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

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IAT/JAN
14 April 2005

MEMORANDUM

Subj: MINUTES OF THE INFRASTRUCTURE EVALUATION GROUP (IEG) MEETING OF 31 MARCH 2005

Encl: (1) 31 March 2005 IEG Meeting Agenda
(2) Recording Secretary's Report of IEG Deliberations on 31 March 2005

1. The fifty-eighth meeting of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) was convened at 1003 on 31 March 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; 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; Mr. Nicholas J. Kunesh, Deputy Assistant Secretary of the Navy, Logistics, serving as alternate for 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; Mr. David W. LaCroix, Senior Counsel, Infrastructure Strategy and Analysis; 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, and ADM Robert F. Willard, USN, Vice Chief of Naval Operations (VCNO), Co-Chair, were absent.

2. The following members of the DON Analysis Group (DAG) were present: RADM Christopher E. Weaver, USN, Commander, Navy Installations Command (CNI)/Director, Ashore Readiness Division (OPNAV N46); Mr. Thomas R. Crabtree, Director Fleet Training (N7A), U.S. Fleet Forces Command; Ms. Ariane Whittemore,

Subj: MINUTES OF THE INFRASTRUCTURE EVALUATION GROUP (IEG) MEETING OF 31 MARCH 2005

Assistant Deputy Chief of Naval Operations for Fleet Readiness and Logistics (N4B); Ms. Carla Liberatore, Assistant Deputy Commandant for Installations and Logistics (I&L), Headquarters, U.S. Marine Corps; and, Mr. Paul Hubbell, Deputy Assistant Deputy Commandant for Installations and Logistics (Facilities) Headquarters, U.S. Marine Corps.

3. The following members or representatives of the Functional Advisory Board (FAB) were present: RADM(sel) Alan S. Thompson, SC, USN, Director, Supply, Ordnance and Logistics Operations Division, N41, OPNAV; Ms. Susan C. Kinney, Deputy Director, Logistics Plans, Policies and Strategic Mobility Division, Headquarters, U.S. Marine Corps; Mr. George Ryan, OPNAV 091; CAPT Nancy Hight, MSC, USN; Mr. Stephen G. Krum; and, Mr. Thomas Grewe.

4. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Col Walter B. Hamm, USMC; CAPT Gene A. Summerlin, USN; CAPT Jan G. Rivenburg, USN; Mr. Robert G. Graham; CDR Judith D. Bellas, NC, USN; and, LCDR Paul V. Neuzil, USN. All attendees were provided enclosure (1). Ms. Davis presented the minutes from the 17 March 2005 IEG meeting for review and they were approved.

5. The IEG moved into deliberative session at 1004. See enclosure (2). The meeting adjourned at 1120.

Anne R Davis

Anne Rathmell Davis
Co-Chair, IEG

TAB 1

Infrastructure Evaluation Group

31 March 2005
1000-1200
Pentagon, Room 4D447

Meeting called by:	Chairs	Recorder:	Capt Noel

----- Agenda Topics -----

- Review and approve minutes of IEG Meeting of 17 March — Ms. Davis

Deliberative Session :

- CR Package 4 Status — Ms. Davis
- IEC Update
- Munitions Function Update
- MCLB Barstow Update
- Education & Training Updates
- Headquarters & Support Activities Updates
- Technical Updates
- Integration/Reconciliation
- DON Candidate Recommendation (Recap)
- JCSG Candidate Recommendations
- IEG/FAB Open Discussion

Administrative:

- Next meeting 7 Apr 05, 1000-1200, 4D447

Other Information

Draft minutes of 17 Mar 05 IEG meeting provided [To IEG members only]
Report of 17 Mar 05 IEG deliberative session provided [To IEG members only]
Other Read Aheads [To all attendees]

