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DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC 20330-1000

DCN: 6203



OFFICE OF THE ASSISTANT SECRETARY

NOV 16 2004

MEMORANDUM FOR RECORD

SUBJECT: Minutes of Air Force Base Closure Executive Group (AF/BCEG) Mtg, 28 Oct 2004

Mr Pease called the meeting to order at 0830, the Pentagon, Room 5C279. The meeting was categorized as deliberative. Attendance is at Atch 1. Mr Pease reviewed the BRAC schedules (Slides 3-4) and previewed the agenda. He noted that JCSG Scenarios are beginning to become available for information and reviewed the dispute resolution process for information. IEC is the dispute resolution body for disagreements that cannot be resolved internally, if any, between the JCSG and the BCEG. [redacted] updated the data call status and requests for clarification (Slides 5-7). He reported that the JCSG kicked back the AF Idea for Centralized Intermediate Repair Facilities (Slide 9) for further action by the BCWG Scenario Development Team.

[redacted] briefed ARC Metrics for deliberation (Slides 11-25). The BCEG discussed resolution ACI of data anomalies, which will be referred to the scenario development teams. ACIs will be used as a component of Military Value.

[redacted] briefed the COBRA Model for information and described how the data will be presented in the ISG Format. He explained operation of the model and scenario tracking. He also described limitations of the model (Slides 27-29).

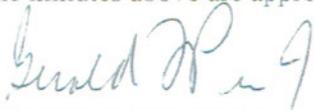
[redacted] briefed the C-17 Potential Scenario Group (Slides 41-45) for deliberation. The BCEG discussed rationalization of discrepancies noted and referred the package back to the Scenario Development Team. [redacted] also briefed the C-5 Potential Scenario Group for deliberation (Slides 46-50). The BCEG questioned additional options the group thought should be included and referred the C-5 Potential Scenario Group back to the Scenario Development Team for further development and requested a standardized briefing format from all the Scenario Development Teams.

The co-chairs reviewed the Agenda for the next meeting and noted Additional Scenario Topics (Slide 52). Following the co-chairs' concluding remarks the meeting concluded at 1247. The next BCEG meeting is scheduled for November 1, 2004 at 1300 in Pentagon Room 5C279.

SAF/GCN
BCEG Recorder

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The minutes above are approved.



GERALD F. PEASE, JR.
SAF/IEB
Co-Chairman



GARY HECKMAN, Maj Gen, USAF
AF/XP (BRAC)
Co-Chairman

Attachments:
As Stated

Headquarters U.S. Air Force

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BCEG



28 Oct 04

U.S. AIR FORCE



Agenda 28 Oct 04

0830-0845 **Opening Business** *Co-chairs*

0845-0915 **ARC Compatibility Index (ACI)** *...*

0915-0945 **COBRA 101**

Break

1000-1130 **Potential Scenarios Groups**

Potential Scenario Groups: C-5s/ C-17s

Break

1145-1300 **Scenario Discussions**



BCEG Schedule October

| October BCEG Meetings | | | | | | |
|-----------------------|--------|------------------------|-----------|------------------------|------------------|----------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | | | | ▲ BCEG 0830-1300 | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | ISG 1030-1200 | 8 |
| | | 12 | 13 | 14 | ISG 1030-1200 | 15 |
| | | ▲ BCEG 0830-1300 | 19 | 20 | 21 | 16 |
| | | ▲ BCEG 0830-1300 | 25 | 26 | 27 | 22 |
| | | ▲ BCEG 0830-1300 | 28 | 29 | 30 | 23 |

- Brooks City Base
- Criteria 6-8
- ACI / JAST
- Ideas (IL/DP)
- MCI update

- Progress updates
- AF proposals
- Potential scenarios

- Scenario development

- Scenario development



BCEG Schedule Nov 04-Feb 05

| Nov BCEG Meetings | | | | | | |
|-------------------|--------|---------------------------------|-----------|----------|--------|----------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | ▲ | 1 | 2 | 3 | 4 | 5 |
| | ▲ | BCEG: Candidate recommendations | 9 | 10 | 11 | 12 |
| | ▲ | 15 | 16 | 17 | 18 | 19 |
| | ▲ | 22 | 23 | 24 | 25 | 26 |
| | ▲ | 29 | 30 | | | |

| Dec BCEG Meetings | | | | | | |
|-------------------|--------|---------|-----------|---------------------------------|--------|----------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | | | | 1 | 2 | 3 |
| | | | | BCEG: Candidate recommendations | 8 | 9 |
| | | | | BCEG: Candidate recommendations | 15 | 16 |
| | | | | | 22 | 23 |
| | | | | | 29 | 30 |

