



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

(703)-602-6500

DCN:5338

RP-0503
IAT/JAN
7 March 2005

MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

Subj: REPORT OF IEG DELIBERATIONS OF 3 MARCH 2005

Encl: (1) DON Analysis Group Brief to IEG of 3 March 2005
(2) Special Assistant for BRAC memo for Director, OSD
BRAC of 1 Mar 05

1. The fortieth deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1034 on 3 March 2005 in room 4D584 at the Pentagon. The following members of the IEG were present: Ms. Anne R. Davis, Co-Chair; Ms. Ariane Whittimore, alternate for VADM Justin D. McCarthy, USN, Member; VADM Kevin J. Cosgriff, USN, Member; LtGen Richard L. Kelly, 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: MajGen Emerson N. Gardner Jr., USMC; RADM Christopher E. Weaver, USN; Ms. Carla Liberatore; Mr. Paul Hubbell; and, Mr. Michael F. Jaggard. The following members or representatives of the Functional Advisory Board (FAB) were present: RADM William R. Klemm, USN; RADM Jay Cohen, USN; MajGen (sel) Willie J. Williams, USMC; RADM (sel) Alan S. Thompson, SC, USN; Ms. Karin Dolan; Mr. Michael Rhodes; Mrs. Claudia Erland; Ms. Susan Kinney; BGen Edward G. Usher III, USMC; BGen Thomas L. Conant, USMC; RDML Jan C. Gaudio, USN; RDML Mark Hugel, USN; Ms. Shanna Poole; Col Michael J. Massoth, USMC; CAPT David W. Mathias, CEC, USN; CAPT William Wilcox, USN; CAPT Nancy Hight, MSC, USN; Mr. Frank Bethel; 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; CAPT Jason A. Leaver, USN; Col Walter B. Hamm, USMC; CAPT Gene A. Summerlin, USN; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; Mr. Andrew S. DeMott; CAPT Matthew A. Beebe, CEC, USN; CDR Edward J. Fairbairn, USN; CDR Judith D. Bellas, NC, USN; CDR Margaret M. Carlson, JAGC, USN; CDR Peter R. Reif, USN; Maj Stanley A. Sober, USMC; LCDR William J. Billingsley, USN; LCDR Paul V. Neuzil, USN; LCDR Maria L. Aguayo, CEC, USN; LCDR Vincent J.

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Moore, JAGC, USNR; and, Capt James A. Noel, USMC. All attendees were provided enclosures (1) and (2).

2. Ms. Davis used slide 3 of enclosure (1) to update the IEG concerning the status of DON candidate recommendation package three (CR3). She informed the IEG that on 2 March 2005 the DON senior leadership reviewed DON-0138, close NAS Brunswick, ME; DON-0084A, close NAS JRB Willow Grove, PA, realign Cambria Airport, Johnstown, PA, and relocate assets to McGuire AFB, NJ; DON-0032B, close NAVSTA Ingleside, TX and relocate assets to NAVSTA San Diego, CA, and relocate HM-15 from NAS Corpus Christi, TX to NAVSTA Norfolk, VA; and 10 Joint Action Scenario Team (JAST) Reserve Center scenarios and approved forwarding them as candidate recommendation packages to OSD.

3. With respect to DON-0138, Ms. Davis noted that at its 17 February 2005 deliberative session, the IEG decided to forward a candidate recommendation package for DON-0138 along with its analysis of DON-0138A (realign NAS Brunswick to a Naval Support Activity) and DON-0138B (realign NAS Brunswick to a Naval Air Facility) to DON senior leadership for their consideration. Ms. Davis noted that DON senior leadership discussed DON-0138, DON-0138A and DON-0138B and determined that total closure of NAS Brunswick presented the greatest benefit to DON given the savings associated with a complete closure and the ability to satisfy mission requirements with other assets.

