Department of the Navy
IAT

INFRASTRUCTURE ANALYSIS TEAM
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RP-0440
IAT/JAN
14 February 2005

MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

Subj: REPORT OF IEG DELIBERATIONS OF 10 FEBRUARY 2005

Encl: (1) DON Analysis Group Brief to IEG of 10 February 2005

1. The thirty-eighth deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1007 on 10 February 2005 in room 4D447 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Co-Chair; Gen William L. Nyland, USMC, Co-Chair; VADM Justin D. McCarthy, USN, Member; Mr. Thomas R. Crabtree, alternate for VADM Kevin J. Cosgriff, USN, Member; Ms. Carla Liberatore, alternate for 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: RADM Christopher E. Weaver, USN; Ms. Ariane Whittemore; Mr. Paul Hubbel; Mr. Michael F. Jaggard; 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: RADM William R. Klemm, USN; RADM Kathleen L. Martin, NC, USN; MajGen (sel) Willie J. Williams, USMC; Ms. Karin Dolan; Mr. Michael Rhodes; BGen Thomas L. Conant, USMC; RDML Jan C. Gaudio, USN; RDML Mark Hugel, USN; 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; and, CAPT Nancy Hight, MSC, USN. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. David W. LaCroix, Senior Counsel; CAPT Jason A. Leaver, USN; CAPT Gene A. Summerlin, USN; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; CAPT Matthew A. Beebe, CEC, USN; LtCol Teri E. Erdag, USMC; CDR Robert E. Vincent II, JAGC, USN; CDR Margaret M. Carlson, JAGC, USN; CDR Judith D. Bellas, NC, USN; CDR Brian D. Miller, USNR; CDR Carl W. Deputy, USN; Maj Stanley D. Sober, USMC; LCDR Paul V. Neuzil, USN; LCDR Maria L. Aguayo, CEC, USN; LCDR Vincent J. Moore, JAGC, USNR; LT Titiana Cross, CEC, USN and, Capt James A. Noel, USMC. All attendees were provided enclosure (1).

2. Ms. Davis used slide 3 of enclosure (1) to discuss the status of DON Candidate Recommendation Package Two (CR2), noting that it was presented to DON senior leadership (i.e., SECNAV, CNO and CMC) on 4 February 2005. She informed the IEG that the senior leadership had approved forwarding DON-0068 (realignment of NAS Atlanta) and DON-0085 (consolidate Officer Training Commands at NAVSTA Newport) to the Infrastructure Executive Council (IEC) as candidate recommendations. She noted that the senior leadership discussed the recommendation to close MCAS Beaufort, SC (DON-0141) and concluded that MCAS Beaufort should be retained for future tactical aviation (TACAIR) basing flexibility, especially in light of concerns about the continued viability of TACAIR basing at NAS Oceana, VA. Accordingly, DON-0141 was removed from further consideration. Ms. Davis informed the IEG that the senior leadership expressed concern that the recommendation to close NAS Brunswick, ME (DON-0138) could result in the loss of strategic footprint in New England and directed the IEG to examine BRAC options other than full closure of NAS Brunswick.

3. Ms. Davis used slides 5-11 of enclosure (1) to discuss analysis of Joint Action Scenario Team (JAST) Armed Forces Reserve Center (AFRC) scenarios. She noted that the Reserve Component Process Action Team (RCPAT) was the catalyst for JAST AFRC scenarios and that the Military Department Reserve Center Headquarters had developed 141 scenarios for consolidating multiple reserve centers in a given area into a single AFRC. Ms. Davis noted that 74 of these scenarios submitted to OSD as candidate recommendations by the Army identified DON and/or Air Force as participants. Of these, 44 had a DON interest. See slide 5 of enclosure (1).

4. Ms. Davis informed the IEG that at its 17 January 2005 deliberative session, the DAG noted that the up front investment costs and Payback periods for these scenarios appeared to be relatively high, both for the JAST scenario as a whole and the DON portion of the scenario. The DAG, therefore, directed the IAT to consult with COMNAVRESFOR and COMMARFORRES to determine whether there were compelling operational reasons for participating in the JAST scenarios. She noted that the DAG again reviewed the 44 JAST scenarios at its deliberative sessions on 25 and 31 January, and 8 February 2005 in an effort to develop a methodology for determining which, if any, of the JAST scenarios merited DON participation. Ms. Davis noted that the DAG developed criteria to ensure consistency with the DON approach, including examining whether the JAST scenario resulted in capacity reduction, increased the average military value of

the remaining reserve centers, had a Payback within 20 years (both for DON and DOD), addressed claimant interests and concerns, and compared favorably to alternate DON reserve center candidate recommendations.

5. Based upon the foregoing analysis, Ms. Davis noted that the DAG identified 18 scenarios with potential fiscal (i.e., show a Payback within 20 years for DON and DOD) or operational (e.g., move forces closer to training and/or equipment) benefit. The DAG's analysis categorized these 18 scenarios in four groups:

a. The DAG recommended that nine JAST AFRC scenarios proceed with DON participation. Ms. Davis noted that these scenarios indicate a Payback within 20 years for DOD and DON and predominantly affect DON reserve centers with average or below average military value scores. Additionally, Ms. Davis noted that these scenarios address six of 11 mission priorities identified by the claimants. She noted that participation in these scenarios requires withdrawal of four DON candidate recommendations previously submitted to the IEC in CR1. The COBRA data for these nine JAST AFRC scenarios indicates DON one-time costs of $88.75 million and provides 20-year net present value (NPV) savings of $65.64 million. The COBRA data indicates DOD one-time costs of $210.39 million and provides 20-year NPV savings of $566.08 million. The IEG noted that the COBRA data for the four rescinded DON candidate recommendations indicates one-time costs of $5.07 million and provides 20-year NPV savings of $45.41 million. The DAG recommended that the Army and IEC be notified that DON will participate in the candidate recommendations. See slide 7 of enclosure (1).

b. The DAG recommended that two JAST scenarios proceed without DON participation. Ms. Davis noted that while the COBRA data indicated a DOD Payback within 20 years, the DON Payback did not occur within 20 years. She noted that DOD's (Army) return on investment improved without DON participation and that there were no compelling claimant concerns to outweigh the high DON costs. The COBRA data indicates DON one-time costs of $13.02 million and provides 20-year NPV costs of $12.96 million. The COBRA data indicates DOD one-time costs of $59.52 million and provides 20-year NPV savings of $18.56 million. The DAG recommended that the Army and IEC be notified that DON will not participate in the candidate recommendations but did not object to the Army's continuation. See slide 8 of enclosure (1).