| Jan BCEG Meetings | | | | | | |
|-------------------|--------|---------|-----------|----------|------------------|----------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | | | | ▲ | New Year's | 1 |
| | | | | ▲ | ISG 1030-1200 | 7 |
| | | | | ▲ | ISG 1030-1200 | 13 |
| | | | | ▲ | ISG ? | 21 |
| | | | | ▲ | ISG ? | 28 |

| Feb BCEG Meetings | | | | | | |
|-------------------|--------|---------|-----------|----------|------------|----------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| | | | | 1 | 2 | 3 |
| | | | | ▲ | New Year's | 5 |
| | | | | ▲ | ISG ? | 11 |
| | | | | ▲ | ISG ? | 18 |
| | | | | ▲ | ISG ? | 25 |



Data Calls (as of 27 Oct)

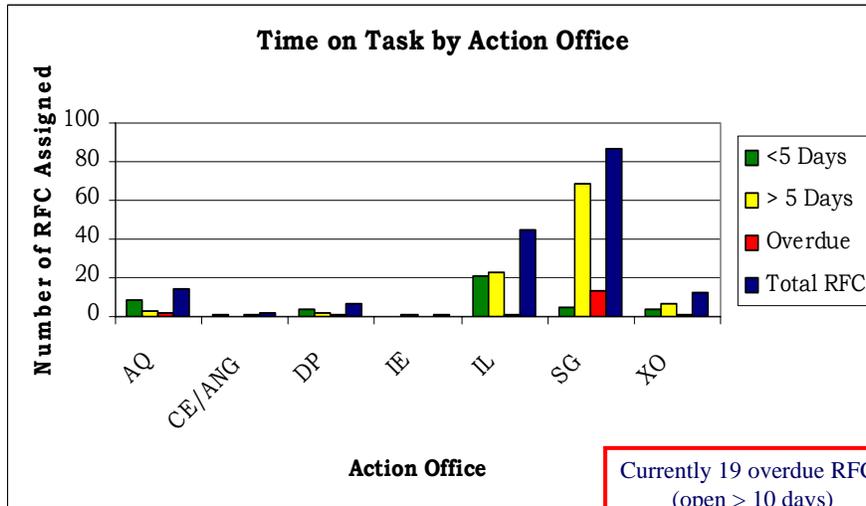
- All Data Calls at HAF-level
 - 149 approval actions remaining; status by 2-Ltr

| Org | Last Meeting | Today | Reduction |
|-----|--------------|-------|-----------|
| IL | 0 | 0 | 0% |
| SG | 1 | 3 | +200% |
| XO | 0 | 0 | 0% |
| AQ | 0 | 1 | +100% |
| ANG | 143 | 143 | 0% |
| FM | 0 | 0 | 0% |
| IE | 0 | 2 | +200% |

- 99.7% complete, 149 (of 51,281)
- Increases are questions in 'Change'

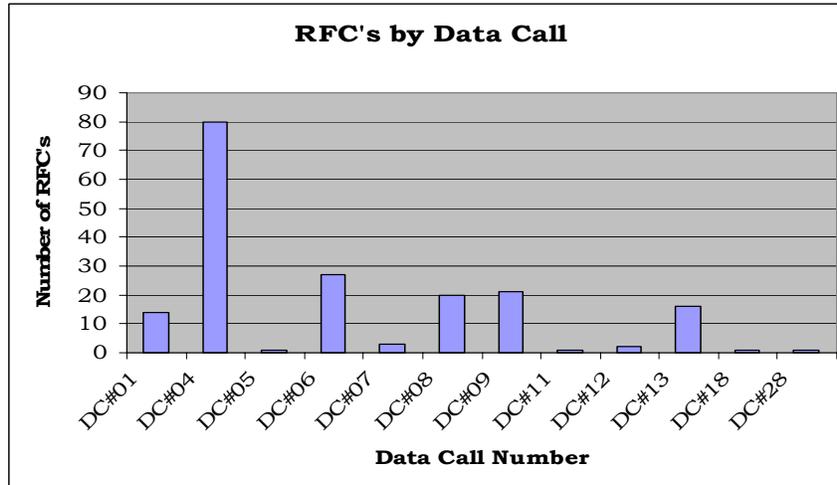


Requests for Clarification (as of 27 Oct)





Requests for Clarification (as of 27 Oct)



TOTAL RFC's: 187



JCSG Update Briefs

- **Thursday, 4 Nov**
 - Lt Gen Taylor, Medical
 - Mr. Dumm, Intelligence
- **Monday, 8 Nov**
 - Col Walker, E&T
- **Tuesday, 9 Nov**
 - Mr. Orr, Industrial
 - Col King, Supply & Storage
 - Doug McCoy, H& SA