4. Concerning the JAST Reserve Center scenarios, Ms. Davis noted that at its 10 February 2005 deliberative session, the IEG approved participation in the following nine JAST Reserve Center scenarios:

DON-0102 - close NMCRC Des Moines, IA and relocate to Armed Forces Reserve Center (AFRC) Camp Dodge, IA;

DON-0115 - close NMCRC Madison, WI, NRC LaCrosse, WI and NRC Dubuque, IA, and relocate to AFRC Madison, WI;

DON-0096 - close NMCRC St Louis, MO and NRC Cape Girardeau, MO, and relocate to AFRC Jefferson Barracks, MO;

DON-0089 - close NMCRC Los Angeles, CA and relocate to AFRC Bell, CA;

DON-0130 - close NMCRC Mobile, AL and relocate to AFRC Mobile, AL;

DON-0118 - close NMCRC Baton Rouge, LA and relocate to AFRC Baton Rouge, LA;

DON-0114 - close NMCRC Milwaukee, WI and relocate to AFRC Milwaukee, WI;

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DON-0120 - close NMCRC Lehigh Valley, PA and NMCRC Reading, PA and relocate to AFRC Allentown-Bethlehem, PA; and

DON-0113 - close NMCRC Akron, OH and NRC Cleveland, OH, and relocate to AFRC Akron-Canton, OH.

5. Ms. Davis then noted that DON-0129 (close NMCRC Tulsa, OK and relocate to AFRC Broken Arrow, OK) had not been included with the above-listed JAST scenarios because NMCRC Tulsa had been misidentified as a tenant activity when, in fact, it is a Navy owned facility. Recognizing this error, the DAG reviewed DON-0129 at its 28 February 2005 deliberative session and recommended that it be added to the group of nine JAST Reserve Center scenarios in which DON would participate. Ms. Davis informed the IEG that DON senior leadership conditionally approved forwarding candidate recommendation packages to OSD for all 10 JAST Reserve Center scenarios (including DON-0129), pending IEG review on 3 March 2005.

6. The IEG reviewed the updated Payback summary for Candidate Recommendation Package Three (CR3), noting that these scenarios have total one-time costs of \$530.07 million and 20-year NPV savings of \$2.47 billion. Ms. Davis noted that the cost to NPV savings ratio for CR3 is one to five. See slide 3 of enclosure (1).

7. Ms. Davis informed the IEG that she briefed the OSD Red Team concerning the DON BRAC process and candidate recommendations on 2 March 2005. She stated that the OSD Red Team reiterated that its role in the BRAC 2005 process was to review DON candidate recommendations from the BRAC Commission's standpoint, i.e., do they deviate substantially from the force structure plan (FSP) and Selection Criteria, and examine DON's compliance with BRAC policies and analytical tools. Ms. Davis noted that the OSD Red Team is particularly focusing on the correlation between BRAC candidate recommendations and BRAC strategy and objectives, the application of military judgment in the BRAC process, and Selection Criteria 6-8 analyses, particularly Criterion 8 cumulative impacts. She noted that the OSD Red Team would provide DON with a report of its initial observations in the near future. See slide 4 of enclosure (1).

8. Ms. Davis updated the IEG concerning the Infrastructure Executive Council (IEC) process. She stated that at its 23 February 2005 meeting, the IEC requested identification of candidate recommendation issues and objections from the Services. Ms. Davis informed the IEG that DON would provide a written review of candidate recommendations prior to each

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Infrastructure Steering Group (ISG) and IEC meeting. Enclosure (2) provides the DON comments for the candidate recommendations presented to the IEC on 23 February 2005 and the ISG on 25 February 2005. Ms. Davis noted that the DON comments would place a candidate recommendation in one of three categories: candidate recommendations to which DON objects; candidate recommendations for which DON has analytical concerns and recommends that the OSD Red Team perform a detailed review; and candidate recommendations for which DON has concerns regarding the projected investment, in particular where the Payback period exceeds 20 years, and warrant special attention during the OSD integration process. See slide 5 of enclosure (1).

9. Ms. Davis also noted that the IEC requested that the Services provide a list of BRAC "philosophical" issues that the IEC should discuss. She informed the IEG that, based upon DON senior leadership discussion of important BRAC concepts, she had provided input to the OSD BRAC office on 28 February 2005, comprising a list of suggested IEC discussion topics. See slide 6 of enclosure (1).