c. The DAG recommended that three JAST AFRC scenarios proceed without DON participation and that DON proceed with

previously submitted reserve center candidate recommendations. Ms. Davis noted that the COBRA data for these JAST AFRC scenarios indicates that the return on investment is within 20 years for both DON and DOD and that DOD's (Army) return on investment remains roughly the same with or without DON participation. COBRA data indicates DON one-time costs of $31.23 million and provides 20-year NPV savings of $24.8 million. COBRA data indicates DOD one-time costs of $113.78 million and provides 20-year NPV savings of $214.29 million. The COBRA data for the DON reserve center candidate recommendations indicates one-time costs of $425 thousand and provides 20-year NPV savings of $38.75 million. The DAG recommended that the Army and IEC be notified that DON will not participate in the candidate recommendations but did not object to the Army's continuation. See slide 9 of enclosure (1).

d. The DAG noted that there are four JAST scenarios that do not have a cost to DON. In two instances the DON units are tenants at an Army reserve center and will be relocated to the AFRC at no cost to the Navy. In two instances, the Army will be constructing the AFRC on a Navy installation at no cost to the Navy. The COBRA data indicates one-time DOD costs of $136.21 million and 20-year NPV savings of $155.98 million. The DAG recommended that the Army and IEC be notified that there is no DON objection to these JAST scenarios. See slide 10 of enclosure (1).

6. The IEG discussed JAST AFRC scenario issues with particular focus on the high one-time costs for those the DAG has recommended for DON participation. Ms. Davis noted that the COBRA data for 26 of the 44 JAST scenarios involving DON indicates a Payback period greater than 20 years and, therefore the DAG recommended that DON not endorse these scenarios since there are no identified claimant concerns to outweigh the costs. She noted that eight of the 18 (and four of the nine recommended for DON participation) have land ownership issues, i.e., the Army does not currently own the proposed AFRC site. Ms. Davis informed the IEG that the Army intends to include the land purchase costs (calculated at fair market value) in the COBRA analysis for each candidate recommendation. The IEG approved each of the above-described DAG recommendations subject to receipt and review of revised COBRA data reflecting the land acquisition costs for those scenarios with land ownership issues.

7. Ms. Davis updated the IEG concerning scenario analysis for the Aviation Operations Function, reminding the IEG that DON-

0068 (realignment of NAS Atlanta) had been approved as a candidate recommendation and that the DAG was seeking the IEG's decision on DON-0084 (close NAS JRB Willow Grove, PA) and would provide updates on DON-0067 (realign Cambria Airport, Johnstown, PA) and DON-0138 (close NAS Brunswick, ME). See slide 13 of enclosure (1).

8. The IEG reviewed the scenario to close NAS JRB Willow Grove, PA and relocate assets to McGuire AFB, NJ and Ft Dix, NJ (DON-0084). Ms. Davis noted that at its 8 February 2005 deliberative session, the DAG determined that adequate excess capacity is available at McGuire AFB and that the demographics are suitable to support relocation of units from NAS JRB Willow Grove to McGuire AFB. Based on uncertified Air Force data, the DAG noted that a modest amount of military construction (MILCON) will be required. The DAG also noted that an HSA JSCG scenario is being considered to consolidate McGuire AFB, Ft Dix, and NAES Lakehurst, and that additional synergies might be gained by relocating NAS JRB Willow Grove units to this joint base. Finally, the DAG noted that Army and Air Force reserve assets were scheduled to move out of NAS JRB Willow Grove. Accordingly, the DAG directed that Selection Criteria 6-8 analyses be performed for this scenario. She noted that the revised COBRA data for DON-0084 indicates one-time costs of $73 million, provides a Payback in one year, and has 20-year NPV savings of $795.8 million. See slide 15 of enclosure (1).

9. Ms. Davis used slides 16-17 of enclosure (1) to discuss Selection Criteria 6-8 analyses and the Candidate Recommendation Risk Assessment (CRRA) for DON-0084. Ms. Davis noted that the economic and community impact analyses for the losing and receiving communities did not identify any issues of concern. Selection Criterion 8 analysis indicates that an Air Conformity determination and significant air permit revision will be required at McGuire AFB. No other substantial environmental issues were identified for this scenario. The CRRA indicates minimal executability and warfighting/readiness risk. The IEG noted that MILCON costs for this scenario could change since the ability to use assets (e.g., personnel support, bachelor quarters) at McGuire AFB and Ft Dix is as yet undetermined. Ms. Davis noted that Army National Guard assets will likely relocate to NAS JRB Willow Grove if the Navy departs.

10. The IEG reviewed the overall impact of DON-0084, noting that Aviation active and reserve operational capacity decreases from 317 hangar modules to 313 hangar modules (1%). Overall Aviation capacity decreases from 433 hangar modules to 429

hangar modules (slightly less than one percent) and the average military value score of the remaining operational air stations increases from 56.22 to 56.70. The IEG approved the DAG's recommendation to prepare a candidate recommendation package for DON-0084. See slide 19 of enclosure (1).

11. Ms. Davis updated the IEG concerning the scenario to realign Cambria Airport, Johnstown, PA and send the Marine reserve assets to NAS JRB Willow Grove, PA (DON-0067). The IEG noted that based on apparent available capacity at McGuire AFB, an opportunity may still exist to realign Cambria Airport by sending the Marine assets to McGuire AFB. Ms. Davis noted that the DAG is continuing to research whether reserve demographics would support such a move and whether there are any legal issues that would preclude the realignment of Cambria Airport. See slide 20 of enclosure (1).

12. The IEG next reviewed the scenario to close NAS Brunswick, ME (DON-0138) and single site P-3 assets on the east coast at NAS Jacksonville, FL. Ms. Davis reminded the IEG that DON senior leadership expressed concern that closure of NAS Brunswick could have strategic implications regarding U.S. Northern Command's (NORTHCOM) homeland defense strategy and would result in the loss of the only Naval aviation footprint in New England and, therefore, directed the DAG to examine BRAC options other than full closure. See discussion in paragraph 2 above. Ms. Davis informed the IEG that the DAG has developed alternative scenarios that allow consolidation of Maritime Patrol assets (P-3's) at NAS Jacksonville, while retaining NAS Brunswick footprint, and will issue scenario data calls (SDC) that explore the following options:

a. Naval Support Activity Brunswick. This option would relocate all aviation assets to NAS Jacksonville, FL and retain all other functions at NAS Brunswick, including base support for remaining functions. All aviation facilities would deactivate.

b. Naval Air Facility (NAF) Brunswick. This option would relocate all aviation assets to NAS Jacksonville, FL, maintain base support for the remaining functions, and keep the airfield operational.

