



**DEPARTMENT OF THE NAVY**

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

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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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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

**TAB 1**



**TAB 2**



## INFRASTRUCTURE ANALYSIS TEAM

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

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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 fenceline 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 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 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.

  
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Recorder, IAT