10. The IEG reviewed DON-0032B, which amended DON-0032 (close NAVSTA Ingleside, TX) by adding the relocation of HM-15 to NAVSTA Norfolk. Ms. Davis noted that DON-0032B uses the updated FSP (i.e., 10 MCMs plus HSV-2). She reminded the IEG that at its 27 January 2005 deliberative session, it had reviewed the Selection Criteria 6-8 analyses and CRRA associated with the addition of HM-15 and approved amending the candidate recommendation package for DON-0032 to include relocation of HM-15 to NAVSTA Norfolk. The IEG had also decided to forward this amendment to OSD as an administrative correction after the FSP revisions were finalized. The IEG reviewed the updated COBRA model results for DON-0032B that indicate one-time costs of \$178.4 million, Payback in two years, and 20-year net present value (NPV) savings of \$777.03 million and compared them to DON-0032, which indicates one-time costs of \$231.64 million, Payback in four years, and 20-year NPV savings of \$541.42 million. See slide 8 of enclosure (1).

11. The IEG next reviewed DON-0129 (close NMCRC Tulsa and relocate to AFRC Broken Arrow) mentioned above in paragraph 5. Ms. Davis noted the DAG reviewed Selection Criteria 5-8 analyses and Candidate Recommendation Risk Assessment (CRRA) for DON-0129 at its 28 February 2005 deliberative session. The DAG determined that DON-0129 is consistent with the DON criteria used for determining participation in a JAST Reserve Center scenario (i.e., indicates a Payback within 20 years for DOD and

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DON, closes a DON reserve center with an average military value score, and reduces excess capacity). Accordingly, the DAG recommended development of a candidate recommendation package for DON-0129.

12. The IEG reviewed the COBRA analysis for DON-0129 that indicates one-time cost of \$5.97 million, Payback in 12 years, and 20-year NPV savings of \$1.74 million. Ms. Davis noted that although the Payback for DON-0129 is less advantageous than most of the other nine JAST scenarios, DON-0129 is consistent with the DON approach. See slide 11 of enclosure (1). The IEG reviewed the Selection Criteria 6-8 analyses for the 10 JAST scenarios and noted that there were no significant economic, community or criterion 8 impacts. See slide 12 of enclosure (1). The IEG next reviewed the CRRA for these 10 JAST scenarios noting that they indicate low executability risk and minimal warfighting/readiness risk. See slide 13 of enclosure (1). The IEG approved inclusion of DON-0129 as a candidate recommendation with the other nine JAST Reserve Center scenarios.

13. The IEG next reviewed a fenceline scenario to close Naval Ship Yard (NSYD) Portsmouth, NH (DON-0133). See slide 15 of enclosure (1). Ms. Davis noted that the updated FSP reduces capacity requirements in the ship repair function, allowing for consideration of a shipyard closure. An Industrial JCSG scenario (IND-0056) consolidates the ship repair function at the remaining three NSYDs (NSYD Norfolk, VA, NSYD Puget Sound, WA and NSYD Pearl Harbor, HI). Ms. Davis stated that the DAG reviewed DON-0133, which incorporates IND-0056, at its 1 March 2005 deliberative session. She indicated that DON has requested IND-0056 receive a detailed review by the OSD Red Team to ensure completeness and consistency in treatment of costs. See enclosure (2). Additionally, Ms. Davis stated that the DAG disallowed \$141 million in costs for DON-0133 for building closures, historical preservation, post-closure sustainment, and other costs already accounted for by COBRA.

14. The IEG reviewed the initial COBRA data results for IND-0056 and DON-0133. See slide 16 of enclosure (1). IND-0056 indicates one-time costs of \$426.2 million, Payback in seven years, and 20-year NPV savings of \$485.7 million. DON-0133 indicates one-time costs of \$511.4 million, Payback in four years, and 20-year NPV savings of \$1.47 billion. The IEG approved the DAG's recommendation to conduct Selection Criteria 6-8 and CRRA analyses for DON-0133 and, absent any unusual findings that need to be brought to the IEG's attention, to

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prepare and forward a candidate recommendation package for DON-0133.