Ms. Davis noted that the DAG is collecting the data for these two alternatives. See slide 21 of enclosure (1). She noted that these alternatives would allow DON to forward the candidate recommendation to close NRC Bangor, ME and relocate assets to NAS Brunswick (DON-0045 is currently on hold pending the outcome

of DON-0138). Additionally, Ms. Davis informed the IEG that at its 8 February 2005 deliberative session, the DAG discussed the feasibility of creating a Joint Survival Evasion Resistance and Escape (SERE) School at Fairchild AFB, WA. After reviewing the COBRA data the DAG noted that relocating the SERE School to MCAS Cherry Point, NC appears to be the more viable option if NAS Brunswick is closed. Additionally, the DAG noted that significant additional savings from creating a Joint SERE School were not apparent since the Air Force and Navy SERE School curricula are not consistent.

13. The IEG next reviewed scenarios that relocate a carrier (CVN) and carrier air wing (CVW) to Hawaii (DON-0036) and Guam (DON-0037), respectively. These scenarios 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. Ms. Davis noted that Hawaii and Guam meet the IGPBS port requirements but that IGPBS does not specify the source of the forces to comprise the CSG (CVN, T-AOE, CVW and escort ships). See slide 24 of enclosure (1). Ms. Davis reviewed the Commander, Pacific Fleet's (COMPACFLT) assumptions for both options:

a. COMPACFLT's Hawaii Option. The CVN and T-AOE relocate to NAVSTA Pearl Harbor. No additional escort ships are relocated since they already exist at NAVSTA Pearl Harbor. Assumptions regarding the air wing call for basing two VFA squadrons at Hickam AFB; two VFAs and one VAQ squadron at MCB Hawaii; and, one VAW squadron, one VRC detachment, one HSM and one HSC squadron at the former NAS Barbers Point.

b. COMPACFLT's Guam Option. The CVN, T-AOE, two DDGs, and one CG relocate to NSA Guam. Assumptions regarding the air wing call for basing four VFA and one VAQ squadron at Andersen AFB; one VAW squadron, one VRC detachment, one HSM and one HSC squadron at the former NAS Agana.

14. Ms. Davis used slide 25 to discuss the preliminary COBRA data for the two scenarios. DON-0036 indicates one-time costs of $2.35 billion, never provides a Payback, and has 20-year NPV costs of $2.99 billion. DON-0037 indicates one-time costs of $4.03 billion, never provides a Payback, and has 20-year NPV costs of $4.7 billion. Ms. Davis noted the significant MILCON ($1.7 billion for Hawaii and $3.4 billion for Guam), dredging and simulator costs in both scenarios. Lastly, Ms. Davis noted that Guam costs include re-acquisition of Agana ($28 million) and family housing MILCON ($101 million).

15. Ms. Davis advised the IEG that the DAG issued a discrepancy data call (DDC) requesting that COMPACFLT provide revised data assuming that Navy assets must remain within the existing Navy footprint at MCB Hawaii and the land at Kalaeloa (former NAS Barbers Point) is unavailable (DON-0036 Option Two). At its 8 February 2005 deliberative session, the DAG reviewed the COBRA data for DON-0036 Option Two that indicates one-time costs of $2.6 billion, no Payback, and 20-year NPV costs of $3.2 billion. This option calls for an air wing laydown with two VFA squadrons at Hickam AFB; two VFA squadrons, one VAQ squadron, one VAW squadron, and one VRC detachment at MCB Hawaii; one HSC and one HSM squadron at Wheeler Army Airfield; and three VP squadrons and one VPU squadron at NAS Whidbey Island, WA. Ms. Davis noted that scenario costs increased due to additional MILCON at NAS Whidbey Island to accommodate the relocation of P-3s from Hawaii. See slide 26 of enclosure (1).

16. The IEG discussed a number of challenging issues presented by these scenarios. Ms. Davis noted that these scenarios predominantly indicate costs without significant savings, particularly in Guam since major infrastructure improvements are required. Unresolved issues include the planned use of limited space on Guam by the Navy, Marine Corps and Air Force; laydown of Navy, Marine Corps, Air Force and Army assets in Hawaii; determination of a location of P-3 assets (Hawaii or west coast); use/re-acquisition of the former NAS Barber's Point and NSA Agana; and, training and readiness issues. Additionally, these scenarios impact CVN balance between areas of responsibility (east and west coast) and would likely require realignment of maintenance assets. The DAG also noted that each Service plans to increase its presence in Hawaii and Guam. Ms. Davis noted that no viable laydown options appear to exist at either location for the air wing. Ms. Davis stated that the DAG could not address these strategic and operational policy issues and requested assistance from the IEG. The IEG noted that options for CVN and CVW laydown should be addressed as part of a joint Service discussion focusing on strategic and operational concerns and the implementation of IGPBS in the BRAC process.

17. The IEG next reviewed the Payback summary for Candidate Recommendation Package Three (CR3) that indicate one-time costs of $159.75 million and provide 20-year NPV savings of $861.44 million. Ms. Davis noted that the ratio of cost and NPV savings remains the same for the combined packages (CR1, CR2 and CR3). See slide 28 of enclosure (1). Ms. Davis provided the IEG a cartographical display of approved DON candidate recommendations

packages to depict the affected geographical areas. See slide 29 of enclosure (1). She noted that further scenario analysis is required for additional Aviation Operations and the IGPBS directed relocation of a CVN and CVW.

18. Ms. Davis used slides 31-33 of enclosure (1) to discuss fenceline closures currently being considered based on JCSG scenarios posted in the OSD scenario tracking tool. She noted that DON-0163 (closure of NAES Lakehurst) may no longer be viable and that DON-0131 (closure of Naval Shipyard Norfolk) is no longer being considered since the JCSG companion scenario has been deactivated. The IEG noted that analysis of DON-0070A (close Post Graduate School Monterey, CA) requires consideration of the synergies gained by relocating the Naval War College's military unique courses at NAVSTA Newport, RI. Additionally, the IEG expressed concern that this scenario could adversely affect the military objectives of international military education programs. The IEG noted that analysis of DON-0169 (close NSWC Indian Head, MD) requires consideration of COCOM concerns with regard to the Chemical-Biological Incident Response Force (CBIRF). Ms. Davis stated that the DAG will continue coordination with the JCSGs to monitor for additional possible fenceline closures.

19. Ms. Davis provided the IEG a cartographical display of known JCSG scenarios approved as candidate recommendations. See slide 34 of enclosure (1). The IEG reviewed JCSG Candidate Recommendations that have been or will be briefed to the Infrastructure Steering Group (ISG) and IEC. See slides 35-36 of enclosure (1). Ms. Davis provided a status of Candidate Recommendations for the Services and JCSGs. She noted that Army costs and savings include data for IGPBS directed actions outside of the United States that will have to be factored out. Ms. Davis noted that duplicate costs and savings are included for Industrial JCSG enabling scenarios (Ingleside, Pascagoula, New London), and that Air Force data has not yet been included. Lastly, she stated that 122 of 264 candidate recommendations affect DON. The COBRA data indicates total one-time costs of $12.26 billion and total 20-year NPV savings of $29.28 billion. See slide 37 of enclosure (1).