AF Idea

Centralized Intermediate Repair Facilities

| | |
|---|---|
| <p style="text-align: center;">Drivers/Assumptions</p> <ul style="list-style-type: none"> ■ Principles: Train and Equip ■ Transformational Option: Regionalize intermediate-level maintenance for AD, ANG, and AFRC maintenance | <p style="text-align: center;">Scenario Proposal</p> <ul style="list-style-type: none"> ■ Consolidate AD, ANG, and AFRC ILM workcenters currently at individual fighter bases into Centralized Intermediate Repair Facilities for the following commodities: <ul style="list-style-type: none"> TF-34 Engine ALQ-131/184 pods F100-series Engines LANTIRN pods F110-series Engines F-15 avionics ■ Co-locate CIRF with using weapon system |
| <p style="text-align: center;">Justification/Impact</p> <ul style="list-style-type: none"> ■ Increases maintenance productivity by consolidating and smoothing dispersed, random workflows ■ Improves in-shop training and reliability centered maintenance ■ Operate in CONUS as we do during contingencies..."Train like we fight" | <p style="text-align: center;">Potential Conflicts</p> <ul style="list-style-type: none"> ■ ANG/AFRC workload realignment and readiness concerns ■ Up front costs...shop expansion and/or hush house construction (MILCON), shipping containers, one-time move for equipment and personnel ■ Recurring costs...asset shipment from CIRF (hub) to supported units (spokes) |



Agenda 28 Oct 04

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| 0915-0945 | COBRA 101 | |
| <i>Break</i> | | |
| 1000-1130 | Potential Scenarios Groups | |
| <i>Potential Scenario Groups: C-5s/ C-17s</i> | | |
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| 1145-1300 | Scenario Discussions | |

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ARC Metrics

[application of data for
decisions]

ANG/CEP

28 October 2004



Briefing outline

- History – refresher
 - Principles
 - ACI
- ACI's Purpose
- ACI “augmented”
- Why do this
- Decisions/Options



History - Refresher

- **ANG Principle's)**
 - **ARC Demographics** ←
 - Consideration of ARC demographics paramount
 - Previous recommendation – agreed
 - **Sole Owner of Major Flying Systems** ←
 - Relative new issue
 - **Retain Current Force Size Mix** ←
 - Relative new issue



History - Refresher

- **ACI Timeline:**
 - Jun – Aug - ARC MCI evolved to ACI
 - Aug – Sept – ACI viewed for “conformity”
– approach needed to explain anomalies
 - Today - ACI “augmented” to allow
snapshot for consideration in determining
end state



ACI Purpose

■ Uses:

- Grow existing location
- Caution on Existing Location
- Establish ARC presence at New location



Why do this

- Allows for view of population around installation to support assigned ARC mission
 - Assists in making the best possible decision
 - Helps in preventing mistakes



ACI “augmented”

ACI metric includes:

- AD AF accessions for FY 99 to FY 03
- Non-prior service eligible population
- Prior service eligible market
- Distance to city of 100,000 or > population
- Earliest lease expiration

| Base | ACI Score | ANG % Manned | AFRC % Manned |
|----------|-----------|--------------|---------------|
| Alpha | 82.15 | N/A | N/A |
| Bravo | 69.41 | N/A | N/A |
| Charlie | 91.92 | N/A | 101.94 |
| Delta | 91.62 | 96.22 | 102.88 |
| Echo | 51.92 | N/A | N/A |
| Foxtrot | 98.81 | 93.02 | N/A |
| Golf | 5.18 | 98.80 | N/A |
| Hotel | 77.29 | N/A | 104.04 |
| India | 70.08 | 102.36 | N/A |
| Juliet | 85.06 | N/A | 98.42 |
| Kilo | 74.48 | 99.48 | N/A |
| Lima | 48.66 | 90.76 | N/A |
| Mike | 91.73 | N/A | N/A |
| November | 81.52 | 97.30 | N/A |
| Oscar | 80.18 | N/A | N/A |
| Papa | 82.20 | 97.26 | 102.48 |
| Quebec | 20.60 | 90.32 | N/A |

| Total Score | | ANG Manning | | AFRC Manning | |
|-------------|-------|-------------|--------|--------------|--------|
| Std Dev | 19.41 | Std Dev | 3.83 | Std Dev | 1.90 |
| Mean | 65.02 | Mean | 96.17 | Mean | 101.95 |
| 1 Std + | 84.43 | 1 Std + | 100.00 | 1 Std + | 103.85 |
| 1 Std - | 45.61 | 1 Std - | 92.34 | 1 Std - | 100.06 |

Installation scores are highlighted in **Red** if they fall 1 standard deviation below the mean and **Green** if 1 standard deviation above.