15. Ms. Davis used slides 17-19 of enclosure (1) to discuss the status of fence-line closures being considered based on JCSG candidate recommendations. With respect to DON-0070A/B/C (close Naval Post Graduate School Monterey, CA), Ms. Davis noted that DON has registered two objections with the IEC. First, the enabling Education and Training JCSG privatization scenario does not provide for the movement of Navy military unique graduate level courses to NAVSTA Newport, RI. Additionally, DON is analyzing enclave possibilities for the Fleet Numerical Meteorology and Oceanography Command (FNMOC) and the Naval Research Lab (NRL) detachment at Monterey, the latter of which would be relocated to Stennis Space Center, MS in a Technical JCSG scenario. DON believes that FNMOC and the NRL detachment should remain together. The IEG noted that it appears that the Technical JCSG Chair will concur with DON's position to create an enclave for these activities.

16. Concerning DON-0126A/B (close Naval Supply Corps School Athens, GA), Ms. Davis noted that DON is evaluating a scenario to move the Supply Corps School to NAVSTA Newport, RI and will present the analysis to the Education and Training JCSG for consideration. With respect to DON-0161 (close NSWC Division Corona, CA), Ms. Davis informed the IEG that DON has concerns with the Technical JCSG's candidate recommendations that distribute NSWC Corona assets to multiple receiver sites and may negatively impact functionality. DON has forwarded a letter to the Technical JCSG suggesting alternate receiving sites for NSWC Division Corona assets. With respect to DON-0162 (close NAS Pt. Mugu, CA), she informed the IEG that further analysis is necessary to evaluate the cost to relocate operational assets and the surface launch test facility. The IEG noted that DON-0162 is potentially linked to DON-0161 since NAS Pt. Mugu could serve as a receiving site for NSWC Division Corona assets. Ms. Davis noted that DON-0163 (close NAES Lakehurst, NJ) remains an unlikely candidate since the DAG has determined it is infeasible to enclave the ALRE components at Lakehurst. Concerning DON-0165 (close MCLB Barstow, CA), she informed the IEG that DON objected to the enabling Industrial JCSG candidate recommendation presented to the ISG and IEC. Ms. Davis noted that DON remains concerned about the accuracy of the shift capacity analysis (i.e., 1.5 capacity multiplier) and the potential loss of the west coast depot capability. She noted that the Army has also objected to this candidate recommendation

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on the basis that the Army needs to retain the railhead at MCLB Barstow.

17. Concerning DON-0166 (close NSWC Crane, IN), Ms. Davis noted that two of three Technical JCSG candidate recommendations affecting NSWC Crane have been posted. She informed the IEG that the Technical JCSG candidate recommendations would still leave DON industrial functions at NSWC Crane and that "closure" would not divest DOD of this asset since the Army has a substantial presence that will remain at NSWC Crane. DON will seek to relocate its remaining industrial functions and transfer the base to the Army. With respect to DON-0167 (close NSA Philadelphia, PA), Ms. Davis noted that the current status of decisions by the Supply and Storage JCSG concerning Inventory Control Point realignments appear to make closure infeasible since activities will remain in Philadelphia. She noted that DON-0169 (close NSWC Indian Head, MD) also does not appear viable since JCSG functional realignments relocate less than five percent of NSWC Indian Head assets. Ms. Davis noted that of the eight possible fenceline closure scenarios, four (including DON-0165) appear infeasible. She indicated that DON will remain poised for additional fenceline closure possibilities and noted that OSD has requested that the JCSGs review their analyses to identify additional closure possibilities.

18. The IEG next reviewed the Payback summary for DON Candidate Recommendations (including DON-0133) that indicates one-time costs of \$1.84 billion and a 20-year NPV savings of \$7.74 billion. Ms. Davis noted that the cost to NPV ratio remains one to four. See slide 20 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 21 of enclosure (1), and noted that further scenario analysis is required for the IGPBS directed relocation of a CVN and CVW, weapons stations, fenceline closures resulting from JCSG Candidate Recommendations, and integration of JCSG candidate recommendations.

19. Ms. Davis provided the IEG with cartographical displays of known JCSG candidate recommendations, see slide 23 of enclosure (1), and JCSG candidate recommendations that have been or will be briefed to the ISG and IEC, see slide 24 of enclosure (1). Ms. Davis summarized the DON position (no objection, objection, analytical concerns, or investment concerns) for the JCSG candidate recommendations briefed to the ISG on 25 February 2005. See slides 25-27 of enclosure (1) and enclosure (2).

