vendor Data*

*Please provide a list of vendors that supply goods or services or do work for or at the New London Sub Base (e.g., construction) for the past three years (please break data out by year). For each vendor please state their location (address: zip code or town) and the dollar value of business conducted with each vendor.*

This information was not collected or used as part of the BRAC process. The compact disk, which is included, provides a partial list of vendors.

*Spousal Employment*

*Please provide the number of spouses (and working age dependents) of military personnel stationed at the New London Sub Base employed in the private sector.*

This information was not collected in the BRAC process and is not readily available.

*Private Schools*

*Please provide the number of federal civilian and military dependents stationed at the New London Sub Base that attend private school. Please organize the data according to the following grade groupings: K-5, 6-8, 9-12.*

This information was not collected in the BRAC process and is not readily available.

*Public Safety Services*

*Please provide the following data regarding public safety services provided to surrounding communities by the New London Sub Base:*

- 1. Number of public safety related calls answered off the Sub Base and outside of the military housing area. Please separate by category (fire, HAZMAT, police, medical, etc).*
- 2. Please provide the annual cost or dollar value of answering these calls.*

This information was not collected in the BRAC process. The only available uncertified data at this time is for CY05. Cost data is not available. The following number of calls were answered:

Fire: 185 HAZMAT: 61 EMS: 106

*Services to Veterans and Military Retirees*

*Please provide the following information regarding services to Veterans and Military Retirees:*

- 1. A list of services provided to Veterans and Military Retirees by/at the New London Sub Base.*
- 2. The number of Veterans and Military Retirees that use services provided by/at the New London Sub Base annually.*
- 3. The cost or value of providing these services*
- 4. The dollar value of these services to Veterans and Military Retirees*

This information was not collected in the BRAC process. Attached with the compact disc is a document containing a partial list of available veteran and retiree services. Please note that veterans and retirees are also allowed to use the general base support services (exchange, commissary, medical, dental, MWR, etc). Breakout data for amount of usage is not available.

*Comparative Data*

*Please provide reproducible aerial photo(s), with scale noted, of the existing piers to be used for attack subs in New London, Kings Bay and Norfolk. Please provide reproducible aerial photo(s), with scale noted, of the existing piers to be used for attack subs in New London, Kings Bay and Norfolk*

Aerial photos of the submarine piers at Naval Submarine Bases New London, Kings bay and Norfolk are provided in the attached disk.

*Modeling**EIT (The Web Based Model/Tool)*

*Please provide a copy of or access to the EIT used in the economic impact analysis and the data used to obtain the results reported in BRAC Report volume 2 for the New London Sub Base.*

The Economic Impact Tool (EIT) was used by all DoD organizations to assess the economic impact of proposed BRAC recommendations on existing communities in the vicinity of military installations. The process used to determine economic impact is described in further detail in the "Economic Impact Joint Process Action Team Report" which is available accessible through the Internet at <http://www.jpateit.org>.

The military, civilian, and student data used to obtain the results for the Submarine Base New London can be found in the Economic Impact Report of the COBRA run associated with its recommendation. The New London extract from that report is provided below:

## SUBBASE NEW LONDON, CT (N00129)

	2006	2007	2008	2009	2010	2011	Total
Jobs Gained-Mil	0	0	0	0	0	0	0
Jobs Lost-Mil	49	89	1,322	29	1,483	2,554	5,526
NET CHANGE-Mil	-49	-89	-1,322	-29	-1,483	-2,554	-5,526
Jobs Gained-Civ	0	0	0	0	0	0	0
Jobs Lost-Civ	1	113	78	15	68	677	952
NET CHANGE-Civ	-1	-113	-78	-15	-68	-677	-952
Jobs Gained-Stu	0	0	0	0	0	0	0
Jobs Lost-Stu	0	0	71	0	49	1,447	1,567
NET CHANGE-Stu	0	0	-71	0	-49	-1,447	-1,567

The direct contractor data, by year, entered into the EIT follow:

	2006	2007	2008	2009	2010	2011
Direct Contractor	0	+3	-100	-92	-97	-120

The complete COBRA run for Candidate Recommendation DON-0033R Closure Naval Submarine Base New London can be located at the BRAC Commission website. <http://www.brac.gov>.

*IMPLAN*

*Please provide a description of the version (including structural matrices and region data dates) and the configuration of the IMPLAN model used that includes (but is not limited to):*

1. *Was it a county model or a zip code derived model?*

The county IMPLAN model was used to estimate multipliers for each relevant Region of Influence (ROI) using 2001 data and structural matrices.

2. *If it was a county model please provide a list of the counties included.*

Counties within the relevant ROIs were used as listed in the appendix to OMB Bulletin 04-03 (available online at [http://www.whitehouse.gov/omb/bulletins/fy04/b04-03\\_appendix.pdf](http://www.whitehouse.gov/omb/bulletins/fy04/b04-03_appendix.pdf)).

County models were not available for Puerto Rico and Guam; upon the advice of an independent review panel, results from the Key West-Marathon, FL, Micropolitan Statistical Area (Monroe County, FL) were used as a proxy for multipliers for the San Juan-Caguas-Gaunabo, PR Metropolitan Statistical Area, and results from the Honolulu, HI, Metropolitan Statistical Area (Honolulu County, HI) were used as a proxy for the Guam ROI.

The OMB Bulletin 04-03 appendix (p. 47) states that the part of Sullivan City, MO, that is within Crawford County, MO, is a part of the St. Louis, MO-IL, Metropolitan Statistical Area, per P.L. 100-202, Section 530. Since a county model was used, all of Crawford County was included in the MSA

3. *If it was a zip code model please provide a list of the zip codes included.*

A zip code model was not used.

*Region Of Influence (ROI)*

*With regard to the "ROI"*

1. *Was any effort made to equalize the ROI when different bases had very different size MSA's?*

The absolute number of job changes was reported for each base. This allowed for a comparison of the size of the impacts relative to other bases, irrespective of ROI size.

A second key metric reported was the number of job changes as a fraction of ROI employment. The fact that the ROIs had very different populations and numbers of jobs was important to the analysis, and therefore was not modified in any way.

The statistical areas used for ROI were core areas and adjacent territory determined by the OMB to have "a high degree of social and economic integration" as measured by commuting ties. (OMB Bulletin 04-03 Appendix, page 2.)

2. *Why wasn't the Brunswick, GA MSA used for Kings Bay?*

Kings Bay is not located within the Brunswick, GA, MSA in accordance with the OMB Bulletin 04-03.

a. *What was the rationale for not using it?*

Naval Submarine Base Kings Bay is within Camden County, GA, which according to OMB Bulletin 04-03 (appendix, page 89) is in the St. Mary's, GA, Micropolitan Statistical Area. The Brunswick, GA, Metropolitan Statistical Area (MSA) (appendix, page 27) comprises Brantley County, Glynn County, and McIntosh County.

b. *Were simulations run to determine if it influenced the final outcome?*

The Department did not conduct simulations of installation impacts using alternate MSAs. We developed a process to assign installations to MSAs using existing guidance (i.e., OMB Bulletin 04-03) and remained consistent in the application of that process.

*Data Calls*

*With regard to data collection for the individual facilities:*

1. *Did all of the tenant commands at New London, Kings Bay and Norfolk provide data; if not, which commands did not provide data?*
2. *If an individual command did not provide data, how was the data generated? If generate by others how was the data verified?*

The following DON activities provided data used in the analysis process for the New London, Kings Bay, Norfolk Candidate Recommendation (also known as DON-0033R):

CENSUBLEARNING_GROTON_CT	COMPLTFORCOM_NORFOLK_VA
COMNAVREG_MIDLANT_NORFOLK_VA	COMNAVREG_NE_GROTON_CT
COMSUBGRU_TWO IAT FROZEN	NAVILTHCARE_NEW_ENGLAND_NEWPORT_RI
NAVOPMEDINST_PENSACOLA_FL	NAVSECGRUACT_GROTON_CT
NAVSECGRUACT_NORFOLK_VA	NAVSHIPYD_NORFOLK_VA
NAVSTA_NORFOLK_VA	NAVSUBMEDRSCHLAB_NEW_LONDON_CT
NAVSUBSCOL_GROTON_CT	NAVSUBSUPPFAC_NEW_LONDON_CT
NSHS_PORTSOUTH_VA	SIMA_NORFOLK_VA
SUBASE_KINGS_BAY_GA	SUBASE_NEW_LONDON_CT
SUBTRAFAC_NORFOLK_VA	TRITRAFAC_KINGS_BAY_GA

	TRIREFAC_KINGS_BAY_GA
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Refer to DoD Question #590 of each of these activities for a complete Tenant list. For tenants not listed above, parent commands as indicated in DoD #590 were responsible for coordinating and providing applicable responses.