TAB 2

Department of the Navy
IAT

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

(703)-602-6500

RP-0575
IAT/JAN
11 April 2005

MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

Subj: REPORT OF IEG DELIBERATIONS OF 31 MARCH 2005

Encl: (1) DON Analysis Group Brief to IEG of 31 March 2005

1. The forty-second deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1004 on 31 March 2005 in room 4D447 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Co-Chair; VADM Justin D. McCarthy, USN, Member; VADM Kevin J. Cosgriff, USN, Member; LtGen Richard L. Kelly, USMC, Member; LtGen Michael A. Hough, Member; Mr. Nicholas J. Kunesh, alternate for 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: RADM Christopher E. Weaver, USN; Mr. Thomas R. Crabtree; Ms. Ariane Whittemore; Ms. Carla Liberatore; and, Mr. Paul Hubbell. The following members or representatives of the Functional Advisory Board (FAB) were present: RADM(sel) Alan S. Thompson, SC, USN; Ms. Susan C. Kinney; Mr. George Ryan; CAPT Nancy Hight, MSC, USN; Mr. Stephen G. Krum; and, Mr. Thomas Grewe. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. David W. LaCroix, Senior Counsel; Col Walter B. Hamm, USMC; CAPT Gene A. Summerlin, USN; CAPT Jan G. Rivenburg, USN; Mr. Robert G. Graham; CDR Judith D. Bellas, NC, USN; LCDR Paul V. Neuzil, USN; LCDR Vincent J. Moore, JAGC, USNR; and, Capt James A. Noel, USMC. All attendees were provided enclosure (1).

2. Ms. Davis used slide 3 of enclosure (1) to update the IEG concerning the status of DON Candidate Recommendation package 4 (CR4). She noted that on 30 March 2005, DON senior leadership approved the following candidate recommendations: DON-0133 (close Naval Ship Yard (NSYD) Portsmouth, ME), DON-0157 (close Marine Corps Support Activity (MCSA) Kansas City, MO), DON-0158A (close Naval Support Activity (NSA) New Orleans, LA) and DON-0168A (relocate Naval Warfare Development Center (NWDC) from NAVSTA Newport, RI to Hampton Roads, VA). Ms. Davis noted that

DON senior leadership also approved DON-0126 (close Navy Supply Corps School (NSCS), Athens, GA) and that the Education and Training (E&T) JCSG would soon submit this candidate recommendation to the Infrastructure Steering Group (ISG). The IEG reviewed the Payback summary for CR4, noting that these scenarios have total one-time costs of $642.22 million and 20-year NPV savings of $1.75 billion. Ms. Davis noted that the cost and savings for the underlying JCSG scenarios is included in the COBRA data for the four fenceline closure scenarios and that the cost to NPV savings ratio for CR4 is one to three.

3. Ms. Davis informed the IEG that DON senior leadership reviewed scenarios that respond to the Integrated Global Presence and Basing Strategy (IGPBS) directive for Navy to forward deploy a CVN and CVW in the U.S. Pacific Command (PACOM) area of responsibility and relocate a carrier (CVN) and carrier air wing (CVW) to Hawaii or Guam, respectively. She noted that DON leadership was recommending that the IGPBS directed relocation should not occur in BRAC and that no DON candidate recommendation be issued to relocate a CVN and CVW. Ms. Davis informed the IEG that she would brief the DON position to the ISG and the Infrastructure Executive Council (IEC) on 8 and 11 April 2005, respectively. See slide 3 of enclosure (1).

4. Ms. Davis updated the IEG concerning the status of IEC deliberations. She noted that at its 21 and 28 March 2005 meetings, the IEC tentatively approved 126 candidate recommendations. She noted that the IEC identified 16 candidate recommendations that required further discussion and that after discussing these, the IEC reached resolution on six (E&T-0032, E&T-0052, MED-0030, INT-0004, TECH-0009A and TECH-0042C). Ms. Davis noted that the IEC requested additional analysis of ten candidate recommendations (IND-0127A, IND-0127B, E&T-0003R, E&T-0046, HSA-0029, TECH-0005, TECH-0006, TECH-0020, TECH-0042A and TECH-0018D) and then reviewed the schedule of future IEC meetings. See slide 4 of enclosure (1).