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20. The IEG next discussed the DON position for JCSG candidate recommendations that will be briefed to the ISG on 4 March 2005. See slides 28-30 of enclosure (1). Of note, the IEG discussed DON objections to Technical JCSG candidate recommendations affecting NSWC Division Corona (TECH-0005 and TECH-0006v2) and decided to defer a DON objection concerning the Technical JCSG candidate recommendation that consolidates Maritime C4ISR RDAT&E (TECH-0042A) pending resolution of the issues concerning NSWC Division Corona.

21. The IEG next reviewed a summary of all BRAC Candidate Recommendations that indicates one-time costs of \$16.45 billion and 20-year NPV savings of \$35.31 billion. See slide 31 of enclosure (1). Ms. Davis noted that costs and savings data for IGPBS directed actions have been factored out and that DON-0133 has not yet been included in the Navy costs and savings.

22. The IEG adjourned at 1215.



JAMES A. NOEL
CAPTAIN, USMC
Recorder, IAT

TAB 1



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DON Analysis Group Brief to Infrastructure Evaluation Group

3 MARCH 2005

3 Mar 05

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



Agenda

- **CR Package 3 Status**
- **Red Team Review**
- **ISG/IEC Process Update**
- **Operational**
 - Surface/Subsurface (DON-0032B)
- **HSA DON-Specific**
 - Reserve Centers (JAST)
 - NMCRC Tulsa to AFRC Broken Arrow (DON-0129)
 - Criteria 6-8 Review
- **Fencelines**
 - Closure Recommendation
 - Portsmouth Naval Shipyard
 - Status/Update
- **DON Candidate Recommendation Summary**
- **Remaining Analysis**
- **JCSG Candidate Recommendations, 25 Feb & 4 Mar**
- **Candidate Recommendation Status**
- **IEG/FAB Open Discussion**



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CR Package 3 Status

- **NAS Brunswick decision – Close Brunswick**
- **Willow Grove/Cambria decision – Close Willow Grove, Realign Cambria**
- **Ingleside Update (DON-0032B) – Approved (includes FSP changes and HM-15 move)**
- **JAST Reserve Centers (10) – Approved subject to IEG approval**

CR3 Summary	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV Ratio
Surface (1)	872	2,245	178.00	-75.00	-777.00	1:4
Aviation (2)	1,563	2,805	264.90	-158.50	-1,635.70	1:6
JAST (10)	60	343	87.17	-10.98	-60.07	1:1
TOTAL	2,495	5,393	530.07	-244.48	-2,472.77	1:5



Red Team Review

- **OSD Red Team held initial entrance meeting with DASN(IS&A) on 2 Mar 05**
- **Red Team reiterated its role in the BRAC 05 process:**
 - Review candidate recommendations from the BRAC Commission standpoint, i.e., whether DON “deviated substantially” from the Force Structure Plan or Selection Criteria
 - As necessary to review a given candidate recommendation, examine the extent of compliance with BRAC policies and Analytical tools
- **Red Team will provide DON with report of initial observations regarding DON candidate recommendations and process**



ISG/IEC Process Update

23 Feb IEC

- **Requested identification of CR issues/objections**
 - DON will provide in writing prior to each ISG and IEC meeting
 - Identify DON positions:
 - Objections
 - Analytical concerns → Red Team
 - Investment concerns → Integration process
- **Requested “philosophical” issues**
 - DASN(IS&A) provided to OSD BRAC Office 28 Feb 05 based on SECNAV/CNO/CMC discussions



DON Leadership IEC Discussion Issues

- **Cost as an imperative!**
 - Do not do things that cost more than how we do them today
 - Focus on recurring costs; look at overall costs and savings as representing investment and return
- **Importance of using existing facility capacity before building new ones -- otherwise are just replicating excess capacity**
- **Preference for consolidation vice collocation of activities**
 - Collocation may result in more, new activities that need to be supported, rather than streamlining the function
- **Review of what should be done in BRAC**
 - Some things can be done outside of BRAC
 - Do not jeopardize those real closures and realignments being attempted
- **Discussion of what is the transformation BRAC should invest in**