Quebec:

- Low ACI score
- Low ANG manning

ARC ACI metrics highlight installation recruiting strengths and weaknesses to better support BRAC decision making



Decision – Acceptance of Principles

- **ANG Principle's)**
 - **ARC Demographics**
 - Consideration of ARC demographics paramount
 - Previous recommendation – agreed
 - **Sole Owner of Major Flying Systems**
 - Relative new issue
 - **Retain Current Force Size Mix**
 - Relative new issue



ACI Decision Options

- Option 1 – ACI to be utilized as a method of “rating” installations ability to accept missions as identified by principle
- Option 2 – ACI to be utilized as a data resource for check of Deliberative process outcomes – much like criteria 6 & 8 are used as “guidance” for other considerations

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Questions?



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ACI Mechanics

- ACI formula ←
- RMI detail ←
- Lease discussion ←
- REAI Detail ←
- “Augmentation”
- ANG and AFRC demographic data
 - 5 year average of unit manning at location
 - Allows view of “reality vs. numbers” from data



Way Ahead

- ✓ ■ Answers to BCEG questions remaining
 - Coord with AFRC
 - Coord with ANG
 - Coord with AF/DP
 - Coord with AFSAA
- ✓ ■ Reconcile conformance with statistics
- ✓ ■ Run by auditors for check
- ✓ ■ Discussion of how and where to apply (recommend after MCI run and option path is determined)
- ✓ ■ Propose Options for BCEG consideration (accomplished today)
- ? ■ Amend as necessary from today’s discussion



ARC Principle

Checklist: Maintain/Place ARC units to meet the requirements of the Air Force by choosing locations that meet the demographic and mission requirements unique to the ARC.

Clarified Principle: Maintain Air National Guard and Air Force Reserve presence across the United States. The military value of an installation, with respect to placement of ARC units, is directly related to the unit's ability to recruit and retain members in the unit's geographic area. ARC recruiting/manning historical data, eligible population data, and Air Force recruiting data must be considered. Consider impact on unique Air Force capabilities where the preponderance of the capability resides in the ARC (e.g., Mobile Aerial Fire Fighting, Polar Support, Aerial Spraying, etc.).

Desired Outcomes Met When: ANG and AFRC units are located to provide a national Total Air Force presence. Recruiting performance and potential have been considered.



ARC Principle 1/3:2/3 of force mix

Checklist: Maintain/Retain ARC units to meet the historical share of CAF/MAF/SOF and training of the Air Force by choosing locations that meet the historical mix requirements in either ARC owned, ARC associate or Active associate configuration.

Clarified Proposal: Maintain Air National Guard and Air Force Reserve presence in historical mix of CAF/MAF/SOF and Training mission areas across the United States. The military value of a completely integrated total force allows incredible effectiveness, efficiency, and synergy.

Desired Outcomes Met When: ANG and AFRC units are located to provide an effective and efficient mix that is at least to the historical levels and trending to a greater than 1/3 percentage for cost effective military capability.





ARC Principle Sole ownership

Checklist: Do not force sole ownership of major weapons systems (e.g. C-5, A-10) into the reserve component for stewardship.

Clarified Proposal: Maintain Air National Guard and Air Force Reserve ownership as a full partner in those weapons systems of significant number in the CAF & MAF. History has found that sole ownership expense, stewardship & modernization, drains the ability of O&M commands to support assigned mission areas thereby degrading effectiveness and efficiency.

Desired Outcomes Met When: ANG and AFRC units have share (even if preponderance) as full partner with the active duty in ownership of weapons systems for CAF and MAF.



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Cost of Base Realignment Actions (COBRA) Model



U.S. AIR FORCE

**AFCAA
28 Oct 04**



COBRA Overview

Description

NPV

Scenario Quad Chart

Definitions of Terms



COBRA Description

- Accommodates scenarios with up to 20 locations
- Models all BRAC activities occurring in first 6 years, assumes no change beyond 6th year
- Accumulates costs and savings of facilities and manpower for each location
- Calculates payback period
 - Point where *Savings* = *Costs*
- Provides a 20 year comparison scenario costs and savings on a consistent basis



Net Present Value: Time value of money

- *Do you want the money now, or in 20 years?*
- Present value = $Fv(1 + i)^{-1} + Fv(1 + i)^{-2} + \dots + Fv(1 + i)^{-20}$

Fv = Future value

i = discount rate = 3.15% (per OMB A-94)