5. Ms. Davis used slide 5 of enclosure (1) to update the IEG concerning analysis of the DON Munitions Storage and Distribution Function. She reminded the IEG that the City of Concord, CA requested closure of Naval Weapons Station (NAVWPNSTA) Seal Beach Detachment Concord, CA and that the Industrial JCSG remanded analysis of weapons stations to DON in February 2005. Ms. Davis reminded the IEG that the munitions throughput capacity analysis revealed no apparent excess capacity (during normal or surge operations), while munitions storage capacity analysis revealed some apparent excess capacity

(24 percent). She noted that, with the exception of NAVWPNSTA Seal Beach Detachment Concord, activities in the DON Munitions Storage and Distribution function do not have severable magazine fields that would allow for a partial closure. The DAG determined that excess storage capacity is reduced to 16 percent without NAVWPNSTA Seal Beach Detachment Concord and that it is not used for DON storage. United States Transportation Command's (TRANSCOM) Military Surface Deployment and Distribution Command (SDDC) indicated that there is no DOD requirement for the Inland area storage capacity at NAVWPNSTA Seal Beach Detachment Concord. Ms. Davis noted that the completed military value analysis did not reveal any anomalies. The DAG determined that the NAVWPNSTA Seal Beach Detachment Concord Inland area is not necessary for DON and DOD storage requirements and issued a scenario data call (SDC) to close the Inland area (DON-0172). Ms. Davis informed the IEG that the next step will be for the DAG to analyze the closure scenario.

6. The IEG next reviewed a fenceline scenario to close Marine Corps Logistics Base (MCLB) Barstow, CA (DON-0165A). See slide 6 of enclosure (1). This closure is enabled by an Industrial JCSG candidate recommendation (IND-0127) that relocates the depot maintenance functions to various locations. Ms. Davis noted that DON continues to object to this candidate recommendation since DON remains concerned about the potential loss of the west coast depot capability that provides essential support for the Global War on Terror (GWOT) and the accuracy of the underlying shift capacity analysis (i.e., the 1.5 capacity multiplier). A Supply and Storage (S&S) JCSG scenario (S&S-0051) regionalizes the Defense Distribution Depot (DDD) function in conjunction with the depot maintenance integration and relocates DDD Barstow to DDD San Joaquin, CA. Ms. Davis informed the IEG that the IEC reviewed IND-0127 on 21 March 2005 and requested that DON provide Selection Criteria 5-8 analyses to OSD by 1 April 2005 in order to allow a comprehensive review of the MCLB Barstow closure.

7. Ms. Davis noted that at its 22 March 2005 deliberative session, the DAG reviewed DON-0165 (close all base operations at MCLB Barstow and realign Marine Corps serviceable assets to Marine Corps Air Ground Combat Center (MCAGCC), Twenty-nine Palms, CA) and in addition to the DON concerns, noted that closure of MCLB Barstow would negatively impact the DOD railhead at MCLB Barstow. At its 29 March 2005 deliberative session, the DAG reviewed DON-0165A (close MCLB Barstow, realign the Fleet Support Division to MCLB Albany, GA and transfer the enclaved railhead and family housing facilities to the Army). Ms. Davis

emphasized that the intent of analysis of DON-0165A is to respond to the IEC request for DON data and not to provide a DON candidate recommendation.

8. The IEG reviewed the COBRA data results for candidate recommendation IND-0127 and scenarios S&S-0051 and DON-0165A. IND-0127 indicates one-time costs $42.67 million, a one year Payback, and 20-year NPV savings of $215 million. S&S-0051 indicates one-time costs of $4.77 million, a one year Payback, and 20-year NPV savings of $616.5 million. DON-0165A indicates one-time costs of $137.41 million and 20-year NPV savings of $882.5 million. The combined COBRA data indicates one-time costs of $184.85 million, an immediate Payback, and 20-year NPV savings of $1.71 billion. See slide 6 of enclosure (1).

9. The IEG reviewed the DON objections to the closure of MCLB Barstow that will be provided to OSD along with the requested analyses. See slide 7 of enclosure (1).

10. The IEG reviewed the Selection Criteria 6-8 analyses for DON-0165A and noted that there were no significant economic, community or criterion 8 impacts. See slide 8 of enclosure (1). The IEG next reviewed the Candidate Recommendation Risk Assessment (CRRA) for DON-0165A that indicates medium executability risk and high warfighting/readiness risk, consistent with the DON objections discussed above in paragraph 9. See slide 9 of enclosure (1).