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Operational



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Surface/Subsurface Close Naval Station Ingleside

- Relocate/consolidate COMINWARCOM, MINEWARTRACEN, and COMOMAG to Fleet ASW Center, Point Loma, CA
- Uses updated Force Structure Plan (10 MCMs plus HSV-2)
 - MHCs decommission FY06-08
 - All ships move to NAVSTA San Diego
- HM-15 moves to NAVSTA Norfolk
- DAG reviewed Criteria 6-8: No additional impact

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0032B (Update)	872	2245	178.39	-74.76	2	-777.03
DON-0032 (Current CR)	726	2080	231.64	-60.25	4	-541.42

All Dollars shown in Millions



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HSA DON-Specific



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Joint Reserve Centers Candidate Recommendations

- **44 Army-generated Joint Reserve Center scenarios reviewed by DAG for consistency with DON approach**
- **IEG approved participation in 9 candidate recommendations on 10 Feb 05**
- **DAG reviewed DON-0129 with understanding NMCRC Tulsa was Army tenant**
 - Actually Navy-owned facility
 - Scenario relocates to AFRC Broken Arrow at DON cost
- **Consistent with DON criteria for participation in Joint Reserve scenarios**
 - DON & DoD ROI < 20 yrs
 - Reduces capacity (0.2%)
 - Closes average MV site
- **DAG recommends participation**



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Joint Reserve CRs DON/Army Forming New AFRC

• 10 Joint Scenarios recommended by DAG:

SDC#	DON Actions	DON Action				Joint Scenario									
		Billets Elim	Billets Moved	One-Time Costs (\$M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)	# Army Closing	Billets Elim	One-Time Costs (\$M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)		
DON & Army building Joint AFRCs with shared cost															
1	DON-0102 (A030)	NMCR Des Moines	0	17	4.409	-0.368	15	-0.467	1	218	31.848	-18.856	1	-222.503	
2	DON-0115 (A042)	NMCR Madison	9	48	10.153	-1.988	5	-15.666	2	134	17.855	-12.942	1	-155.196	
3	DON-0096 (A015)	NMCR St. Louis	2	76	14.811	-1.121	16	-0.350	2	69	34.001	-7.805	3	-71.243	
4	DON-0089 (A007)	NRC Cape Girardeau	0	60	12.178	-1.705	8	-10.473	5	72	50.086	-9.317	5	-75.149	
5	DON-0130 (A077)	NMCR Mobile	5	22	7.982	-0.696	13	-1.916	3	27	18.672	-2.940	6	-21.554	
6	DON-0118 (A063)	NMCR Baton Rouge	7	11	3.991	-1.014	3	-10.230	3	19	16.081	-2.500	6	-18.441	
7	DON-0129 (075)	NMCR Tulsa	0	32	5.977	-0.583	12	-1.735	11	52	43.851	-5.704	8	-33.598	
8	DON-0114 (A033)	NMCR Milwaukee	16	0	13.787	-1.431	11	-5.726	1	16	26.154	-1.927	17	-0.147	
9	DON-0120 (A065)	NMCR Lehigh Valley	8	40	10.746	-1.134	11	-4.602	1	8	18.244	-1.205	20	1.791	
DON building on Army or AF property															
10	DON-0113 (A060)	NMCR Akron	13	37	11.704	-1.770	7	-12.092							
		NRC Cleveland													
DON Total										60	343	95.738	-11.820	7	-12.092
Total										29	615	256.792	-63.196		-596.040



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Criteria 6-8 Considerations DON/Army Forming New AFRC

- **Results of Criterion 6, 7, and 8 Analysis show the 10 JAST Reserve Center scenarios where DON/Army forming new AFRC have:**
 - **No significant economic impact on both losing and gaining economic regions (job change for all <0.1%)**
 - **No significant community impact on both losing and gaining communities**
 - **Negligible Criterion 8 impacts**

IEG Decision:

Prepare Candidate Recommendation packages for 10 Joint Reserve Scenarios



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Candidate Recommendation Risk Assessment - DON/Army AFRC

Executability Risk

Investment Recoupment

- 0: Immediately self financing 0-1 years
- 1: Investment recoverable in 2-4 years (Baton Rouge)
- 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: AFRC Mobile, AFRC Baton Rouge, AFRC Broken Arrow, AFRC Greenville, AFRC Allentown-Bethlehem and AFRC Milwaukee have land availability issues.