3. *Please identify each instance where facility (or other) data was submitted but not used or modified by those using COBRA or any other analysis. Please provide the rationale for each deviation.*
4. *Please provide a list of all default values used in the COBRA model.*
5. *Please describe the criteria to decide whether to use a default COBRA value.*

Pertaining to the closure of Naval Submarine Base New London, all data used in the COBRA analysis was certified data as described in the footnotes contained in the COBRA input. Default COBRA Model values for facilities were used with the exception of those were certified Total Cost were reported based on exceptional requirements for a given facility which would not be accurately accounted for in the Department of Defense Facility Pricing Guide.

All default values in the COBRA Model can be found within the model itself which is available via the [www.defenselink.mil/brac](http://www.defenselink.mil/brac) website.

#### *Housing*

*Please provide a copy of the executed contract between the federal government/Department of Defense/Navy and (believed to be) GMH for the privatization of the military housing at the New London Sub Base.*

The Real Estate Ground Lease and Conveyance of Facilities contains all the terms and conditions regarding the long-term lease of Government-owned land and the transfer of title to the improvements (housing). A copy of the ground lease executed between the Navy and GMH Military Housing – Navy Northeast LLC is attached.

*In past BRAC rounds, the federal government has had to compensate similar companies in similar contracts for lost revenues, breach of contract, etc. as a result of any installation realignment and/or closure actions. If so, what did each cost?*

None of the previous BRAC rounds involved contracts similar to those executed, using the military housing privatization authorities (which were enacted in 1996).

*Please provide all documents related to similar privatization efforts at Kings Bay and/or Norfolk.*

Housing privatization agreements, involving Kings Bay and Norfolk, have not been executed. We plan to execute agreements involving Norfolk housing in August 2005 but those documents have not been finalized.

**Kings Bay Data**

*Schools in the region that serve the base will likely need to grow significantly to serve the expanded base population. Has this been considered and if so, where is this additional expense defined in the COBRA?*

The COBRA analysis of the Naval Submarine Base New London does not include specific costs for the local community to build new schools.

*The existing hospital facility may need to be expanded to serve the health care needs of the expanded base. Has this been confirmed and if so were these costs identified in the COBRA*

Naval Submarine Base Kings Bay COBRA analysis includes costs associated with the construction of a new Medical Treatment Facility on board the installation in consideration of an increase in military medical health care services.

*There have been reports of salt-water infiltration to the water supply system North of Camden County. Please confirm the validity of these reports and whether an impact and cost analysis has been done. If this is the case what is the cost? Was this included in COBRA?*

Installation engineers are not aware of saltwater infiltration into the water supply system North of Camden County. Regardless, Naval Submarine Base Kings Bay does not receive potable water from outside sources. The installation generates potable water from groundwater via the Floridian aquifer. There has been no saltwater infiltration into the base's water supply system.

*The frequency of dredging needed at Kings Bay is already significant. Will the addition of more subs increase the size of the area that needs to be dredged? If so, by how much and what will the additional cost be? Was this considered? If so where is it reflected in COBRA?*

One time dredging costs for construction/refurbishment are included for the Auxiliary Repair Drydock – Medium within the \$5.7M amount as provided in the fleet certified data. For recurring dredging, no additional dredging will be required. The area is already dredged to the depth of 46' and 41' with a maintained depth of 42' and 37'. The enclosed image applies (green line along the pier area indicates the area already being dredged).

*There is a notable absence of large businesses near the Kings Bay Base to accommodate spousal employment and career needs. This is in significant contrast to Groton Ct. where such opportunities are prevalent. Has this socioeconomic factor been considered in the decision-making process or cost included to bolster the local economy?*

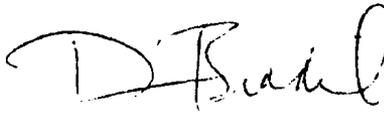
Questions considering employment and career needs are considered in Criterion Seven. The Joint Process Action Team Criterion Seven (JPAT 7) identified three attributes and developed questions to collect data from DoD activities. Three attributes: Cost of Living, Employment and Education address the community's existing capacity to support current and potential additional forces, missions, and personnel. The JPAT 7 Report

describing the process methodology and approach in collecting this data is available at <http://www.defenselink.mil/brac/minutes/action/01-Com-Infrastructure-JPAT-Report-5-13-05.pdf>. DON narrative reports which summarize activity responses is available at the same website by selecting "Department of Navy" Zip File (29MB).

Employment questions were developed to provide a relative indicator of job availability in the local community, education questions were developed to provide an indicator of the intellectual capital in the local community and the cost of living questions were developed to provide an indicator of the cost of continuing and higher education. Specific costs to bolster the local economy of Kings Bay, GA, were not considered.

I trust this information satisfactorily addresses your concerns. If we can be of further assistance, please let me know.

Sincerely,



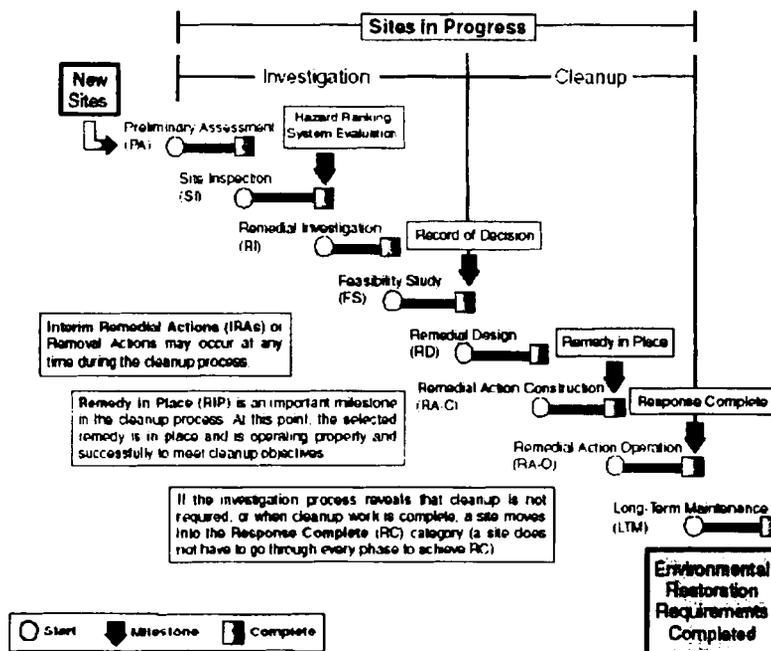
for Anne Rathmell Davis  
Special Assistant to the Secretary of the Navy  
for Base Realignment and Closure

Attachments:  
As Stated

Copy to:  
The Honorable Rob Simmons

The Department of the Navy carefully considered the impact of costs related to potential environmental restoration by using the Defense Environmental Restoration Program (DERP) costs funded through the Defense Environmental Restoration Account (DERA). These were chosen because they were a source of known, pre-existing environmental restoration projects that could be certified. The DERP follows Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), passed by Congress in 1980, which established a requirement and a framework for the identification, investigation, and cleanup of hazardous substances resulting from past practices. The CERCLA approach, which the DoD uses for all DERP sites, is outlined

Figure 13  
CERCLA Environmental Restoration Process Phases and Milestones



below:

Partnership between the Department of the Navy, the states, and other Federal agencies facilitates the successful environmental cleanup at Department of the Navy installations. The Department of the Navy has continually involved the EPA and the state of Connecticut in planning and implementation of the environmental cleanup and restoration activities at NSB (NSB) New London.

The Department of the Navy has a Federal Facility Agreement (FFA) signed in January 1995 with U.S. Environmental Protection Agency (EPA) and the then State of Connecticut Commissioner for the Department of Environmental Protection, to involve the EPA in the environmental restoration process by detailing the agency's and the State's roles in the environmental restoration process at NSB New London. Since, NSB New London is a DERP installation, the Department of the Navy follows the CERCLA process. State standards and regulations are taken into account depending on their applicability and appropriateness to the cleanup. The FFA notes in pertinent part:

[From the Purpose of Agreement section of the FFA between the EPA, the State of Connecticut and the Department of the Navy regarding NSB New London]:

*“(i) Provide for the appropriate involvement by the State in the initiation, development, selection and enforcement of Remedial Actions to be undertaken at the NSB New London (NSBNL), including the review of and comment on all applicable data as it becomes available; consultation regarding studies and reports; the development of action plans and other deliverables; and identification and integration of State ARARs\* for the Remedial Action process; “*

*(\*ARARs- Applicable, Relevant and Appropriate Requirements)*

Additionally, the Department of the Navy has a Defense and State Memorandums of Agreement (DSMOA) with the State of Connecticut. DSMOA establishes an ongoing partnership between the state and DoD. DSMOAs, which facilitate active state participation in DoD's cleanup program, provide the states with funding to reimburse their contributions to DERP. DoD provides reimbursement to the states for technical services for up to one percent of DERA and one and one half percent of BRAC costs. Additionally, DSMOAs specify that DoD will reimburse states for regulatory oversight provided in support of Federal environmental restoration activities at DoD installations. Acceptance of these funds indicates state regulatory involvement in the DoD DERP program. The current DSMOA that the Department of the Navy has with the State of Connecticut was signed in April 1998, and the State of Connecticut was reimbursed for less than \$1 million for FY04 (from the *Defense Environmental Programs Fiscal Year 2004 Annual Report to Congress*). Through FY95 through FY04, the state of Connecticut has received DSMOA funding for actions at DoD installations ranging from \$1.5M to less than \$1M annually. After signing a DSMOA, the State of Connecticut and the Department of the Navy enter into a 2-year cooperative agreement (CA) that outlines the activities the state will perform and the funding it will receive. The current CA for the State of Connecticut was signed in July 2004 and lasts until June 2006.