\$1 in year 20 = \$0.54 in the year 1



Scenario 200 – Consolidate

| | | | |
|---|------------|---|---|
| Scenario Team: | N/A | Deliberative: | Approve for Candidate Recommendation |
| COBRA 1. Total Cost: \$314M 2. MILCON: \$218M 3. NPV: \$-1,852M 4. Payback Yrs/Break Even Yr: 1 years/2010 5. Steady State Savings: \$180M 6. Mil/Civ Reductions: 1435/318 7. Mil/Civ Relocated: 3354/180 | | Environmental <ul style="list-style-type: none"> ■ No known restoration issues. ■ Minimal environmental issues ■ OPR: Chuck Meshako (SAF/IEBB) | |
| <ul style="list-style-type: none"> ■ Direct/Indirect: None ■ Employment base: None ■ OPR: Frank Sosa (SAF/IEBB) ■ Model available by 7 Nov | | Community <ul style="list-style-type: none"> ■ No change ■ OPR: Linda Foshee (AF/DP) | |



COBRA Definitions

1. **Total Cost:** Total one-time cost for the period 2006-11 (no environmental restoration)
2. **MILCON:** All construction and related costs.
3. **NPV:** 20 year net present value
4. **Payback Yrs/Break Even Yr:** Years after the closure year to reach 0 NPV
5. **Steady State Savings:** Annual savings after completion of closure
6. **Mil/Civ Savings:** Number of positions saved
7. **Mil/Civ Relocated:** Positions moved



COBRA

Questions?



COBRA

Back up Charts

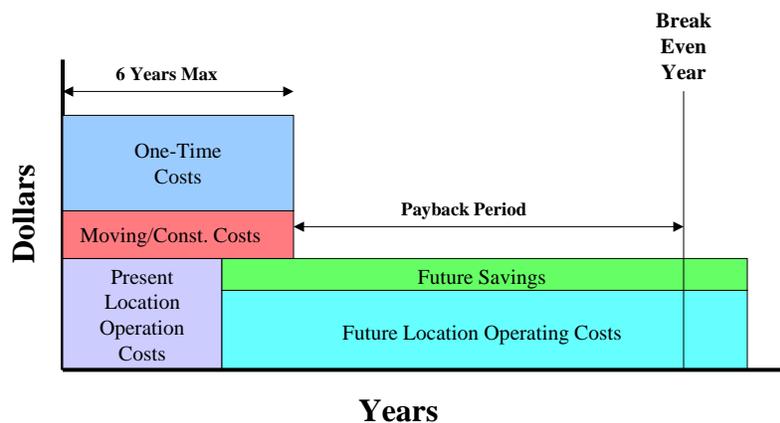


Potential Scenario Problems

- Cannot estimate individual elements of a complex move both separately and accurately (either/or)
 - If we treat moves from three losing bases to a single gaining base separately, COBRA will assign the same vacant housing units three times.
 - We believe that the construction models will have the same problem. Vacant space will be used multiple times or cumulative requirements for additional facilities may be missed. For example, adding 1,000 people three times may not require a new gym, adding 3,000 at one time may.



COBRA Calculations





COBRA Description (cont'd)

- Provides standardized format for capturing and presenting data across services
- Permits direct comparison of service, cross and joint service alternatives
- Occurs late in process after base analysis
- Model has been vetted by GAO
- BRAC Commission independently uses model
- Requires data on various factors
 - Static information – Base demographics
 - Dynamic information – Scenario Specific
 - Standard Factors – Applicable to all Services



COBRA Data Requirements

- Static installation data - starting position
 - Operating Costs
 - Population
 - Demographics
 - Installation specific cost factors
- Dynamic scenario data
 - Personnel moved/eliminated/added
 - Equipment moved
 - Scheduling of moves/eliminations
 - Identified unique costs and savings
 - Construction/rehabilitation requirements
- Standard Factors
 - Demographics
 - Financial cost data
 - Pay and allowances
 - Civilian, transportation, and construction costing factors
 - Relocation program factors



Output Reports

- **COBRA Realignment Summary**
 - Presents overall results
 - Immediate viewing of overall feasibility
 - Payback point
 - Estimated One time costs
 - Net Present value of proposed action
 - Manpower summary
- **Additional reports provide details of specific areas**
 - Costs, Savings
 - NPV each year
 - One Time Cost detail
 - Recurring cost/savings detail
 - Total One time cost
 - Net cost detail
 - Sustainment/BOS Change
 - Personnel, SF/Sustaninment and BOS Deltas
 - MILCON