Risk Matrix

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

Warfighting/Readiness Risk

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

COCOM Concerns: None.



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FENCELINES



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Ship Overhaul & Repair Close Portsmouth NSYD

- **I-JCSG scenario IND-0056 consolidates ship repair to the remaining three NSYDs**
 - Force structure changes eliminate workload equating to the size of PNSY
 - DON has registered analytical concerns on personnel movements and nuclear cleanup cost
- **DON-0133 incorporates IND-0056, and closes the installation**
 - DAG disallowed \$141M in fenceline costs
 - Building closures and historical preservation
 - Post-closure sustainment
 - Costs accounted for by COBRA



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Ship Overhaul & Repair Close Portsmouth NSYD

- **DAG recommended Criteria 6-8 analysis**

	Billets Elim	Billets Moved	One-Time Costs	Steady- State Savings	ROI Years	20 Year NPV
IND-0056	667	3,096	426.2	-73.2	7	-485.7
DON-0133 Combined	1,137	3,566	511.4	- 166.2	4	-1,474.7

IEG Decision:
Prepare Candidate Recommendation package for DON-0133



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Fenceline Closures Update

- **DON-0070A/B/C – Close PG School Monterey**
 - Linked to Privatization scenario
 - Two objections registered with IEC
 - Working on analyzing enclave for FNMOC and possibly NRL det
- **DON-0126A/B – Close Navy Supply Corps School**
 - Evaluating scenario to move school to NS Newport
 - Will work results with E&T JCSG
- **DON-0152 – Close NAS Whiting Field**
 - E&T-0046 allowing closure of Whiting Field has been posted
 - Will analyze closure scenario next week
- **DON-0157 – Close MCSA Kansas City**
 - Awaiting results of alternative scenarios, HSA-0120 & 0129
- **DON-0158A/0159 – Close/Realign NSA New Orleans**
 - Awaiting results of alternative scenarios, HSA-0120 & 0129
 - Need to determine between realignment versus closure



DON-0161 – Close NSWC Div Corona

- TECH JCSG CRs splitting functions have been posted
- DASN IS&A letter to Technical JCSG suggesting alternate receiving sites

DON-0162 – Close NAS Pt. Mugu

- Evaluating the cost of operational moves and surface launch test facility
- Could be linked to Corona closure

DON-0163 – Close NAES Lakehurst

- Appears unlikely, ALRE function to remain

DON-0165 – Close MCLB Barstow

- IJSCG CR realigning functions was objected to by DON last week
 - Analyzing data and structuring position for IEC next week
 - Army has concern with CR because it involves Red River
- Rail Head for Army needs to be retained



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Fenceline Closures (cont)

- **DON-0166 – Close NSWC Crane**
 - Two of three TECH JCSG CRs have been posted
 - DON industrial functions still remain
 - “Closure” will not divest DoD of asset; Army has substantial presence remaining
- **DON-0167 – Close NSA Philadelphia**
 - Current decision by S&S on ICP realignment does not allow for closure
- **DON-0169 – Close NSWC Indian Head**
 - JCSG functional realignments remove less than 5% of assets
 - Closure scenario does not appear viable at this time



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DON Candidate Recommendation Payback Summary

	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV Ratio
Portsmouth	1,137	3,566	511.40	-166.20	-1,474.70	1:3
TOTAL	1,137	3,566	511.40	-166.20	-1,474.70	1:3