The remaining \$23.9 million listed as Cost to Complete for NSB New London from DERA the pays for the Cost to Complete (CTC) clean-up, yearly inspections, groundwater monitoring and any anticipated long-term monitoring and maintenance associated with the cost at 10 remaining sites identified at NSB New London. "Clean-up" under DERP is undertaken on a "clean to current use" standard, which in the case of New London is industrial. Of the 23 CERCLA sites originally identified at NSB New London, 13 sites have been cleaned up including 3 landfill sites that have been capped. The three-landfill sites that are capped include on-going groundwater monitoring and yearly inspections. Monitoring at these sites was planned for 30 years. The first site monitoring began in 1998 and the other landfill sites began in 1999 and 2001.

A specific summary of the current, as of Fall 2004, installation restoration costs at NSB New London is provided below:

**NSB NEW LONDON, CT**  
**INSTALLATION RESTORATION PROGRAM (CTC Data as of President's Budget**  
**Submission-Fall 2004 submission)**

<u>IR Sites</u>	<u>CTC Costs*</u>	<u>CTC Details</u>
Site 2 - Area A Landfill	\$1,682,100	Site has been capped. Estimate is based upon current costs for O&M of the cap.
Site 3 - Area A Downstream	\$1,673,610	Site has been remediated. Estimate is based upon current costs to monitor and maintain the wetlands restoration.
Site 6 - DRMO	\$1,547,428	Site has been capped. Estimate is based upon current costs for O&M of the cap.
Site 7 - Torpedo Shops	\$1,367,871	The ROD stipulates that the soil will be excavated and disposed off-site. GW will be monitored.
Site 8 - Goss Cove Landfill	\$2,008,811	Site has been capped. Estimate is based upon current costs for O&M of the cap.
Site 10 - Fuel Oil Storage Tanks (Lower NSB)	\$2,478,238	This CTC is based on in-situ type clean up alternatives (soil vapor extraction, air sparging) and enhanced bioremediation.
Site 11 - Power Plant Oil Tanks (Lower NSB)	\$2,189,184	This CTC is based on in-situ type clean up alternatives (soil vapor extraction, air sparging) and enhanced bioremediation.
Site 13 - Building 79 Waste Oil Pit (Lower NSB)	\$2,156,649	This CTC is based on in-situ type clean up alternatives (soil vapor extraction, air sparging) and enhanced bioremediation.
Site 14 - Overbank Disposal Area Northeast	\$86,105	This CTC is costs associated with preparing a no further action ROD.
Site 17 - Building 31 (Lower NSB)	\$955,169	This CTC is based on excavation of lead contaminated soil and disposal off-site.
Site 19 - Solvent Storage Area (Lower NSB)	\$800,503	This CTC is based on excavation of lead contaminated soil and disposal off-site.
Site 21 - Berth 16 (Lower NSB)	\$1,249,386	This CTC is based on excavation of lead contaminated soil and disposal off-site.
Site 22 - Pier 33 (Lower NSB)	\$1,744,016	This CTC is based on excavation of lead and TPH contaminated soil and disposal off-site.
Site 24 - Building 174 (Lower NSB)	\$1,289,693	This CTC is based on excavation of PAH and TPH contaminated soil and disposal off-site.
Site 25 - Lower Base Incinerator (Lower NSB)	\$1,786,019	This CTC is based on excavation of lead contaminated soil and disposal off-site.
UST 01 - Dolphin Mart	\$84,857	This CTC is 3 years of monitored natural attenuation.
UST 05 - Mitchell Manor (NY)	\$42,967	This CTC is 1 year of monitored natural attenuation.

**NSB NEW LONDON, CT  
STATE OF CONNECTICUT ARARS**

<b>Requirement</b>	<b>Citation</b>	<b>Status</b>
Remediation Standard Regulations	CSG 22a-133k; RCSA 22a-133k - 1 through 3	Applicable
Hazardous Waste Management: Generator and Handler Requirements, Listing, and Identification	RCSA 22a-449(a) 100-101	Applicable
Hazardous Waste Management: Treatment, Storage or Disposal Facility Standards	RCSA 22a-449(b) 104	Applicable
Hazardous Waste Management: Generator Standards	RCSA 22a-449(c) - 102	Applicable
Connecticut Guidelines for Soil Erosion and Sediment Control	Connecticut Council on Soil and Water Conservation	To Be Considered
Water Quality Standards	CSG 22a-426	Applicable
Inland Wetlands and Watercourses	CSG 22a-37 through 45; RCSA 22a-39-1 through 15	Applicable
Water Pollution Control	RCSA 22a-430-1 through 8	Applicable
Coastal Management Act	CSG 22a-90 to 112	Applicable
CT Endangered Species Act	CSG 26-303 to 314	Applicable
State Hazardous Waste Management: Interim Status Facilities and Groundwater Monitoring Requirements, Closure and Post-Closure Requirements	RCSA 22a-449(d) 105	Relevant and Appropriate
State Solid Waste Management	RCSA 22a-209-1 to 15	Applicable
Safe Storage of Oil and Chemical Liquids	RCSA 29-337-1 to 3	Applicable
Air Pollution Control - Control of Organic Compound Emissions	RCSA 22a - 174-20	Applicable
Air Pollution Control - Control of Odors	RCSA 22a-174-23	Applicable
Air Pollution Control - Control of Hazardous Air Pollutants	RCSA 22a-174-29	Applicable
Air Pollution Control - Control of Particulate Emissions	RCSA 22a-174-18	Applicable
Connecticut Water Diversion Policy Act	CSG 22a-365 to 378	Applicable
Tidal Wetlands	RCSA 22a-30-1 through 17	Applicable
Control of Noise Regulations	RCSA 22a-69-1 through 7.4	Applicable

Notes: CSG = Connecticut General Statutes  
RCSA = Regulation of Connecticut State Agencies

**NSB NEW LONDON, CT  
FEDERAL ARARS**

<b>Requirement</b>	<b>Citation</b>	<b>Status</b>
Cancer Slope Factors		To Be Considered
Reference Dose		To Be Considered
Clean Water Act: Section 402, National Pollution Discharge Elimination System	33 USC 1342 40 CFR 122 through 125	Applicable
Clean Water Act: Section 404	33 USC 1344; 40 CFR Part 230 and 33 CFR Parts 320-323	Applicable
Executive Order 11990: Protection of Wetlands	Executive Order 11990, 40 CFR Part 6, Appendix A	Applicable
Executive Order 11988: Floodplain Management	Executive Order 11988	Applicable
Fish and Wildlife Conservation Act	16 USC Part 661 et seq.; 40 CFR Section 6.302	Applicable
Coastal Zone Management Act	16 USC Parts 1451 et seq.	Applicable
Federal PCB regulation under TSCA	40 CFR Part 761	Applicable
RCRA - General requirements	40 CFR Part 264 Subpart A	Relevant and Appropriate
RCRA - Preparedness and Prevention	40 CFR Part 264 Subpart C	Relevant and Appropriate
RCRA - Contingency Plan and Emergency Procedures	40 CFR Part 264 Subpart D	Relevant and Appropriate
RCRA - Releases from Solid Waste Management Units	40 CFR Part 264 Subpart F	Relevant and Appropriate
RCRA - Closure and Post-Closure Requirements	40 CFR Part 264 Subpart G	Relevant and Appropriate
Clean Air Act - National Emissions Standards for Hazardous Air Pollutants (NESHAPs)	40 CFR Part 61	Relevant and Appropriate
Clean Air Act - Non-methane organic compounds NMOCs	Proposed Rule - 56 FR 24468, to be codified at 40 CFR Part 60 Subpart WWW	To Be Considered
USEPA Technical Guidance Final Covers on Hazardous Waste Landfills and Surface Impoundments	EPA/ 530-SW-89-047	To Be Considered
Water Quality Criteria for DDT and Metabolite	EPA 440-80-038	To Be Considered
Technical Basis for Deriving Sediment Quality Criteria for Non-Ionic Organic Contaminants for Protection of Benthic Organisms by using Equilibrium Partitioning	EPA-822-R-93-011	To Be Considered
NOAA Incidence of Adverse Biological Effects within Ranges of Chemical Concentration in Marine and Estuarine Sediments	Long et al.	To Be Considered
Guidance on Remedial Actions for Superfund Sites with PCB Contamination	OSWER Directive 9355.4-01	To Be Considered