Agenda 28 Oct 04

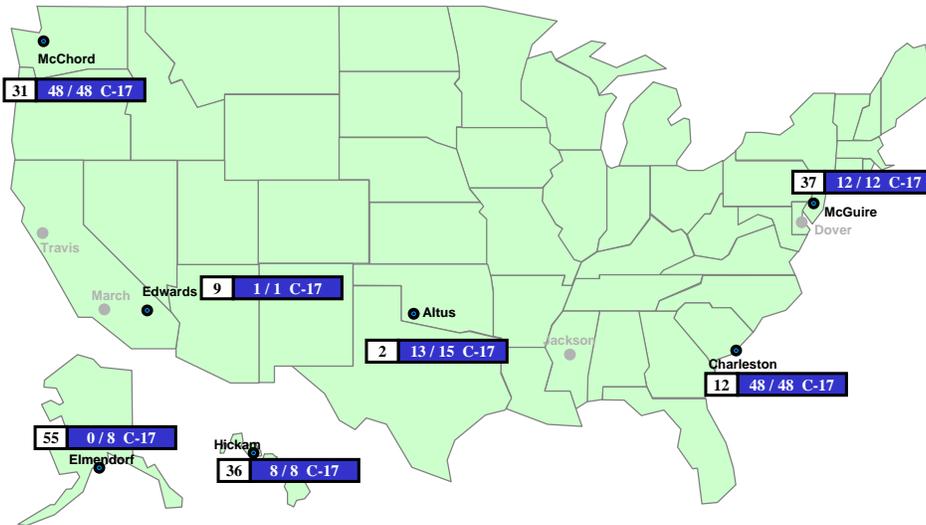
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C-17 Potential Scenario Group



Potential Scenario Group Consolidate/Realign C-17 Fleet – **No Change**

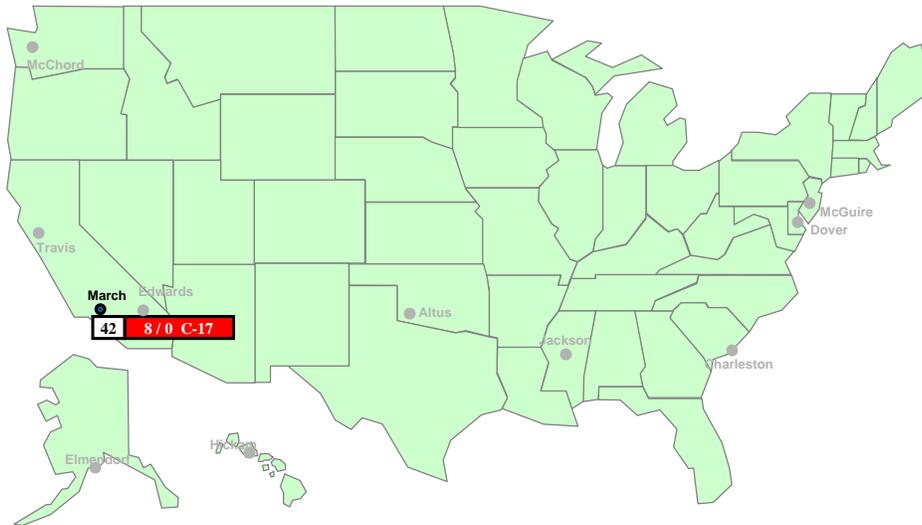




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Potential Scenario Group

Consolidate/Realign C-17 Fleet – **Losing Bases**



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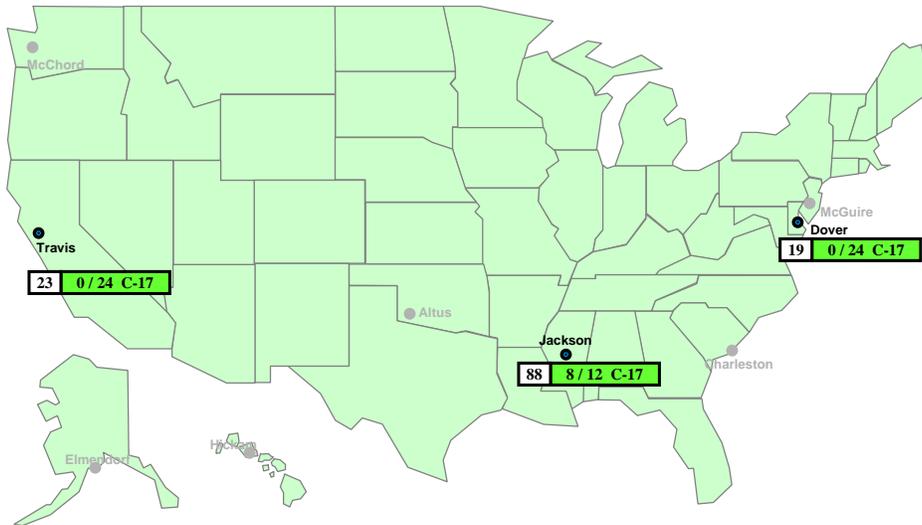
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Potential Scenario Group