11. Ms. Davis used slide 10 of enclosure (1) to update the IEG concerning scenarios affecting the Naval Postgraduate School (NPGS), Monterey, CA. She reminded the IEG that the initial E&T JCSG candidate recommendation (E&T-0003) privatized DOD postgraduate education without consideration of military unique courses of instruction. E&T-0003R, presented to the ISG on 4 March 2005, incorporated DON's request to relocate sufficient staff to a Navy activity to provide military unique courses and program management. Ms. Davis noted that further discussion between DON leadership and the Naval Education and Training Command (NETC) explored options for siting the Navy graduate program at top-tier graduate schools. This option would obviate the need to relocate DON unique military sub-elements (courses) of degree programs to NAVSTA Newport, RI. Ms. Davis noted that E&T-0003 costs required adjustment to account for student costs (to include fees and books) at top-tier schools. The IEG reviewed the COBRA data for the original E&T-0003, E&T-0003R and E&T-0003 (as revised by DON). Revised E&T-0003 indicates one-time costs of $48.68 million, a one-year Payback, and 20-year

NPV savings of $437.71 million. The IEG concurred with candidate recommendation E&T-0003 as revised by DON, and noted that a detailed plan for siting the Navy graduate program at appropriate top-tier universities would be finalized during BRAC implementation. Ms. Davis stated that she would forward a letter informing the E&T JCSG of DON's concurrence with the revised E&T-0003 (this revised E&T-0003 will henceforth be referred to as E&T-0003R).

12. Ms. Davis used slide 11 of enclosure (1) to discuss the status of the E&T JCSG's cooperative flight training scenario. She noted that E&T-0046 consolidates: undergraduate pilot training (UPT) at Columbus AFB, OH; NAS Corpus Christi, TX; NAS Kingsville, TX; Laughlin AFB, TX; NAS Meridian, MS; Sheppard AFB, TX; and Vance AFB, OK; undergraduate navigator training (UNT) at NAS Pensacola, FL and undergraduate helicopter training (URT) at Fort Rucker, AL. The IEG noted that E&T-0046 uncovers NAS Whiting Field, FL and enables the possible fenceline closure scenario for NAS Whiting Field (DON-0152). Ms. Davis noted that an Air Force proposal would site Air Force primary UPT and Introduction to Fighter Fundamentals (IFF) at Columbus AFB, Laughlin AFB, Randolph AFB, Sheppard AFB and Vance AFB. The Air Force proposal would site DON primary UPT at NAS Corpus Christi and NAS Meridian; Advanced Striker/Fighter training at NAS Kingsville; consolidate Air Force and Navy UNT at NAS Pensacola; and consolidate Air Force, Navy and Army URT at Fort Rucker.

13. The COBRA data for E&T-0046 indicates one-time costs of $399.83 million, a Payback in ten years, and 20-year NPV savings of $130.98 million. The COBRA data for the Air Force proposal indicates one-time costs of $248.88 million, a Payback in 13 years, and 20-year NPV savings of $63.45 million. Ms. Davis informed the IEG that when E&T-0046 and the Air Force proposal were briefed to the IEC on 28 March 2005, DON non-concurred since separating fixed wing and helicopter training at NAS Whiting Field, FL will generate more permanent change of station (PCS) costs and significantly lengthen the time that undergraduate pilots spend in the training pipeline. She noted that the IEC deferred a decision pending further discussion and presentation of additional alternatives by the E&T JCSG. Ms. Davis noted that DON, Air Force and the E&T JCSG met subsequently and determined that a modified Air Force proposal that does not relocate DON UPT was the most viable alternative, as it would allow the Air Force to appropriately relocate its assets and not negatively impact DON pilot training. Ms. Davis noted that DON would not object to the consolidation of navigator training (i.e., Naval Flight Officer (NFO) and Air

Force Combat Systems Officer (CSO)) at NAS Pensacola and the Air Force relocations in the Air Force proposal. The IEG noted that closure of NAS Whiting Field (DON-0152) would no longer be viable if the IEC approves the Air Force proposal.