Notes: USC = United States Code; CFR = Code of Federal Regulations



# **COMSUBGRU TWO**

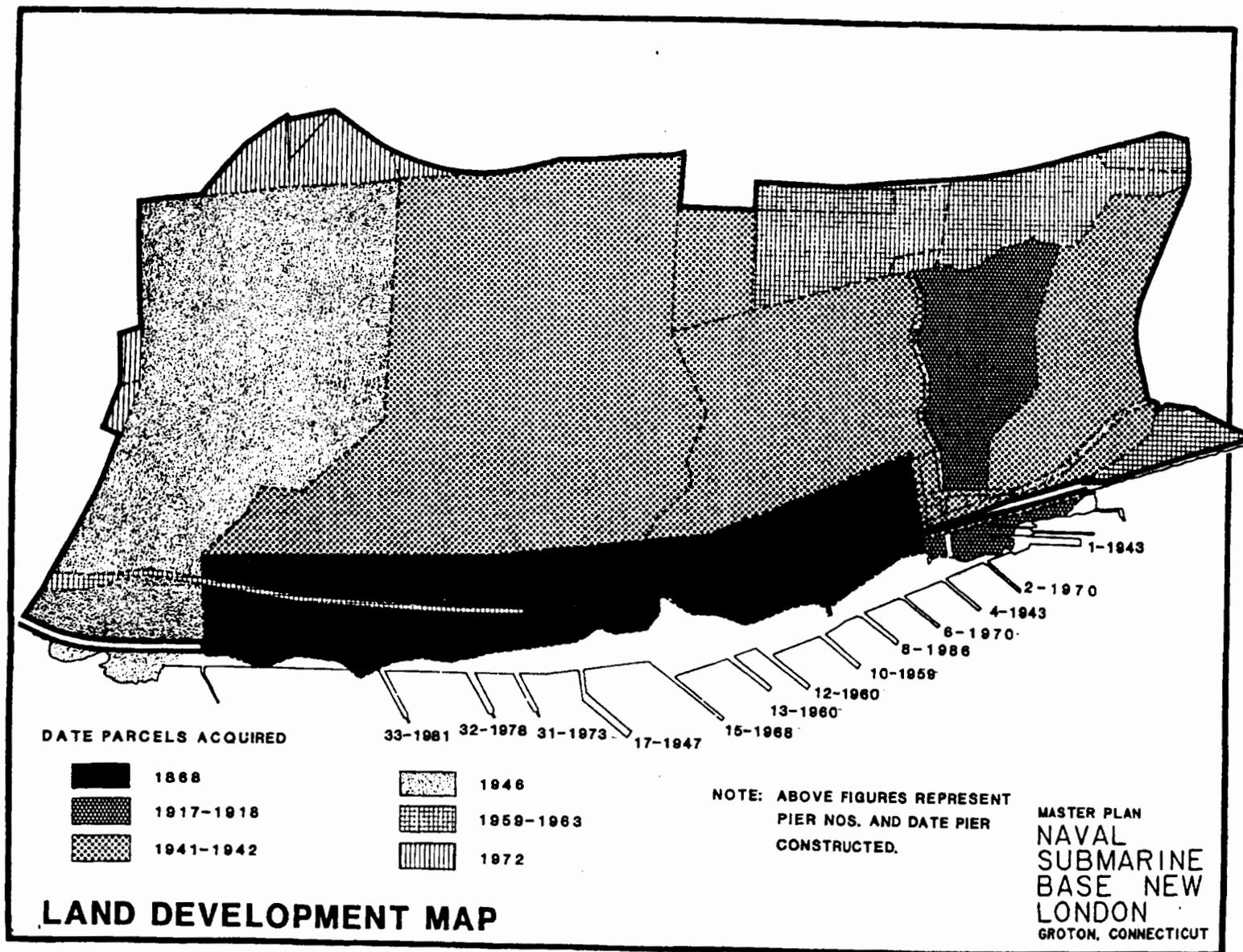
## **Force Structure**

**Draft Deliberate Document For Discussion Purposes Only Do Not Release Under FOIA**

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- **30 SSNs/5 Submarine Squadrons**
  - **18 SSNs/3 Squadrons based in New London, CT**
  - **12 SSNs/2 Squadrons based in Norfolk, VA**
- **3 New Construction SSN**
  - **PCU Texas (SSN775) – Northrop Grumman Newport News (VA)**
  - **PCU Hawaii (SSN 776) – Electric Boat (CT)**
  - **PCU North Carolina (SSN 777) – Northrop Grumman Newport News (VA)**
- **Nuclear Power Research Submarine NR1**
  - **Based in New London, CT**
  - **One of a kind vessel**
- **Support Infrastructure**
  - **2 Naval Submarine Support Centers - New London, CT and Norfolk, VA**
  - **Regional Support Group - New London, CT**
  - **Naval Submarine Torpedo Facility – Yorktown, VA**

# SUBASE Land Development History



7G-2

PLATE 7G-2

### Military Value Scoring Surface-Subsurface Function

Ranking	DoN Activity	Military Value
1	NS PEARL HARBOR HI	74.50
2	NS NORFOLK VA	67.51
3	NAVSHIPYD NORFOLK VA	64.03
4	SUBASE KINGS BAY GA	63.51
5	NS BREMERTON WA	63.25
6	SUBASE BANGOR WA	62.98
7	NS SAN DIEGO CA	61.43
8	NAS NORTH ISLAND CA	59.68
9	SUBASE SAN DIEGO CA	58.29
10	NAVMAG PEARL HARBOR	58.24
11	NAB LITTLE CREEK VA	55.90
12	NS MAYPORT FL	55.71
13	NS EVERETT WA	50.68
14	SUBASE NEW LONDON CT	50.68
15	NAVSHIPYD PORTSMOUTH NH	48.21
16	COMNAVMARIANAS GU	47.67
17	NAS PENSACOLA FL	45.85
18	BLOUNT ISLAND CMD JAX FL	45.78
19	WPNSTA YORKTOWN VA	44.91
20	WPNSTA CHARLESTON SC	43.31
21	NB VENTURA CTY PT MUGU CA	42.86
22	NS NEWPORT RI	42.36
23	NS INGLESIDE TX	42.23
24	NAS KEY WEST FL	40.59
25	WPNSTA EARLE COLTS NECK NJ	39.07
26	NAVORDTESTU CARE CANAVERAL FL	37.71
27	NS PASCAGOULA MS	37.08
28	NSA PANAMA CITY FL	33.73
29	WPNSTA SEAL BEACH at CONCORD CA	30.82

Summary Stats:	
Max:	74.50
Min:	30.82
Range:	43.68
Mean:	50.64
Median:	48.21
Std Dev.	10.97

Shaded Activities Represent "Non-Active" Bases

## QUESTIONS FOR THE RECORD - GAO

1. As GAO notes in its report (p. 105), most of the projected recurring savings from the closure of Submarine Base New London would come from the elimination of billets there. Some 1,500 billets would be eliminated, including 743 civilian billets, which is about 80% of the total civilian billets at the base.

Question: Is GAO satisfied that:

(i) The Navy conducted a sufficiently rigorous analysis to justify the elimination of so many billets at New London?

(ii) The information developed in the data calls was properly verified by the Naval Audit Service and at higher echelons in the chain of command of the bases involved?

2. On July 6<sup>th</sup>, this Commission received sworn testimony that closure of Submarine Base New London could dramatically impact submarine shipbuilding costs. In fact, John Casey, President of the nation's primary submarine contractor, General Dynamics-Electric Boat testified that New London's closure could result in additional procurement costs of up to \$50 million per year. The additional costs would come from Electric Boat's inability to deflect overhead costs to maintenance contracts it currently fulfills at the base.

Question: Did you find any evidence that the Defense Department considered these additional costs in its BRAC analysis?

3. GAO points out in its report (p. 103) that uncertainty remains over the Navy force structure. This is particularly true with regard to attack submarines. This uncertainty was one of the factors pointed to by GAO as perhaps warranting additional attention from this Commission.

Question: Does GAO have concerns that, in the face of such uncertainty, a decision to close a base like New London would have the effect of restricting the Navy's flexibility regarding long-term submarine requirements since we would now have only two East Coast bases to homeport, train, and maintain them?

4. On June 6, the Connecticut delegation testified that the Navy's cost estimate for moving the Submarine School to Kings Bay was understated. For example, they testified that: The Navy's school construction cost of \$211 per square foot is not consistent with recent experience averaged at \$325 per square foot - a \$47M difference; the Navy did not factor in the cost of reassembling and testing the submarine trainers - a \$31 million difference; the Navy did not factor in the 20 per cent additional costs associated with building on the unstable soil of Kings Bay - a \$30 million difference; and the Navy did not consider the costs of additional family housing units.