20. The IEG received the following JCSG status updates:

a. Education and Training. CAPT Summerlin informed the IEG that the JCSG will discuss a scenario to privatize Naval Post-graduate School, Monterey, CA, during its 10 February 2005 deliberations. CAPT Wilcox informed the IEG that 14 candidate

recommendations have been approved by the JCSG. He noted that one candidate recommendation affecting the Navy and Marine Corps Intelligence Training Center (NMITC), Dam Neck, VA, is no longer being considered because of significant costs. CAPT Wilcox noted that a scenario to create a Joint Urban Operations Center of Excellence is pending a determination of an appropriate receiving site, i.e., a base recommended for closure. He noted that the JCSG has approved a candidate recommendation to single site initial JSF training at Eglin AFB, FL but the JCSG is not making a decision whether to separate maintenance training from pilot training. He noted that a scenario that includes consolidating helicopter training at Fort Rucker, AL is being considered by the JCSG. CAPT Wilcox noted that the JCSG is considering three scenarios to co-locate Service War Colleges and the preferred scenario calls for co-location at the National Defense University, Ft McNair, VA. BGen Conant noted that this recommendation depends on the availability of Lincoln Hall.

b. Intelligence. Ms. Dolan informed the IEG that the JCSG plans to forward four candidate recommendation packages, none of which affect DON. She noted that these recommendations have significant costs and long Payback periods. Ms. Dolan informed the IEG that in light of classification issues, the JCSG plans to request that these scenarios be forwarded to the IEC without ISG review.

c. Medical. RADM Martin informed the IEG that the JCSG is evaluating a scenario to close Walter Reed Army Medical Center, Washington, DC and relocate the assets to National Medical Naval Center, Bethesda, MD (Med-0002). She noted that the JCSG is evaluating scenarios to create centers of excellence for medical aviation education at Wright-Patterson AFB, OH (Navy assets remain at NAS Pensacola, FL), undersea medical research (Navy diving research continues at NSWC Panama City, FL), and battlefield health and trauma research at Fort Sam Houston, TX (Navy assets relocate from the National Capital Region, NAVSTA Great Lakes, IL and SUBASE New London, CT). RADM Martin noted that if SUBASE New London closes, the JCSG plans to relocate the Naval Submarine Medical Research Laboratory to the Naval Medical Research Center, Silver Springs, MD.

d. Industrial. MajGen (sel) Williams informed the IEG that the Marine Corps expressed concern that the JCSG's scenarios affecting MCLB Barstow, CA do not adequately address Marine Corps needs for depot maintenance, climate controlled storage, and an asset integration site to adequately provide logistical support to the warfighter. RADM Klemm informed the

IEG that the JCSG concluded its analysis of Naval Weapons Station Seal Beach Detachment Concord, CA, Naval Weapons Station Earle, NJ and Naval Weapons Station Charleston, SC and decided to remand these activities to DON for further consideration. He noted that the JCSG received the City of Concord correspondence forwarded by DON and is considering an appropriate response. The IEG noted that the waterfront property at NAVWPNSTA Seal Beach is essential for all Services and that appropriate determination of the fenceline is required in order to ensure the continued viability of the joint operations mission. RADM Klemm informed the IEG that the JCSG Chair noted that senior leadership from the Services should address this issue.

e. Headquarters and Support Activities. RDML Gaudio informed the IEG that the JCSG is considering 51 candidate recommendations, noting that 25 have been approved by the ISG and 10 candidate recommendations require further deliberation within the JCSG. He noted that the JCSG approved a candidate recommendation creating joint installation management for Guam. RDML Gaudio noted that the JCSG accepted DON's request to treat the Navy Annex, Arlington, VA (FOB2) as leased space and the JCSG will explore a scenario to relocate the Navy Annex. He noted that the JCSG approved a scenario to relocate Naval Education Training Command (NETC) and Naval Education Training Professional Development Technical Center (NETPDTC) to NSA Millington, TN. RDML Gaudio noted that DON expressed concern that HSA-0063 (relocate Army Transportation Command (TRANSCOM) and Commander, Military Sealift Command (COMSC) to Ft Eustis, VA) does not provide any apparent operational benefit to DON. He noted that TRANSCOM prefers relocation of COMSC to Scott AFB, IL. The IEG expressed concern that the JCSG seems to be considering alternative sites to relocate COMSC rather than determining whether its relocation provides any benefit. The IEG noted that neither option to relocate COMSC provides an apparent operational benefit.

f. Supply and Storage. CAPT Wright informed the IEG that the JCSG will consider scenarios concerning Defense Logistics Agency (DLA) and Military Department Inventory Control Points (ICPs) on 14 February 2005.

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21. The IEG adjourned at 1206.

JAMES A. NOEL
CAPTAIN, USMC
Recorder, IAT

TAB 1

DON Analysis Group
Brief to
Infrastructure Evaluation Group

10 February 2005

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Agenda

- CR Package 2 Status
- Joint Reserve Centers
- Operational
  - NAS Willow Grove
  - Cambria
  - NAS Brunswick update
  - CVN to Pacific discussion
- DON Candidate Recommendation Summary
- Status/Upcoming Analysis
- Fenceline Closures update
- JCSG Candidate Recommendations
- Candidate Recommendation Status
- IEG/FAB Open Discussion

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CR Package 2 Status

- Close Atlanta and Consolidate OTCs at Newport submitted on 4 Feb
- MCAS Beaufort
  - Removed from consideration by leadership
  - Need footprint for flexibility
  - Tied to NAS Oceana issues
- NAS Brunswick
  - Concerns about losing Footprint
  - Returned for further analysis

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Joint Reserve Centers

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JAST Scenario Development

- **Reserve Component (RC) PAT process was catalyst for JAST AFRC scenarios**
- **MILDEP RC HQs developed 141 scenarios consolidating multiple area Centers into a single AFRC**
  - All submitted by Army to OSD
    - 74 of 141 identify DON and/or AF participation
- **44 proposals with DON interest reviewed by DAG**
  - Reviewed for consistency with DON approach
    - Capacity Reduction
    - Increased average MILVAL
    - DON & Joint COBRA analysis
    - Addressed Claimant interest/concerns
    - Compared advantages to alternate DON CRs

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JAST Scenarios for DON consideration

- **Results of DAG review of 44 scenarios with DON interest**
  - Identified 18 scenarios with potential fiscal or operational benefit using a 20 ROI cutoff
- **DAG Recommendations:**
  - 9 scenarios recommended for DON participation
  - 2 scenarios recommended to proceed w/out DON participation
  - 3 scenarios recommended to proceed w/out DON participation and DON will proceed with previously submitted CRs
  - 4 scenarios which do not involve DON cost and DON should not object

JAST Scenarios for DON consideration

- **9 recommended for DON participation**
  - DoD and DON ROI w/in 20 years
  - Predominantly average or below average MILVAL Centers affected
  - 6 of 11 Claimant priorities addressed
  - Require pull-back of 4 DON CRs