14. Ms. Davis used slide 12 of enclosure (1) to discuss scenarios that consolidate Human Resource Service Centers (HRSCs). She noted that at the 28 March 2005 IEC meeting, DON requested submission of HSA-0031 rather than HSA-0029. HSA-0029 would consolidate civilian personnel offices (CPOs) at the DOD level. DON raised concerns that implementation of the National Security Personnel System (NSPS) while simultaneously consolidating HRSCs at the DOD level could negatively impact the ability to execute BRAC within the required timeframe. HSA-0031 consolidates 25 CPOs into 12 but maintains responsibility for the remaining CPOs with the Services and Defense Agencies. Ms. Davis reviewed the DON actions in HSA-0031, including HRSC Pacific at NAVSTA Pearl Harbor, HI, which consolidates with HRSC East at Naval Shipyard Norfolk, VA; HRSC Northeast at Philadelphia, PA (leased space), which relocates to NSA Mechanicsburg, PA; and HRSC Southwest at San Diego, CA (leased space), which relocates to NAVSTA San Diego, CA. Ms. Davis noted that the HSA JCSG is considering not relocating HRSC Southwest since consolidation savings do not appear to offset implementation costs. HRSC Northwest at Silverdale, WA (leased space) is not impacted.

15. The IEG reviewed the COBRA data for HSA-0031 that indicates one-time costs of $100.8 million, an immediate Payback, and 20-year NPV savings of $303.3 million. The IEG determined that DON will coordinate with the HSA JCSG to refine the data for HSA-0031 and ensure selection of appropriate receiver sites (i.e., relocate HRSC Northeast to an appropriate site in Philadelphia, PA and relocate HRSC Northwest and HRSC Southwest into government owned facilities).

16. Ms. Davis used slide 13 of enclosure (1) to discuss a scenario to consolidate TRANSCOM. She noted that HSA-0114, as presented to the ISG on 24 March 2005, consolidates Army SDDC and Navy Military Sealift Command (MSC) at Scott AFB, IL with Air Force Air Mobility Command (AMC) and TRANSCOM headquarters. HSA-0114 indicates an immediate Payback and NPV savings of $1 billion, largely due to an 18 percent reduction of personnel. Ms. Davis noted that DON objected to this candidate recommendation at the 24 March 2005 ISG meeting since MSC's relocation could break internal MSC synergies. Accordingly, the ISG directed the HSA JCSG to review an alternate candidate

recommendation for TRANSCOM consolidation that does not relocate MSC and allows the determination of the organizational relationship between MSC and TRANSCOM to occur outside of the BRAC process.

17. Ms. Davis used slide 14 of enclosure (1) to discuss scenarios that affect NAES Lakehurst, NJ. She noted that existing Technical JCSG scenarios (TECH-0005 and TECH-0006) would relocate technical air platform RDAT&E functions to NAS Patuxent River, MD and existing Industrial JCSG scenarios (IND-0063, IND-0073 and IND-0083) would relocate industrial functions to NAVAIRDEPOT Jacksonville, FL. Additionally, she noted that candidate recommendation HSA-0011 realigns Ft. Dix, NJ and NAES Lakehurst by transferring their installation management functions and responsibilities to McGuire AFB, NJ, thereby creating a joint base.

18. The IEG reviewed the COBRA data for scenarios that affect NAES Lakehurst. TECH-0005 indicates one-time costs of $101.3 million, a Payback in 17 years, and 20-year NPV savings of $2 million. TECH-0006 indicates one-time costs of $68.7 million, a Payback in 13 years, and 20-year NPV savings of $15.3 million. The Industrial JCSG scenarios indicate one-time costs of $109.4 million, Payback in excess of 100 years, and 20-year NPV savings of $77.4 million. HSA-0011 indicates one-time costs of $2.43 million, an immediate Payback, and 20-year NPV savings of $290 million. Ms. Davis noted that DON continues to coordinate with the Technical JCSG to refine the data for TECH-0005 and TECH-0006 and that the Technical JCSG will likely drop NAES Lakehurst from TECH-0006. She also noted that the Industrial JCSG is likely to deactivate scenarios affecting NAES Lakehurst. Ms. Davis stated that the IAT would continue to monitor JCSG scenarios affecting NAES Lakehurst but does not anticipate that they will lead to the closure of NAES Lakehurst.

19. Ms. Davis used slide 15 of enclosure (1) to discuss scenarios that affect Naval Surface Warfare Center (NSWC) Indian Head, MD. She noted that an existing Technical JCSG scenario (TECH-0059) would relocate Weapons and Armaments (W&A) technical and industrial capability from NSWC Indian Head and NSWC Yorktown, VA to Naval Air Warfare Center Weapons Division, China Lake, CA. Ms. Davis noted that the Technical JCSG has begun analysis of TECH-0059 and that data resolution is on going. Ms. Davis informed the IEG that the ISG and the Technical JCSG have requested that DON initiate a fenceline closure scenario for NSWC Indian Head. Ms. Davis stated that the IAT will issue a scenario data call in order to gather the data. The IEG noted

that TECH-0059 relocations would likely still leave a significant portion of the NWSC Indian Head fenceline unaffected.