Question: Was the GAO able to verify the accuracy of the Navy's cost estimates of moving SUBSCOL in light of these discrepancies?

---

5. An information package recently submitted to the BRAC Commission cited a legal opinion of the Connecticut Attorney General Richard Blumenthal, showing a unique arrangement between Connecticut and the Navy in terms of environmental clean-up. Assuming this opinion is valid, it would seem that, according to a 1994 agreement with that state, the Navy is to have already completed full environmental remediation before transferring the property over to another entity. Furthermore, Attorney General Blumenthal asserts that the Navy is required to turn over Submarine Base New London immediately to the state of Connecticut upon cessation of naval operations on that property.

Attorney General Blumenthal's opinion is on file with the BRAC Commission for GAO's review.

Question. Understanding that the Department of Defense did not take into account remediation costs in its closure analysis, how might the arrangement established between the state of Connecticut and the Navy constitute an extraordinary circumstance warranting consideration by this commission?

How might such an arrangement impact the cost projections of closing Submarine Base New London?

6. Connecticut has also asserted that it would take years to complete an adequate study of radioactive waste contamination at the site in order to determine what cleanup will be necessary.

Question. How might a delay in productive reuse of the site while the extent of necessary cleanup is determined and then performed affect the economic impact of base closure on surrounding communities, and how might that delay of unknown length constitute an extraordinary circumstance?

7. Question. What do you see as the successes and opportunities missed this BRAC round in terms of advancing jointness among the services and across common support functions? Did you see any improvements in this area this time compared to prior BRAC rounds?
8. Question. While each service cannot count the saving from the drawdown of overseas force structure as part of BRAC, what is your view on reapplying these saving to the cost of executing BRAC restationing implementation costs?
9. Question. Does GAO believe that military value is enhanced and efficiencies gained with the Army running an airfield that will have the same level of training activity or more (with the addition of an additional BCT to the 82d Airborne Division) in the future?
10. Question. Does GAO have any observations or comments on the loss of already existing synergies, joint culture and joint-contingency operations planning capabilities between Pope AFB and Ft Bragg?

11. Question. Does GAO have any observations on the TDY costs associated with a requirement to increase the flow of lift aircraft into Pope to support daily Army and Air Force training requirements?
  
12. Question. How would you assess the success of DOD's recommendations toward reducing excess capacity within the department? Do you have any observations on where DOD ended up compared with the attention given to DOD's data more than a year ago projecting excess capacity in the 25 percent range?

Executive Correspondence  
DCN 2204



**DEPARTMENT OF THE NAVY**

COMMANDER, NAVY REGION NORTHEAST  
BOX 101 NAVAL SUBMARINE BASE NEW LONDON  
GROTON, CT 06349-5101

 **RECEIVED**  
**06172005**

IN REPLY REFER TO:

5000  
Ser D00/  
31 May 2005

From: Commander, Navy Region Northeast  
To: Honorable Anthony J. Principi, Base Realignment and  
Closure Commission (BRAC)

Subj: NAVAL SUBMARINE BASE NEW LONDON BRAC BRIEFING

1. After our presentation to your BRAC Commission members, the group met to review. I am concerned that we may have left the impression that we believe that Submarine Base New London could accept additional submarines without additional infrastructure investment. To clarify Submarine Base New London would be able to accommodate additional submarines given investment in support infrastructure such as barracks, MWR facilities, etc.

  
ROBIN M. WATTERS  
RDML USNR  
Deputy

**Questions for the Government Accountability Office  
From Commissioner Lloyd Newton  
August 2005**

1. The majority of the Navy's claimed recurring savings at Naval Submarine Base New London come from billet reductions. Already, the GAO has indicated that the Navy included the elimination of 214 medical positions that were non-BRAC programmed reductions. Connecticut argues that the Navy included the elimination of Base Operating Support (BOS) billets that were achieved since the COBRA model's baseline date of September, 30, 2003.

Questions for GAO:

- Did the Navy take credit for, or “double count”, these BOS reductions in its BRAC savings estimate for New London?
- If so, please quantify any overstated savings included in the BRAC savings estimate.

2. Please confirm if the Navy COBRA model replaces the equivalent of 438 nuclear submarine maintenance contractors at Naval Submarine Base New London (~\$50 million per year) with 143 government employees at Kings Bay and Norfolk (~\$8 million per year).

According to Connecticut, in estimating DON-0033 costs and savings, the Navy: 1.) cut the number of submarine maintenance personnel by two-thirds for the same workload; and 2. used the actual New London rate (\$57 per hour) in estimating recurring savings at New London, and the COBRA model default rate (\$29 per hour) for a civilian government employee to calculate recurring costs at Kings Bay and Norfolk. (As a reference point, Norfolk Naval Shipyard responded in its original data call with a need for 207 billets at a rate of \$87 per hour.)

Questions for GAO:

- Are the Navy's estimates and assumptions realistic and accurate with respect to these assumptions on submarine maintenance personnel under DON-0033.
- If not, are the Navy's stating savings overstated? By how much?

3. An information package recently submitted to the BRAC Commission cited a legal opinion of the Connecticut Attorney General Richard Blumenthal, showing a unique arrangement between Connecticut and the Navy in terms of environmental clean-up. The 1994 agreement requires the Navy to complete the full environmental remediation of Naval Submarine Base New London before transferring the property over to another entity. Furthermore, the State of Connecticut Attorney General Blumenthal asserts that the Navy is required to turn over Submarine Base New London immediately to the state of Connecticut upon cessation of naval operations on that property.

Attorney General Blumenthal's opinion is on file with the BRAC Commission for GAO's review.

Questions for GAO:

- Did the Navy consider the potential impact of this agreement on its cost savings estimate for closing Naval Submarine Base New London?

- If not, how might this arrangement impact the cost projections of closing the base?

4. The State of Connecticut asserts that it would take years to complete an adequate study of radioactive waste contamination at the Naval Submarine Base New London in order to determine what cleanup will be necessary.

Questions for GAO:

- Did the Navy consider how a delay in the productive reuse of the site, while the extent of necessary cleanup is determined and then performed, would affect the economic impact of closing the base on surrounding communities?

RICHARD BLUMENTHAL  
ATTORNEY GENERAL



55 Elm Street  
PO Box 120  
Hartford, CT 06141-0120

Office of The Attorney General  
**State of Connecticut**

(860) 808-5318

July 15, 2005

The Honorable Christopher Dodd  
United States Senator  
SR-448 Russell Senate Office Building  
Washington, D.C. 20510-0702

The Honorable Joseph I. Lieberman  
United States Senator  
SH-706 Hart Senate Office Building  
Washington, D.C. 20510-0703

Dear Senator Dodd and Senator Lieberman:

On June 28, 2005, I sent you my Report of my research and conclusions concerning the BRAC process regarding the proposed closure of the Groton Submarine Base. Upon further study and review, I have updated one section of the report to clarify that the Federal Facilities Agreement (FFA), including provisions requiring the cleanup of contamination before the base can be transferred is clearly enforceable under federal law. Accordingly, I enclose a copy of my revised report, for you to use and to share with the Washington Group and the BRAC Commission as you deem appropriate.

I continue to be available to provide any requested supporting documentation or further information, and to discuss my research and conclusions.

Very truly yours,

  
RICHARD BLUMENTHAL

**REVISED (JULY 15, 2005)**  
**REPORT OF ATTORNEY GENERAL RICHARD BLUMENTHAL**  
**CONCERNING THE PROPOSED CLOSURE OF THE**  
**GROTON SUBMARINE BASE AND THE BRADLEY AIR NATIONAL GUARD**  
**UNIT**

## **I. INTRODUCTION**

This report summarizes serious deficiencies in the information and assumptions relied upon by the Department of Defense ("DOD") in making its recommendation to close the Submarine Base in New London. These deficiencies establish that the DOD recommendation is insupportable. The report focuses on environmental and other legal issues, because the DOD clearly has made unwarranted factual and legal assumptions about the nature, extent and cost of the environmental cleanup that will be legally required if this base is closed. In addition, DOD appears to have misunderstood the legal ownership status of the base.

These incorrect assumptions fatally undercut DOD's cost savings projections underlying its recommendation to close the Submarine Base. Exposing these errors should be a significant part of Connecticut's presentation in opposition to the ill-conceived plan to close the Submarine Base. Some of these errors, especially involving the Federal Facilities Agreement and the deed restrictions, involve rights that are legally enforceable.

In addition, the proposal to close the Bradley International Airport Air National Guard Unit violates federal law, which requires the consent of the Governor to be effective. Such a violation also involves legally enforceable rights.

## **II. ENVIRONMENTAL ISSUES**

### **A. Introduction to Environmental Issues**

Our report documents three major flaws in the DOD analysis leading to the recommendation to close the New London Submarine Base. Each flaw creates a major inaccuracy in DOD's projections concerning claimed cost savings from closure, or the DOD's analysis of the effects of closure upon the New London area economy.