	DON Costs/Savings			DoD Costs/Savings		
	One-Time Costs	Steady-State Savings	20 Year NPV	One-Time Costs	Steady-State Savings	20 Year NPV
JAST AFRC	86.746	-11.333	-65.639	210.388	-57.578	-566.080
DON CR	5.073	-3.577	-45.405	-	-	-

IEG Decision Item:
Notify Army and IEC that DON will participate in CRs

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JAST Scenarios for DON consideration

- **2 recommended to proceed w/out DON participation**
  - DoD ROI w/in 20 years
  - DON ROI > 20 years
  - DoD (Army) ROI w/out DON improves
  - No compelling Claimant concerns to outweigh cost

	DON Costs/Savings			DoD Costs/Savings		
	One-Time Costs	Steady-State Savings	20 Year NPV	One-Time Costs	Steady-State Savings	20 Year NPV
JAST AFRC	13.024	0.017	12.961	59.524	-5.910	-18.560

IEG Decision Item:

Notify Army and IEC that DON will not participate in CRs, but do not object to Army continuation

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JAST Scenarios for DON consideration

- **3 recommended to proceed w/out DON participation and DON will proceed with previously submitted CRs**
  - DoD and DON ROI w/in 20 years
  - DoD (Army) ROI w/out DON roughly equal
  - No Claimant concerns

	DON Costs/Savings			DoD Costs/Savings		
	One-Time Costs	Steady-State Savings	20 Year NPV	One-Time Costs	Steady-State Savings	20 Year NPV
JAST AFRC	31.226	-3.950	-24.796	113.777	-24.063	-214.286
DON CR	0.425	-2.707	-38.749	-	-	-

IEG Decision Item:

Notify Army and IEC that DON will not participate in CRs, but do not object to Army continuation

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JAST Scenarios for DON consideration

- **4 do not involve DON cost and DON should not object**
  - DoD (Army) ROI w/in 20 years
  - 2 scenarios move DON as tenants
  - 2 scenarios with DON receiving site

	DON Costs/Savings			DoD Costs/Savings		
	One-Time Costs	Steady-State Savings	20 Year NPV	One-Time Costs	Steady-State Savings	20 Year NPV
JAST AFRC	-	-	-	136.207	-21.460	-155.976

IEG Decision Item:

Notify Army there is no DON Objection to above JAST scenarios

JAST Scenarios Issues

- **27 scenarios involving DON have DoD ROI > 20 years and should not be endorsed by DON**
  - No compelling Claimant concerns to outweigh cost
- **8 of 18 scenarios recommended for DON endorsement have land ownership issues (4 of 9 recommended for DON participation)**
  - Army plans to include land purchase in recommendation
- **Recommendations require rescission of 4 previously submitted DON CRs**
  - JAST scenario option requires greater up front cost and has slower ROI but benefits justify

IEG Decision Item:
Non concur with ROI > 20 year scenarios
Rescind 4 DON CRs

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Operational

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Aviation Scenarios Summary

- **DON-0067**: Realign Cambria Airport (Johnstown, PA); assets to NAS JRB Willow Grove
- **DON-0068**: Realign NAS Atlanta; assets to NAS JRB Fort Worth, Robins AFB, NAS Norfolk, NAF Washington, Ft. Gillem
- **DON-0069**: Close NAS JRB Fort Worth; major assets to NAS Atlanta, Ellington Field ANG, NAS Oceana
- **DON-0084**: Close NAS JRB Willow Grove; assets to McGuire AFB, Ft. Dix
- **DON-0138**: Close NAS Brunswick; assets to NAS Jacksonville
- **DON-0139**: Close NAS Oceana; assets to NAS Pensacola
- **DON-0140**: Close NAS Oceana; assets to NAS Whiting Field
- **DON-0141**: Close MCAS Beaufort; assets to MCAS Cherry Point
- **DON-0151**: Close NAS Oceana; assets to MCAS Beaufort
- **DON-0153**: Close NAS Oceana; assets to Moody AFB

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Aviation Agenda

- **DON-0084**: Close NAS JRB Willow Grove } **Seeking IEG decision**

- **DON-0067**: Realign Cambria Airport (Johnstown, PA)
- **DON-0138**: Close NAS Brunswick } **Update**

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Aviation
Close Willow Grove

- **Excess capacity is available at McGuire AFB**
  - Requires modest MILCON based on uncertified data from Air Force
  - Demographics suitable for Reserves from Willow Grove
- **Additional synergy possible with the McGuire/Dix/Lakehurst "consolidation"**
- **Some of other Services' Reserve assets scheduled to move out of Willow Grove**
- **DAG recommended Criteria 6 - 8 analysis**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0084 Close Willow Grove	542	470	73.0	-63.5	1	-795.8

Criteria 6-8
Close NAS JRB Willow Grove

- **Results of Criteria 6, 7, and 8 Analysis for DON-0084:**
  - No substantial economic impact on both losing and gaining communities
  - No substantial community impact on both losing and gaining communities
  - Criterion 8 impacts
    - Air Quality – Air Conformity determination required and significant air permit revision
    - No other substantial Criterion 8 impacts

Candidate Recommendation Risk Assessment DON-0084

Executability Risk

Investment Recoupment

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

Investment/Ratio of 20 Year NPV to Initial Cost

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

Economic Impact

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

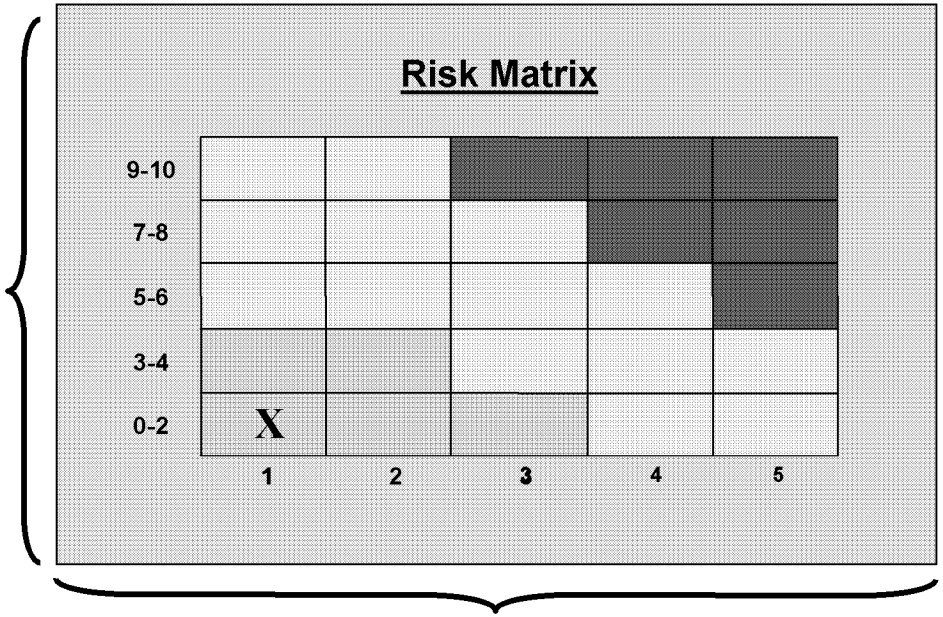
Community Infrastructure Impact

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

Environmental Impact

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

Issues: Ability to use assets at McGuire/Dix/Lakehurst



Warfighting/Readiness Risk

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

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

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

COCOM Concerns:

Close Willow Grove Summary

- **DAG recommends Willow Grove scenario based upon expected MILCON requirements**
  - Need to refine COBRA analysis with certified data
  - Note Possibility for Army Reserve Ground assets going into and staying at Willow Grove
- **Utilization of available capacity at McGuire AFB in conjunction with Dix/Lakehurst "consolidation" viewed as good**

Aviation Recap Summary

- **DON-0084:** Close NAS JRB Willow Grove; assets to McGuire AFB and Ft. Dix
- **Overall impact of this scenario**
  - Active/Reserve Operational Capacity decreases from 317 hangar mods to 313 (< -1%)
  - Overall capacity decreases from 433 hangar mods to 429 (< -1%) for all air stations
  - Average Operational Military Value score increases from 56.22 to 56.70

Scenario	Billets Eliminated	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0084 Willow Grove to McGuire AFB	**542**	**470**	**73.0**	**-63.5**	**1**	**-795.8**

All Dollars shown in Millions

DAG Recommendation:
Prepare Candidate Recommendation package to Close NAS JRB Willow Grove

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Aviation Realign Cambria

- **Cambria scenario relocated Marine assets to Willow Grove**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0067 Realign Cambria	8	78	0.87	-0.67	1	-8.89

- **Opportunity to included Cambria realignment in move to McGuire AFB**
  - Marine Corps checking on feasibility

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Aviation
Close NAS Brunswick

- **Brunswick Concerns**
  - Only Naval aviation footprint in New England
  - Strategic implications regarding NORTHCOM's Homeland Defense Strategy
- **Alternative scenarios allow consolidation of Maritime Patrol assets in Jacksonville, while retaining Brunswick footprint**
- **IAT issuing Realign NAS Brunswick scenarios**
  - Relocates all aviation functions to NAS Jacksonville
  - Retains all other functions at Brunswick
  - Naval Station Brunswick option: Maintains base support only to the remaining functions and deactivates all aviation facilities
  - Naval Air Facility Brunswick option: Maintains base support for the remaining functions PLUS keeps the airfield operational

Operational Aviation Scenarios Evaluated

- **Not Recommended:**

SDC#	Scenario Description	Rationale
DON-0069	Fort Worth to Atlanta, Ellington, Oceana	Operational and demographic concerns
DON-0139	Oceana to Pensacola	Cost, conflict with JCSG scenario, encroachment and air space (ranges)
DON-0140	Oceana to Whiting Field	Cost and air space (ranges)
DON-0141	Close Beaufort	Strategic/Future Flexibility
DON-0151	Oceana to Beaufort	Strategic/Future Flexibility
DON-0153	Oceana to Moody AFB	Strategic/Future Flexibility

- **Under Evaluation:**

SDC#	Scenario Description
DON-0067	Realign Cambria
DON-084	Close NAS JRB Willow Grove
DON-0138	Close Brunswick

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IGPBS
CVN Move to Pacific
Update

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IGPBS
CSG Basing

- IGPBS requires homeporting an additional CSG forward in the Pacific Theater
  - Two Ports meet specified requirement
  - IGPBS does not specify the source of the forces to comprise the CSG (CVN, T-AOE, CVW, Escorts)
- COMPACFLT's Hawaii Option
  - CVN & T-AOE to Pearl Harbor, no additional escorts req'd
  - CVW
    - Hickam – 2 VFAs
    - MCB Hawaii – 2 VFAs and 1 VAQ
    - Former NAS Barbers Point – 1 VAW, 1 VRC Det, 1 HSM and 1 HSC
- COMPACFLT's Guam Option
  - CVN, T-AOE, 2 DDGs and 1 CG to NSA Guam
  - CVW
    - Andersen AFB – 4 VFA and 1 VAQ
    - Former NAS Agana – 1 VAW, 1 VRC Det, 1 HSM and 1 HSC

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IGPBS
ROI Summary

Scenario	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0036 (CVN to Pearl Harbor)	2,349	+74.7	Never	+2,985
DON-0037 (CVN to Guam)	4,033	+89.3	Never	+4,702

All Dollars shown in Millions

Notes:

- Total MILCON costs – Hawaii $1.7B, Guam $3.4B (Maintenance Infrastructure and Housing)
- Significant Dredging at both locations (Hawaii-$212M, Guam-$94M)
- Procurement of Simulators at both locations ($130M)
- Guam costs (land acquisition at Agana - $28M; Family Housing - $101M)

IGPBS Hawaii Option 2

- **COMPACFLT asked to re-evaluate input assuming:**
  - **(1) Navy assets must remain within the existing Navy footprint at MCB Hawaii, and**
  - **(2) Land at Kalaeloa (former NAS Barbers Point) is unavailable.**

Scenario	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0036 Option 2 (CVN to Pearl Harbor)	2,607	+71.07	Never	+3,190

- **CVW Laydown:**
  - **Hickam - 2 VFAs**
  - **MCB Hawaii – 2 VFAs, 1 VAQ, 1 VAW, 1 VRC Det**
  - **Wheeler – 1 HSC, 1 HSM, relocate HSL**
  - **Whidbey Island: Relocate 3 VPs, 1VPU**
- **Costs increased due to additional MILCON at Whidbey Island and relocation of P-3s from Hawaii**

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CVN to Pacific Issues

- **Mostly Cost (no significant savings)**
  - Guam requires major infrastructure improvements and an operational tail
- **Overall Pacific laydown impacts CVN/CVW options**
  - Use of Guam by Navy/Marine Corps/AF
  - Laydown on Hawaii with Marine Corps/Air Force/Army Unresolved
  - Locations of P-3's
  - Use of previously closed bases (Barbers Point/Agana)
  - Training/Readiness issues unresolved
- **CVN realignment implications**
  - CVN balance between AORs
  - Industrial realignment implications

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DON Candidate Recommendation Payback Summary