20. Ms. Davis used slide 16 of enclosure (1) to discuss and review the COBRA data for scenarios that affect NSA Crane, IN. She noted that IND-0127 and TECH-0042D are not currently candidate recommendations. Ms. Davis noted that TECH-0042A requires significant refinement to include MILCON and equipment relocation costs and that TECH-0032 requires data refinement to include costs for additional MILCON, personnel relocations, and to identify capacity requirements. She noted that at its 29 March 2005 deliberative session, the DAG recommended retaining a Navy presence at NSA Crane, noting that current JCSG candidate recommendations do not appear to sufficiently uncover NSA Crane to make a DON fenceline closure viable, particularly since remaining Army presence at NSA Crane is unaffected. Accordingly, the IEG concurred with the DAG's recommendation to maintain a Navy presence at NSA Crane.

21. Ms. Davis used slide 17 of enclosure (1) to discuss the issue of whether to relocate Fleet Numerical Meteorology and Oceanography Center (FNMOC) and Naval Research Lab (NRL) Detachment Monterey or enclave them at the Monterey annex. She noted that an existing Technical JCSG scenario (TECH-0020) would relocate the NRL Detachment to Stennis Space Center, MS and that any relocation of FNMOC would require a DON BRAC action. DON-0070 closes NPGS and enclaves FNMOC and NRL Detachment Monterey. Ms. Davis noted that relocation of NRL Detachment Monterey and FNMOC to Stennis Space Center would collocate them with NRL Stennis and Commander, Naval Meteorology and Oceanography Command (COMNAVMETOCCOM) to maximize synergistic work efforts.

22. The IEG reviewed the COBRA data for these scenarios. TECH-0020 indicates one-time costs of $12.7 million, a Payback in six years, and 20-year NPV savings of $20.7 million. DON-0070 indicates one-time costs of $59.77 million, an immediate Payback, and 20-year NPV savings of $798.48 million. Ms. Davis noted that the Technical JCSG is reviewing its analysis to include costs for additional MILCON and requirements for computer assets identified in the certified data. She noted that DON will review the FNMOC relocation and analyze the functional relationship with NRL Detachment Monterey to ensure a complete understanding of how a possible relocation would be phased. The IEG determined that there was no compelling operational reason for FNMOC to be located in Monterey and that the decision to relocate or enclave FNMOC should be based on its

cost effectiveness, i.e., relocate if cost effective, otherwise enclave FNMOC at Monterey.

23. Ms. Davis used slide 18 of enclosure (1) to discuss scenarios that affect NAS Pt. Mugu, CA. She reminded the IEG that existing Technical JCSG scenarios (TECH-0018D and TECH-0054) would relocate W&A RDAT&E and Sensor, Electronics and Electronic Warfare work to NAVWPNSTA China Lake, CA. DON-0162 closes all base operations at NAS Pt. Mugu and relocates the remaining Weapons, Sensors and Range Operations work to NAVWPNSTA China Lake, the surface target launch facility to Vandenburg AFB, CA, the aviation assets (E-2s, C-130s) to NAS North Island, CA (NASNI), and the Air National Guard to an undetermined base.

24. Ms. Davis reminded the IEG that at its 17 March 2005 deliberative session, the IEG decided to delay a decision concerning NAS Pt. Mugu pending receipt of guidance from DON senior leadership. She informed the IEG that DON leadership reviewed the issues with respect to closure or retention of NAS Pt. Mugu (i.e., close to reduce capacity or retain for future flexibility) and determined that retention was the preferred option. She noted that retention of NAS Pt. Mugu would allow DON to utilize the available capacity as a receiver site for other assets, including a lower cost receiving site for NSWC Corona, CA assets.