- DOD has made erroneous projections of costs and estimated savings associated with the proposed closure of the base caused by inadequate and currently unavailable information of the extent and degree of potential radiological contamination at the base.
- DOD has failed to understand and calculate the true extent and cost of its legal obligations under a Federal Facilities Agreement ("FFA") unique to this base, which requires a high level of remediation *before* the base can be transferred, contrary to DOD's assumptions. The FFA creates legally enforceable rights for the state pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA").
- DOD has grossly underestimated the economic impact of closure on the communities surrounding the base, by ignoring the legal implications of the FFA on future reuse of the base if it were to be closed.

#### **B. DOD's cost projections for cleanup of radiological waste are totally unreliable**

Although, as explained below, the law clearly requires that remediation of this base must be completed *prior to its transfer*, DOD has plainly admitted that it knows little of the extent and nature of contamination, particularly radiological contamination on the northern part of the Submarine Base, and that it *cannot make an accurate or realistic assessment of the time and money required for complete remediation unless and until extensive radioactive assessments are done*. These additional radioactive waste assessments could take years to complete before the extent of radioactive contamination is determined. *Such assessments and resulting remediation would not be required if the base remained open*. According to the Navy: "(w)ere this facility to shut down, significant additional sampling and surveying would be performed prior to releasing the facility for unrestricted use." Letter March 6, 1996 from J. Tarpey, Acting Director, Radiological Controls, Department of the Navy, to Kymberlee Keckler, Remedial Project Manger, U.S. Environmental Protection Agency, Region I, p 32. This statement is later reaffirmed: "(t)he Navy acknowledges that additional characterization of both the buildings and environmental areas [for the presence of radioactive materials] would be necessary were the Sub Base to be shut down, consistent with practices at other closing Naval facilities." *Id.*, p. 36. Instead of basing potential closing costs on hard figures calculated from thorough testing, the Navy has attempted, as explained below, to extrapolate from the costs of cleaning up two significantly dissimilar bases to determine closing costs for the Groton Sub Base. Such estimates are obviously valueless in calculating savings.

In addition, the Navy has admitted numerous other shortcomings in its site investigations to date. These shortcomings further confirm the complete inadequacy of the Navy's knowledge of the extent of contamination at the base, and therefore, the inadequacy of any attempt to project realistic cleanup costs. For example:

- The Navy has admitted that it has examined for radioactive contamination only a small fraction of the Sub Base property -- less than nine hundred *thousand* of the 23 5 *million* square feet comprising the base, or about 4% of the total base area.
- The Navy has admitted that it has almost exclusively concentrated its radiological assessment in the southern part of the Sub Base, the 624,832 square feet of the base directly under the control of the Naval Nuclear Propulsion Program ("NNPP"). For the remainder of the base-- most particularly the northern portion of the base-- the Navy has completely inadequate information regarding the extent of the radiological contamination.
- The Navy has admitted that its estimates of the cost of decontaminating the Groton submarine base are extrapolations derived from the cleanup costs that it incurred at two very different bases -- Mare Island and Charleston. Those bases, to take but one example, have far fewer landfill and waste disposal sites that could contain radioactive waste than the Submarine Base at Groton, and yet the Navy has used Mare Island and Charleston closing costs to project cleanup costs for Groton. The Navy's "one size fits all" approach has no basis in fact or reality. Neither Mare Island nor Charleston can be used "to determine realistic closure cost estimates" for the Groton submarine base until Groton-specific contamination studies are done--studies the Navy has admitted will take years to complete.
- Very simply, the cost of clean-up at other bases is irrelevant to the cleanup of the Sub Base because the Navy does not know what contamination exists at Groton, and therefore cannot use Mare Island and Charleston for a comparison with Groton.
- The Navy admits that its radiological assessment of the Groton submarine base is incomplete. It is working on an update of its original 1997 Historical Radiological Assessment ("HRA"), an assessment it has acknowledged was cursory, but even that update will not be complete until sometime next year. Even if the Navy completes its update, the evaluation will still be incomplete and unreliable because it is not based on the testing and studies necessary to determine the scope of radiological contamination on the base. Far more study will still be required.
- The Navy concedes that in creating the 1997 HRA, it found that historical documentation of early uses of general radioactive material, from the 1940s to 1950s, was "sparse," and that the disposition of certain sources of radioactivity was "unknown." HRA, Volume II, p. 4-6. The inadequacy of early data is undoubtedly more acute at the Sub Base than at other submarine bases, because of its longer history. As the Navy notes, "Subbase is the oldest operating and support base for Naval submarines " HRA, Vol. II, p. 4-2. In spite of the long history of use of radioactive materials and lack of adequate documentation in the early years, the Navy conducted its 1997 HRA without interviewing or even trying to locate personnel who might have had knowledge of the disposition of radioactive

material in the 1940s and 1950s. HRA, Vol. II, pp. 2-3 - 2-4.

- The exceedingly limited groundwater sampling to date has found "samples exceeding either the gross alpha [limit for radioactivity] or the gross beta [limit for radioactivity] during Phase I" testing. Navy's Response to Comments on Draft HRA, page 20. The Navy's position is that this is due to "naturally-occurring potassium-40" even though the "work plan did not require a background study to determine naturally occurring levels of radioactivity." *Id.* In fact, it is impossible to conclude that radiation levels are merely background radiation, or to determine their source, without having performed even a minimally acceptable background radiation study, as the Navy concedes it has not done. More importantly, the Navy has acknowledged that it has used radioactive materials including Am-241, Cs-131 and 137, K-42, C-14, Fe-59, Zn-65, Cr-51, I-123, 131, Ga-67, and Co-57 at the submarine base. *HRA, Vol II, Sections 5, 6.* It has also acknowledged that there have been "incidents" or releases of radioactive material, and that only a small subset of the entire facility has been surveyed for radioactivity. Without extensive further study, there is no way to determine where that radioactivity came from, what it is, or what will be required to clean it up.

Further, it is important to consider the inadequacies in the Navy's site characterization and other radiological survey work in the context of the historical experience of the State of Connecticut with radioactive contamination at federal facilities. The Navy repeatedly asserts that it has focused its testing on areas and buildings where records or interviews suggest that radioactive materials may have been used, rather than conducting a full sampling of the entire base. Unfortunately, Connecticut's recent documented experiences show that this approach alone cannot reasonably be expected to identify all dangerous materials. Much more extensive site survey work is necessary to show what is or is not on the base property. Past nuclear materials handling and waste disposal practices have resulted in numerous undocumented releases of radioisotopes into structures, landfills, and the general environment, many of which were only discovered years later. Remediation of these releases has been complicated and expensive and is still far from complete. Reliance on existing records and interviews to determine the areas for testing is plainly inadequate.

For example, at another large Department of Defense site, C E. Windsor in Windsor, Connecticut, the original site survey work was based, like the HRA for the Sub Base, on an assessment of written records and interviews that indicated that nuclear materials were only used in a select number of buildings. As decommissioning of these buildings was underway, a passerby found an area of buried disposal drums in an adjacent forest that turned out to be a major source of radiological contaminants -- an area that was not identified in any records or interviews. In another part of the site, workers tripped over a debris pile of radioactively contaminated waste that had been simply dumped in the woods and abandoned -- again, undocumented in any way.

In another series of instances, radium watch manufacturing facilities for the United States Army Air Corps, in and around Torrington, Connecticut, were found to

have dangerous levels of radioactive material decades after the buildings had been "cleaned up" and released for use as low-income housing. No records were available at the time, or have been found since, that detailed the numerous releases or would otherwise have alerted state health and environmental authorities to the presence of these materials. Only the State's independent and thorough site surveys eventually discovered the threat.

These experiences in Connecticut show plainly that release incidents and disposal practices at federal facilities, particularly in the 1940-1970 period, can and have resulted in situations where no reliable documentation exists that would point regulators to areas of concern. In a site as large as the Sub Base, where nuclear materials have been handled for many decades and where groundwater sampling indicates the presence of radioactive isotopes, it is clearly insufficient to rely on site characterization based on old records (or their absence) and inferences based on historical practices. A full scale study is the only way to determine the extent of contamination -- a study that must be done if closing is to occur.

A related flaw in DOD's projection of the cost and extent of necessary cleanup concerns the environmental standard which radiological cleanup must meet. Although the DOD, in a letter of June 15, 2005 to Senator Joseph Lieberman, speaks, appropriately, but somewhat vaguely, of cleanup to permit "unrestricted future use," there is no indication that DOD has recognized there is a legally binding cleanup standard for radiological contamination in Connecticut. The legal radiological clean-up standard in Connecticut -- which would be binding on the Navy -- is 19 Millirem Plus As Low As Reasonably Achievable (ALARA). This standard is enforceable through CERCLA and the Federal Facility Agreement as an Applicable, Relevant, Appropriate Regulation (ARAR). I will be glad to provide our legal analysis establishing the enforceability of this standard. It appears that the Navy has failed to take this standard into account in calculating cleanup costs, which creates yet another deficiency in the Navy's attempts to estimate the real costs of cleanup of the base.