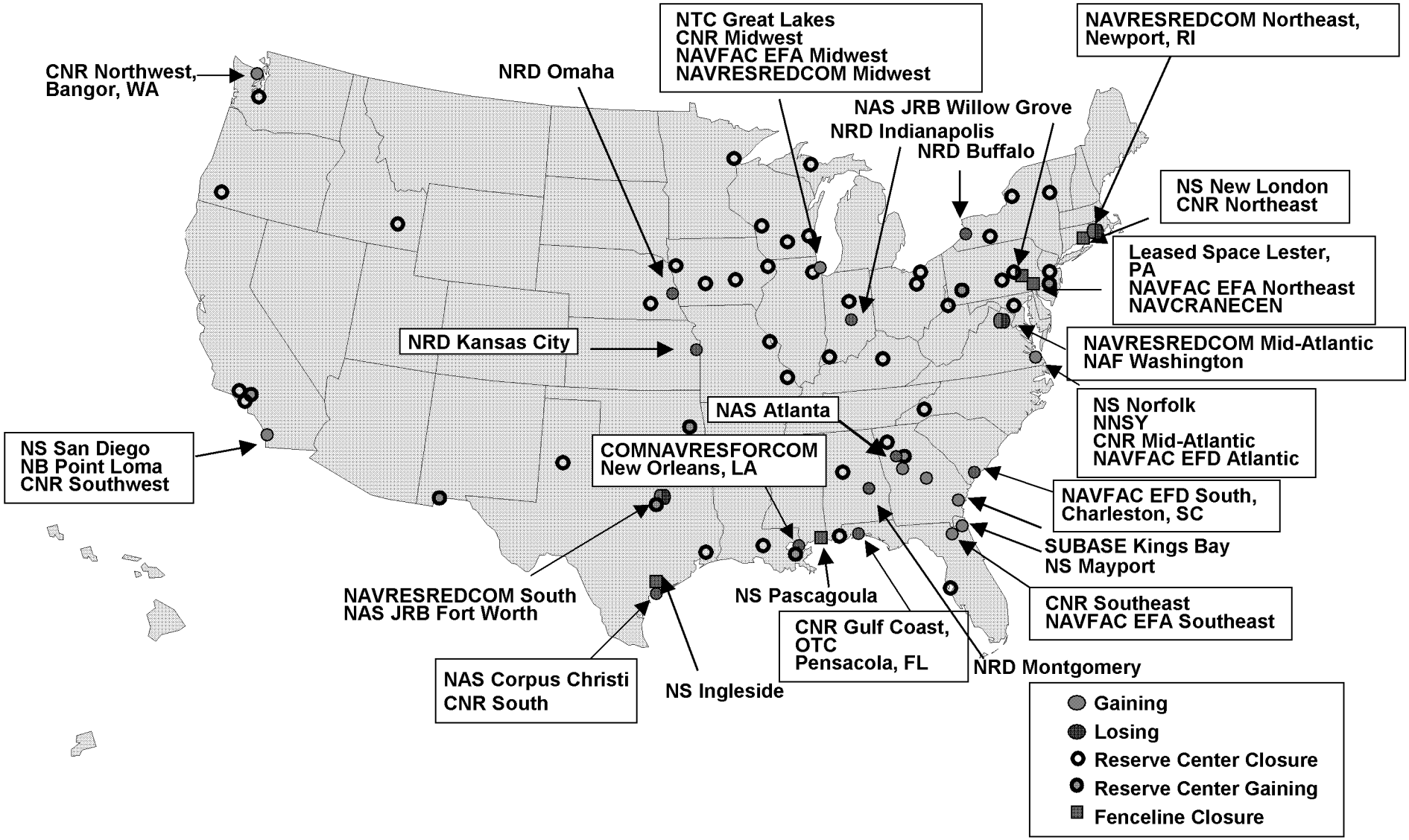
CR3 Package	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV Ratio
Aviation (1)	542	470	73.00	-63.50	-795.80	1:11
JAST (9)	60	311	86.75	-11.33	-65.64	1:1
TOTAL	**602**	**781**	**159.75**	**-74.83**	**-861.44**	**1:11**

TOTAL	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV Ratio
Surface/Subsurface (3)	2,962	9,807	921.13	-314.04	-2,863.33	1:3
Aviation (2)	1,118	1,213	122.40	-117.40	-1,497.20	1:12
OTCs (1)	15	266	3.22	-1.67	-21.22	1:7
Reserve Centers (25)	170	142	3.58	-19.03	-270.77	1:76
JAST (9)	60	311	86.75	-11.33	-65.64	1:1
Regional Support Activities (5)	251	815	49.32	-23.04	-258.33	1:5
Recruiting Management (1)	152	0	2.44	-14.53	-207.76	1:85
TOTAL	**4,728**	**12,554**	**1,188.83**	**-501.05**	**-5,184.24**	**1:4**

All Dollars shown in Millions

Note: Reserve Centers reflects reduction of 4 DON CRs included in JAST CRs

DON Candidate Recommendations



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Remaining Analysis

- Additional Aviation
- Carrier move
- Fenceline Closures from JCSG Candidate Recommendations

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Fenceline Closures

- **DON-0070A – Close PG School Monterey**
  - Linked to Privatization scenario
  - Working on an enclave for Fleet Numerical Meteorology & Oceanography Command
- **DON-0072A – Close Potomac Annex**
  - Linked to USUHS disestablishment
  - Desire to keep property for other DON use
- **DON-0126A – Close Navy Supply Corps School**
  - Evaluating scenario to move school to NS Newport
- ~~**DON-0131 – Close Naval Shipyard Norfolk**~~
  - Companion scenario no longer valid
- **DON- 0133 – Close Naval Shipyard Portsmouth**
  - Awaiting IJCSG analysis of functional realignment
- **DON-0152 – Close NAS Whiting Field**
  - Awaiting E&T JCSG analysis of functional realignment

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Fenceline Closures (cont)

- **DON-0157 – Close MCSA Kansas City**
  - Updating data
  - Ensuring closure data only includes related actions
- **DON-0158A/0159 – Close/Realign NSA New Orleans**
  - Updating data
  - Ensuring close/realign data only includes related actions
- **DON-0161 – Close NSWC Div Corona**
  - Concern with receiving sites and splitting of functions
- **DON-0162 – Close NAS Pt. Mugu**
  - Need to relocate operational assets
  - Cost to relocate surface launch test facility
- **DON-0163 – Close NAES Lakehurst**
  - Appears unlikely, primary function to remain

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Fenceline Closures (cont)

- **DON-0164 – Close Arlington Service Center**
  - Linked to other CRs in the NCR area
  - Desire to retain for DON use
- **DON-0165 – Close MCLB Barstow**
  - Awaiting IJSCG analysis of companion scenario
  - Rail Head for Army needs to be retained
- **DON-0166 – Close NSWC Crane**
  - Awaiting TECH JCSG analysis of companion scenario
  - "closure" will not divest DoD of asset; Army has substantial presence remaining
- **DON-0167 – Close NSA Philadelphia**
  - Awaiting S&S JCSG analysis of companion scenario
- **DON-0169 – Close NSWC Indian Head**
  - JCSG companion scenarios do not remove all assets
  - Concern with splitting industrial (production) function from the technical (RDT&E) function for energetics