25. The IEG next reviewed a fenceline scenario to close NSA Corona, CA. See slide 19 of enclosure (1). Ms. Davis noted that the closure of NSA Corona is enabled by a Technical JCSG scenario that relocates NSWC Division Corona to March ARB, CA (TECH-0060) or Pt. Mugu (TECH-0060A). The IEG reviewed the COBRA results for these scenarios. TECH-0060 indicates one-time costs of $94 million (largely due to MILCON costs), a Payback in six years, and 20-year NPV savings of $85 million. TECH-0060A indicates one-time costs of $80.4 million (largely due to costs associated with relocating personnel), a Payback in three years, and 20-year NPV savings of $139 million.

26. Ms. Davis noted that the Technical JCSG is expected to forward a candidate recommendation for TECH-0060 (relocate to March ARB) to the ISG on 1 April 2005. She noted that DON does not concur with TECH-0060 and that DON's decision to retain NAS Pt. Mugu should support redirection of NSWC Division Corona assets to NAS Pt. Mugu. The IEG noted that relocating NSWC Division Corona assets to NAS Pt. Mugu would maximize synergies by locating these assets on a Navy installation in proximity to

a sea range and a fleet concentration area. The IEG also noted that relocation to NAS Pt. Mugu would allow NSWC Division Corona assets to maximize efficiencies and synergies by collocating in available capacity (i.e., an available building complex vice scattered buildings at NSA Corona or new MILCON at March ARB). The IEG agreed that DON should request that the Technical JCSG select Pt. Mugu as the receiver site for NSWC Division Corona.

27. Ms. Davis used slide 20 of enclosure (1) to update the IEG concerning the status of a fenceline closure scenario (DON-0170) for NSWC Philadelphia, PA. She noted that the Technical JCSG agreed that the relocation of NSWC Philadelphia should be included in the DON fenceline closure scenario. Ms. Davis noted that DON-0170 would: close NSWC Philadelphia; consolidate materials and processes at NSWC Philadelphia to NSWC Carderock, MD; relocate machinery RDAT&E (including in service engineering (ISE) functions) at NSWC Philadelphia to NAVSTA Norfolk; and relocate NETC's Aegis Training and Readiness Center Detachment Philadelphia to NAVSTA Norfolk. Ms. Davis informed the IEG that the scenario data call for DON-0170 has been issued and formal certification of the response is pending. She noted that COBRA data is not yet available but that MILCON costs of approximately $400 million are expected and that no billet eliminations are anticipated. Additionally, she noted that the following activities will remain at their current locations in Philadelphia: Naval Shipyard Norfolk Foundry and Propeller Shop, Navy Inactive Ships Maintenance Office, Norfolk Public Works Center Detachment and NSA Philadelphia.

28. Ms. Davis used slide 21 of enclosure (1) to discuss and provide examples of the candidate recommendation reconciliation process. She noted that this process is different from the candidate recommendation integration process. The reconciliation process will be used to ensure compatibility between Service and JCSG candidate recommendations, i.e., ensure that the recommendation language is sufficiently specific or flexible to allow for implementation.

29. Ms. Davis used slide 22 of enclosure (1) to discuss the candidate recommendation integration process. She noted that there are significant outstanding DON decisions and actions, including finalization of closure decisions, resolution of the IGPBS directed action, and coordination with the JCSGs to finalize and assess candidate recommendations that impact DON. She noted that DON is focusing on 16 April 2005 as the due date for a draft "final" recommendation package and that "final draft" reports are expected to be due to OSD by 22 April 2005.

30. The IEG next reviewed the Payback summary for DON candidate recommendations that indicates one-time costs of $1.97 billion and a 20-year NPV savings of $8.02 billion. Ms. Davis noted that the figures for the fenceline candidate recommendations include the costs for all DON actions within the fenceline. She noted that the cost to NPV ratio remains one to four. See slide 23 of enclosure (1). She then provided the IEG with a cartographical display of approved DON candidate recommendations to depict the affected geographical areas, see slide 24 of enclosure (1), and a cartographical display of JCSG candidate recommendations impacting DON, see slide 25 of enclosure (1).

31. The IEG next reviewed a summary of all current BRAC candidate recommendations that indicates one-time costs of $25.79 billion and 20-year NPV savings of $54.41 billion. See slide 26 of enclosure (1). Ms. Davis noted that the HSA JCSG data is being reviewed to ensure costs and savings data is not duplicated.

32. The IEG adjourned at 1120.

JAMES A. NOEL
CAPTAIN, USMC
Recorder, IAT