These facts, taken together, establish that the DOD used clearly erroneous assumptions in placing the Groton submarine base on the DOD base closure list. According to the Navy's admissions to the EPA, the extent of the radioactive contamination at the Groton site is now unknown, but will have to be fully determined if the base is closed, resulting in potential substantial and significant costs above those that would be required if the base remains operational. While DOD has acknowledged its ignorance of the nature and extent of radiological contamination on the northern part of the base, it has completely ignored the obvious consequence of that ignorance. Without adequate identification of the nature and extent of the radiological contamination, it is impossible to accurately project the costs of required cleanup. There is really no factual basis at all for DOD's projections of cleanup costs in the absence of adequate data.

**C. DOD has failed to factor in the legal requirements of its Federal Facilities Agreement in computing the costs of cleanup, further undercutting the accuracy of its cost projections**

Another fundamental deficiency in DOD's analysis is its disregard of the existence and significance of the Federal Facilities Agreement (FFA) regarding this base. This agreement was negotiated and executed in 1994 by the State of Connecticut, represented by my office, along with the United States Navy and the United States Environmental Protection Agency. It remains in full force and effect. The agreement was necessary because the Submarine Base had been designated as a Superfund site by EPA under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), and CERCLA required the creation of a legally binding plan for site remediation and investigation.

Under Section 37 of the Agreement, the Navy is prohibited from "enter[ing] into an agreement to sell or otherwise transfer real property comprising an Area of Contamination ... until the Navy has completed all Remedial Actions and Operation and Maintenance for such Area of Contamination as required by this Agreement..."<sup>1</sup> Contrary to DOD's assumptions in compiling its cost of closure estimates, the requirements of the FFA dictate a far higher cleanup cost for this base if it is closed and made available for other use than if it remains open, because all cleanup must be completed before the property can be transferred. It is critical to note that this requirement -- full cleanup prior to transfer of the property -- does not necessarily apply to other federal properties which are not subject an FFA. Normally, environmentally impaired military bases can be transferred and returned to economic use before all remediation is completed. Pursuant to the Defense Base Closure and Realignment Act of 1990, in the absence of such an agreement, the Secretary can transfer a base *before* it is fully remediated, as long as a redevelopment authority agrees to perform all environmental restoration, waste management and environmental activities that are required for the facility under Federal and State laws. In contrast, the Groton FFA *prohibits transfer of affected lands until the areas of contamination are fully remediated - - period*. For the Sub Base, therefore, the requirement for complete cleanup will greatly increase the costs in the years preceding and following any closure. DOD has completely failed to recognize that fact, and include it in its cost calculation -- resulting in a fundamentally unreliable estimate.

The requirements of the FFA are fully enforceable under federal law and Connecticut can enforce these rights in court. Under CERCLA section 120(e), the FFA is the legal mechanism to obtain compliance with CERCLA by any department of the United States which owns a superfund site. CERCLA section 120(f) provides for the participation of the state in the FFA. Under paragraphs 21.7 and 21.8 of the FFA, for

<sup>1</sup> While Section 37.1 references an exception to this requirement when the Navy has complied with 42 U.S.C. §9620(h), that exception does not change the requirement. The Navy can only comply with that provision by covenanting that all remedial action necessary to protect human health and the environment ... has been taken before the date of the [property] transfer ... 42 U.S.C. §9620(h)(3)(A)(ii). It can only provide that covenant after cleanup is complete.

Connecticut has the right to enforce any term in the FFA in United States District Court. Additionally, under paragraph 21.1, any standard, condition or requirement of the FFA is enforceable under the Citizens Suit provision of CERCLA, section 310. Section 310(a)(1) allows a state to sue the United States for any violation of any condition or requirement effective under CERCLA, including any provision of an FFA under section 120 of CERCLA. In simplest terms, Connecticut has the legal right to go to court to enforce the terms of the FFA.

According to DOD in its May 2005 "Base Closure and Realignment Report to the Commission," radioactive waste clean-up costs were not used to reduce the projected base closure "savings." Underlying this conclusion is a completely erroneous legal and factual assumption, explicitly stated by DOD, that the costs would be the same whether the base remained open, realigned or was closed. As stated in the Report: "Naval Submarine Base New London, CT ... reports \$23.9 million in costs for environmental restoration. Because the Department has a legal obligation to perform environmental restoration regardless of whether an installation is closed, realigned, or remains open, *this cost is not included in the payback calculation.*" Similarly, in a DOD memorandum setting forth the policy guidance for implementing BRAC 2005, the Undersecretary of Defense instructed the service branches that: "Since the Department of Defense has a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned or remains open, environmental restoration costs at closing bases *will not be considered in the cost of closure calculations.*" These assumptions and their use in the cost calculations are contrary to law.

The facts described above show clearly that costs associated with closure of the Groton submarine base will significantly exceed the costs that would be incurred if the base were to remain open. And yet, not only were costs resulting from this required testing and remediation not included in calculations of costs of closure of the base, but the truth is that the actual costs *cannot* be determined until necessary intensive testing is done.

In sum, the facts and applicable legal requirements seriously undermine and contradict DOD's savings projections for closure of the base, because those projections wrongly assume that the costs of environmental remediation may be ignored. Until a complete radioactive waste assessment is made -- a lengthy, costly project in itself -- the costs of decontamination cannot be accurately determined, and no cost savings can be accurately computed for the closure of the Groton submarine base.

**D. Because of its failure to consider the requirements of the FFA, DOD has grossly underestimated the cost of closure to the economy of Southeastern Connecticut**

The implications of the FFA for the future economic development of the New London area are another source of great concern that further undermine the reliability of the calculation underlying the DOD recommendation for closure of the Sub Base. This recommendation discusses economic impact on the affected communities through the

year 2011, and appears to tacitly assume that the property will become available for productive reuse within the next six years. This estimate may be wildly optimistic in light of the FFA requirements. In light of the provisions of the FFA, and the unanswered environmental questions discussed above, it is apparent that no one has any realistic idea of how long it will take to complete cleanup of the property and permit its release for productive reuse.

The economic impacts to the community of the potential long term inability to use a very large vacated parcel of waterfront property are staggering, and probably unique to this base. The situation is unique because of the requirements of the FFA, and the impact of the problem is compounded by the very high economic value of the base's land if it were clean and available for reuse. Nothing in available DOD documents provides any suggestion that DOD has acknowledged and considered this potentially devastating economic impact upon the greater New London area, nor that DOD has considered the ways in which this economic impact differs from the impact at other bases.

### **III. DOD APPEARS UNAWARE OF THE DEED RESTRICTIONS RELATING TO PART OF THE SUB BASE LAND AND THEIR IMPLICATIONS -- BOTH LEGAL AND ECONOMIC**

As discussed in detail below, the federal government is required by deed restrictions to utilize the land housing the core of the Sub Base for naval purposes, and it risks forfeiting title to that land if it fails to do so. It is not clear, however, that the DOD has incorporated the potential costs of losing the property in estimating economic impacts of closing the Sub Base. To the contrary, the DOD may be erroneously relying on significant proceeds from the sale or lease of that property to reduce its net closure costs. For this additional reason, the DOD's estimated costs for closing the Sub Base may be understated.

By way of background, on March 2, 1867, the United States Congress passed an Act directing "the Secretary of the Navy ... to receive and accept a deed of gift, when offered by the State of Connecticut, of a tract of land situated in the Thames river, near New London, Connecticut, with a water front of not less than one mile, to be held by the United States *for naval purposes.*" Chap. CLXXII – *An Act making Appropriations for the Naval Service for the Year ending thirtieth June, eighteen hundred and sixty-eight*, 39<sup>th</sup> Congress of the United States, Sess. II Ch. 171, 172, March 2, 1867 (emphasis added).

Similarly, the City of New London, as agent of the State of Connecticut, was authorized by an 1867 Act of the Connecticut General Assembly to acquire and hold land for eventual conveyance to the federal government for naval purposes. See *An Act in Addition to and Alteration of an Act entitled An Act Concerning Land [New London Navy Yard]*, Special Laws, Connecticut General Assembly, May 1868, Vol. V, 798, pages 318-319, copy attached (hereafter referred to as the "1867 Act")

Pursuant to this grant of authority, in January of 1868, the City of New London acquired approximately 112 acres of land in Ledyard and Groton. This property, which encompasses main components of the present Sub Base and houses at least 85 buildings, as well as piers and other valuable facilities, was transferred on April 11, 1868 by deed from the State of Connecticut to the federal government ("the Deed"). The Deed expressly required that the land be used for "for naval purposes." In particular, the Deed provides in relevant part as follows:

The State of Connecticut acting hereby by [commissioner appointed by the governor and city of New London by its Mayor] . . . [does] give, grant, bargain and sell and confirm unto the said United States of America the following tract of land (described) . . . to be held by the said United States for **Naval purposes** as contemplated by said Act of Congress of the United States relative thereto, approved Mar. 2d, 1867, [see C below] and the act of the general Assembly of the State of Connecticut hereinbefore mentioned . . .