Consolidate/Realign C-17 Fleet – **Gaining Bases**



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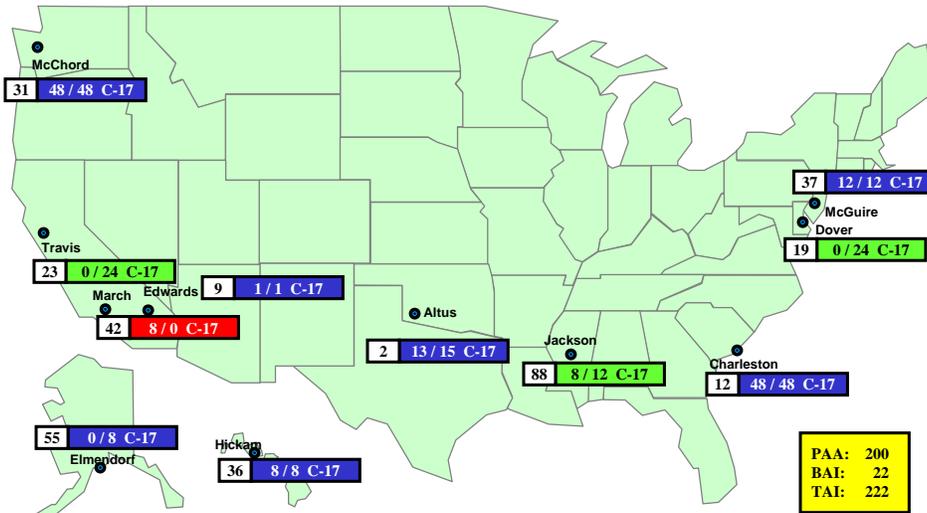
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Potential Scenario Group

Consolidate/Realign C-17 Fleet – All



| |
|----------|
| PAA: 200 |
| BAI: 22 |
| TAI: 222 |

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C-5 Potential Scenario Group

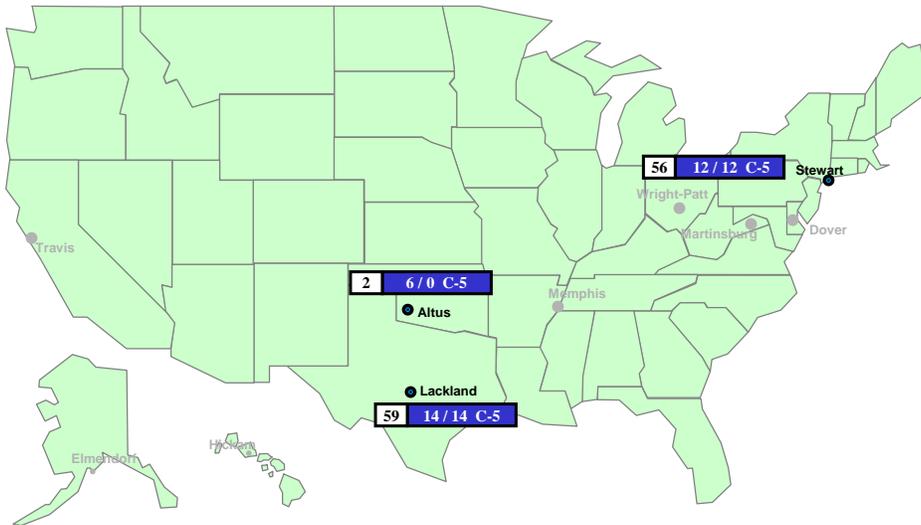
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Potential Scenario Group