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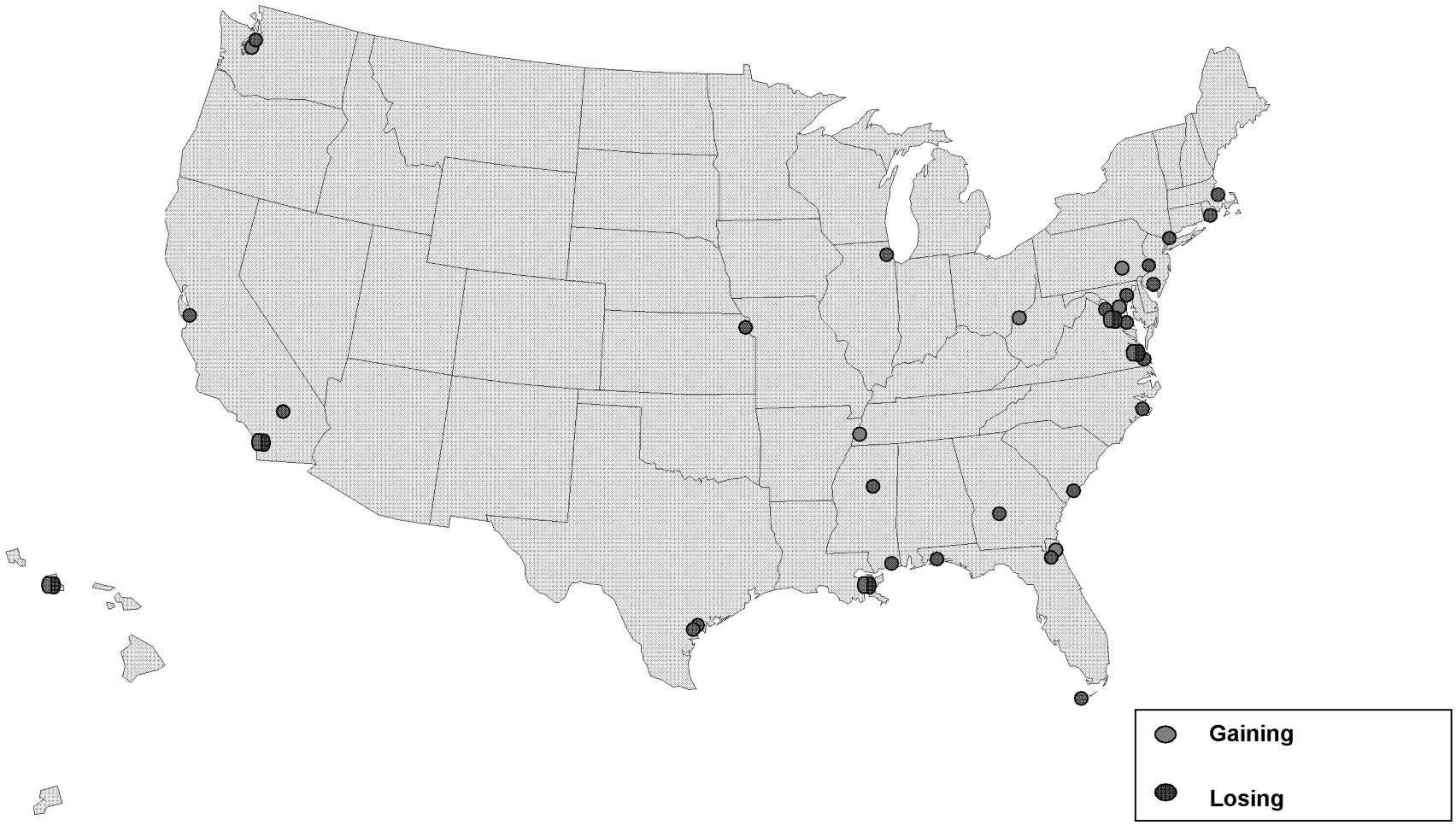
JCSG
Candidate Recommendations



JCSG Candidate Recommendations

Headquarters & Support Activities: (6)

- HSA-0029 – Realign DLA
- HSA-0046 – Consolidate DISA
- HSA-0041– Realign NSA New Orleans (NAVRESCOM to Norfolk)
- HSA-0063 – Realign Hoffman 2 Building
- HSA-0115 – Close Skyline 1
- HSA-0120 – Realign NSA New Orleans and MCSA Kansas City (NAS JRB New Orleans)
- Plus three additional CRs affecting leased space

Industrial Activities: (2)

- IND-0037 – Enabler scenario for New London (DON-0033)
- IND-0116 – Realign NSWC Indian Head by the Bomb Energetic functions
- Plus four additional CRs affecting Munitions Plants

Candidate Recommendations presented at 4 Feb and 11 Feb ISG

JCSG Candidate Recommendations Cont

Education & Training Activities: (4)

- E&T-0003 – Disestablish Post Graduate level education (Privatize)
- E&T-0012 – Relocate Defense Resource Management to Fort Belvoir
- E&T-0014 – Realign Religious Training to Ft. Jackson
- E&T-0016 – Establish Joint Center of Excellence for Culinary Training
- E&T-0039 – Establish Joint Center of Excellence for Diver Training
- Plus two additional CRs affecting (USA and Transportation Management)

Supply and Storage Activities: (3) 25 Feb ISG

- S&S-0043 – Disestablish the wholesale supply, storage and distribution functions for all tires used by the DOD
- S&S-0044 - Disestablish the wholesale supply, storage and distribution functions for all POL products used by the DOD
- S&S-0045 - Disestablish the wholesale supply, storage and distribution functions for all compressed gas products used by the DOD

Issues?

Candidate Recommendation Status

	One Time Costs ($M)	Steady State ($M)	NPV ($M)	NPV/One-time Ratio 1:X	Total CRs	Total CRs affecting DON
Navy	1,009.1	-425.5	-4,354.3	4	40	40
Army*	8,138.0	-1,413.4	-10,205.2	1	149	44
Air Force					0	0
E&T	85.0	-38.6	-424.8	5	7	5
HSA	2,089.6	-639.3	-6,347.3	3	33	17
IND**	547.1	-433.4	-4,604.6	8	21	8
INTEL					0	0
MED	59.1	-92.1	-1,035.1	18	9	3
S&S	231.2	-150.1	-1,724.3	7	4	4
TECH	104.5	-52.3	-583.2	6	1	1
Total	**12,263.4**	**-3,244.6**	**-29,278.8**	**2**	**264**	**122**

* Includes IGPBS costs/savings

** Enabling scenarios duplicate costs/savings

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IEG-FAB Open Discussion

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