To have and to hold the aforesaid premises with all the appurtenances thereof unto the said United States and their assignees [sic] for naval purposes according to the provisions of said act of the general assembly of said State of Connecticut therein before mentioned.

See Deed at page 611 (Emphasis added.)

There is no question, therefore, that the Deed, together with the 1867 state and federal legislative acts, requires that the original 112 acres of the Sub Base property be used in perpetuity for naval purposes. While it is unlikely that the federal government can be compelled to continue to use the property for naval purposes, controlling legal precedent suggests that its failure to do so would likely result in forfeiture of the property to the State of Connecticut.

In particular, Connecticut's Statute of Charitable Uses, Conn. Gen. Stat. § 47-2, provides that land given for public or charitable purposes must be used *forever* for such purpose. Connecticut law provides that when a charitable restriction on land use is frustrated or violated, equity will trigger "a resulting trust" to the original grantor. See Waterbury Trust Co. v. Porter, 131 Conn. 206 (1944). Put differently, where the holder of land fails to comply with charitable or public restrictions on its use, the grantor -- in this case, the State of Connecticut -- can seek reversion of the land, even when no clause in the original grant mandates such a reversion. Section 3-125 of the General Statutes authorizes the Attorney General to bring legal actions to enforce public and charitable restrictions on the use of land, including legal actions to strip title from property holders who violate public or charitable land use restrictions.

Under the federal Quiet Title Act, 28 U.S.C. 2409a, the federal government is not shielded by sovereign immunity principles from legal claims, such as this one, as to the title to land for which it holds an interest. My research shows that the State's substantive

laws, including its equitable principles governing charitable uses and resulting trusts, are applicable in an action against the federal government under the federal Quiet Title Act.

The State, therefore, would be entitled to bring an action under the Quiet Title Act for equitable reversion of title to the original 112 acres of the Sub Base under the Quiet Title Act. See, e.g., USA v. Bedford, 657 F.2d 1300, 1216 (2d Cir. 1981)(the Quiet Title Act "casts a wide jurisdictional net" and permit "almost any variety of suit concerning interests in land"); see also Prater v. USA, 612 F.2d 157, 159 (5th Cir. 1980)(same). Under the FFA, as discussed above, therefore, the federal government would be required to clean up the property to the highest standards before transfer, but it would never be able to realize any offsetting monetary recovery for disposing of it after cleanup, as it would have to be returned to the state pursuant to the terms of the Deed.

#### **IV. THE RECOMMENDED CLOSURE OF THE BRADLEY INTERNATIONAL AIRPORT GUARD UNIT WOULD VIOLATE FEDERAL LAW**

Included among the list of bases recommended for closure is the Bradley International Airport Air Guard Unit ("the Bradley Air Guard Unit"). While the BRAC Commission has characterized the Bradley Air Guard Unit's closure as a "realignment," the Commission's recommendation would result in *all* of the Unit's equipment and personnel being relocated from Connecticut to Massachusetts. In addition to the security concerns posed to the citizens of Connecticut by the recommended closure of Connecticut's only Air National Guard flight wing, it is estimated that the closure would result in the loss of at least seventy military and civilian jobs in our State.

Federal law appears to prohibit the closure or relocation of any Connecticut Army or Air National Guard Unit absent the Governor's express consent. In particular, "[a] unit of the Army National Guard of the United States or the Air National Guard may not be relocated or withdrawn ... without the consent of the governor of the State or, in the case of the District of Columbia, the commanding general of the National Guard of the District of Columbia." See 10 U.S.C. § 18238; see also 32 U.S.C. § 104(c) ("[n]o change in the branch, organization, or allotment of a unit located entirely within a State may be made without the approval of its governor").

Because no such consent has been granted by the Governor with regard to the Bradley Air Guard Unit, closure or relocation of that unit would be unlawful. Therefore, legal action may be available and appropriate to prevent the federal government from carrying out the recommended closure of the Bradley Air Guard Unit.

#### **V. CONCLUSION**

Connecticut can make a powerful case that DOD has no realistic idea of the

cost -- that will certainly be huge -- of the full cleanup of the Groton Submarine Base, has given no realistic consideration to the long term economic impact of closure on the economy of Southeastern Connecticut, and has failed to recognize the legal implications of the State's ownership interest. Therefore, all of its conclusions based upon projected cost savings are fatally flawed, and cannot be used as the basis for a misguided decision to close the Sub Base.

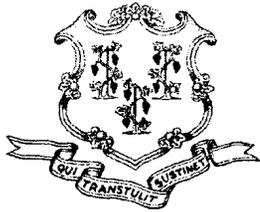
In addition, the proposal to move the Bradley Air Guard Unit to Massachusetts without the express consent of the Governor not only poses significant security concerns, it also would constitute a violation of federal law.

The State has legally enforceable rights arising from the FFA, the deed restrictions, and federal law concerning National Guard units.

I will be available immediately upon request to provide any necessary elaboration, discussion or support for any of the points made here.

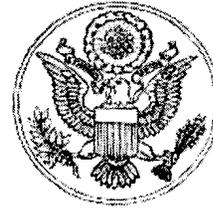
  
RICHARD BLUMENTHAL  
ATTORNEY GENERAL

## STATE OF CONNECTICUT



M. JODI RELL, GOVERNOR  
CHRISTOPHER DODD, SENATOR  
JOSEPH LIEBERMAN, SENATOR  
NANCY L. JOHNSON, MEMBER OF CONGRESS  
CHRISTOPHER SHAYS, MEMBER OF CONGRESS  
ROSA DELAURO, MEMBER OF CONGRESS  
JOHN B. LARSON, MEMBER OF CONGRESS  
ROB SIMMONS, MEMBER OF CONGRESS

## UNITED STATES CONGRESS



August 11, 2005

The Honorable Anthony J. Principi  
Chairman  
2005 Base Realignment and Closure Commission  
2521 Jefferson Davis Highway  
Arlington, VA 22202

Re: Submarine Base New London

Dear Chairman Principi:

We are pleased to forward the attached update of our cost/savings arguments with respect to the Department of Defense (DoD) recommendation to close Submarine Base New London.

This submission is intended as a followup to the meeting of August 2, 2005, by Team Connecticut with the BRAC Commission Navy staff. Further examination has resulted in slight changes to some of the numbers conveyed in that meeting. It also updates the Supplemental Data Submission (SDS) provided to you on July 18, 2005.

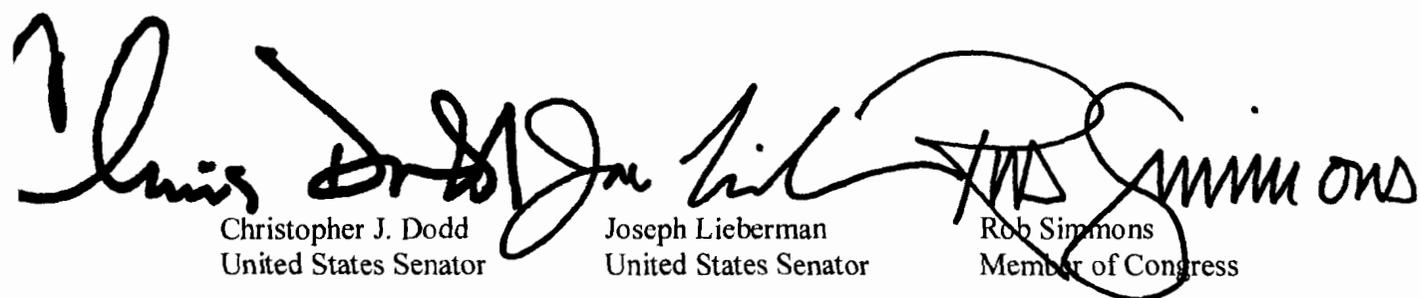
The overall conclusion is dramatic: The Navy's analysis indicated that the closure of SUBASE New London would save the country \$1.6 billion over 20 years. Our analysis is that the closure would actually cost U.S. taxpayers \$641 million over the same period. The stark differences between the Navy's cost/savings analysis and that of Connecticut represent a clear and pervasive substantial deviation from Selection Criteria 4 and 5. What these findings mean is that it will cost U.S. Taxpayers \$641 million to permanently shut down this facility and thereby deprive the nation of a critical national security asset.

Should your staff have questions regarding this submission, the points of contact are Phil Dukes in the Governor's office (860-524-7340) and Neal Orringer in Sen. Dodd's office (202-224-2823). Thank you for your consideration.

Sincerely,



M. Jodi Rell  
Governor



Christopher J. Dodd  
United States Senator

Joseph Lieberman  
United States Senator

Rob Simmons  
Member of Congress

cc: Hal Tickle