Consolidate/Realign C-5 Fleet – **No Change**



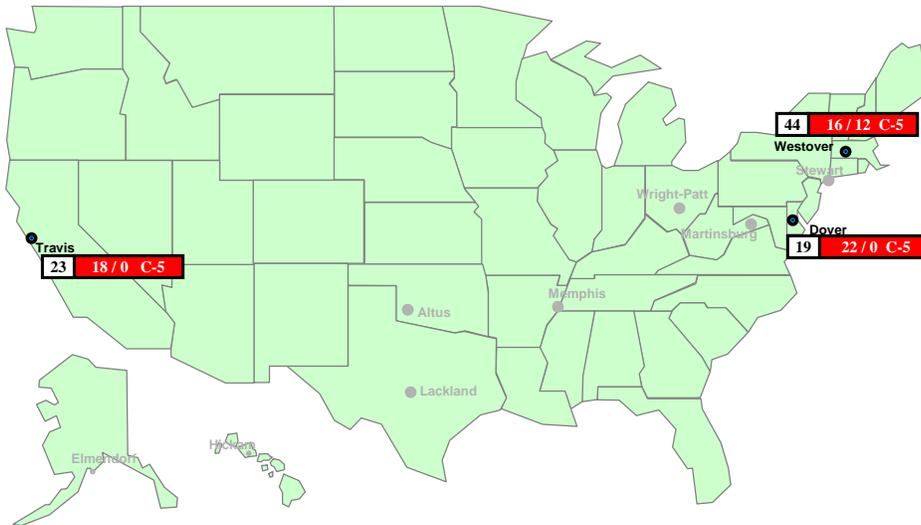
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Potential Scenario Group

Consolidate/Realign C-5 Fleet – **Losing Bases**



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Members*



Additional Scenarios Topics

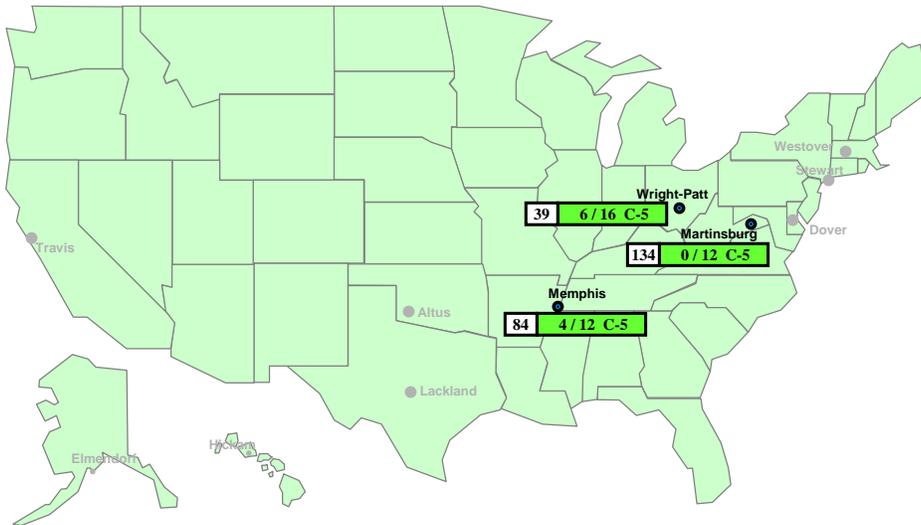
- Andrews AFB
- Nellis AFB
- Edwards AFB
- East Coast / West Coast SOF
- Space
- FMS



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Potential Scenario Group

Consolidate/Realign C-5 Fleet – Gaining Bases



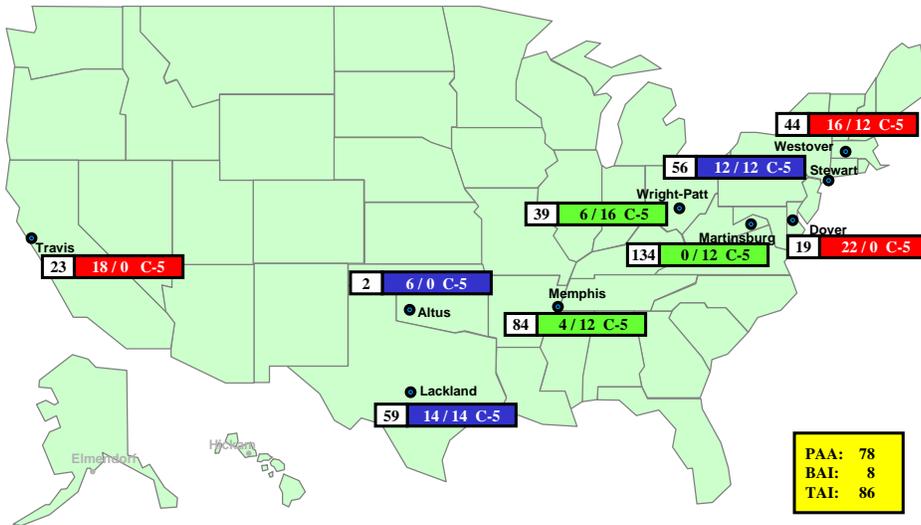
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Potential Scenario Group

Consolidate/Realign C-5 Fleet – All



| |
|---------|
| PAA: 78 |
| BAI: 8 |
| TAI: 86 |

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