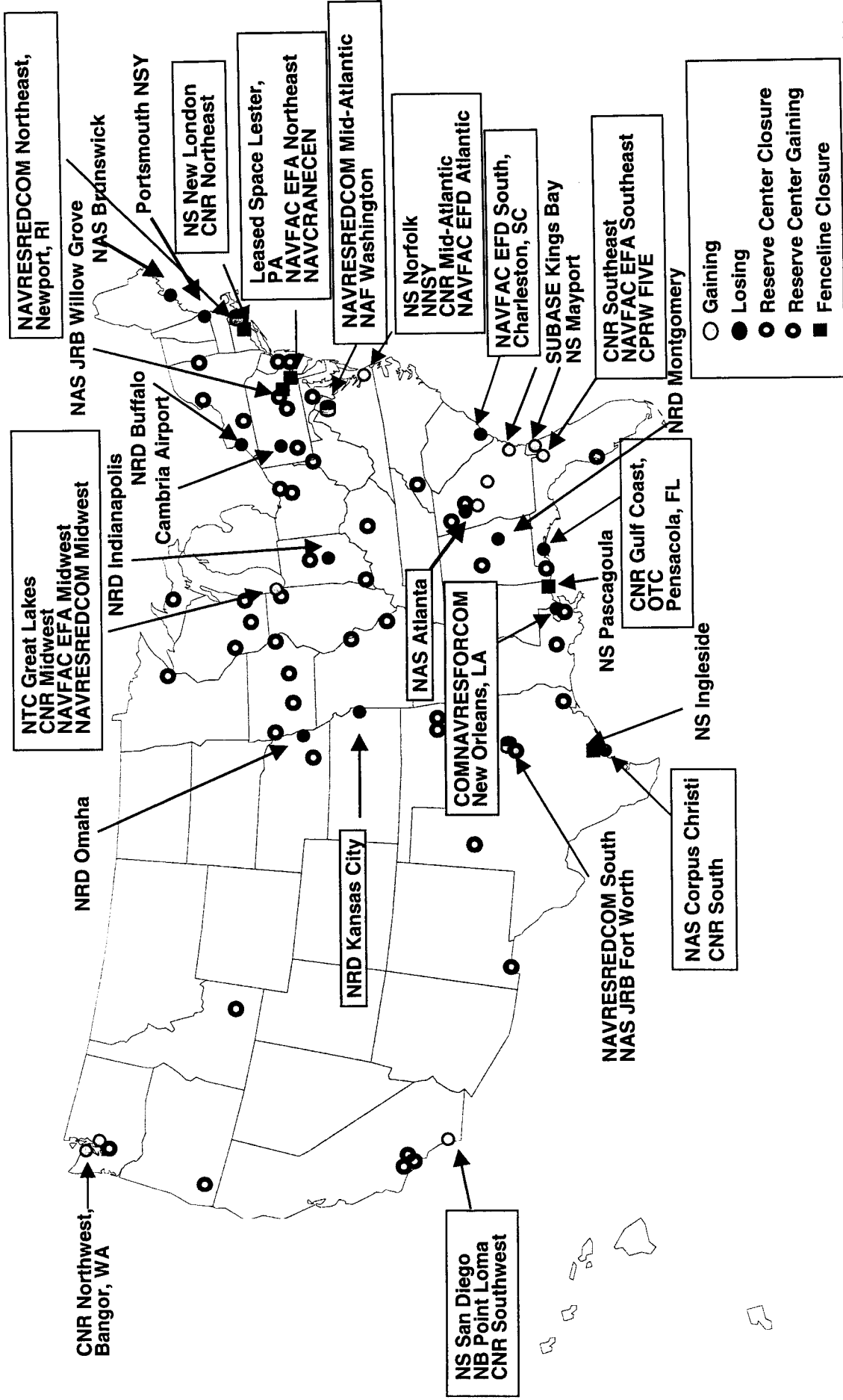
	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV Ratio
TOTAL						
Surface/Subsurface (3)	3,114	9,972	867.49	-326.00	-3,112.91	1:4
Aviation (3)	2,139	3,548	314.30	-212.40	-2,337.10	1:7
OTCs (1)	15	266	3.22	-1.67	-21.22	1:7
Reserve Centers (25)	170	142	3.58	-19.03	-270.77	1:76
JAST (10)	60	343	87.17	-10.98	-60.07	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
Fenceline (1)	1,137	3,566	511.40	-166.20	-1,474.70	1:3
TOTAL	7,038	18,652	1,838.92	-773.86	-7,742.86	1:4

All Dollars shown in Millions



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DON Candidate Recommendations





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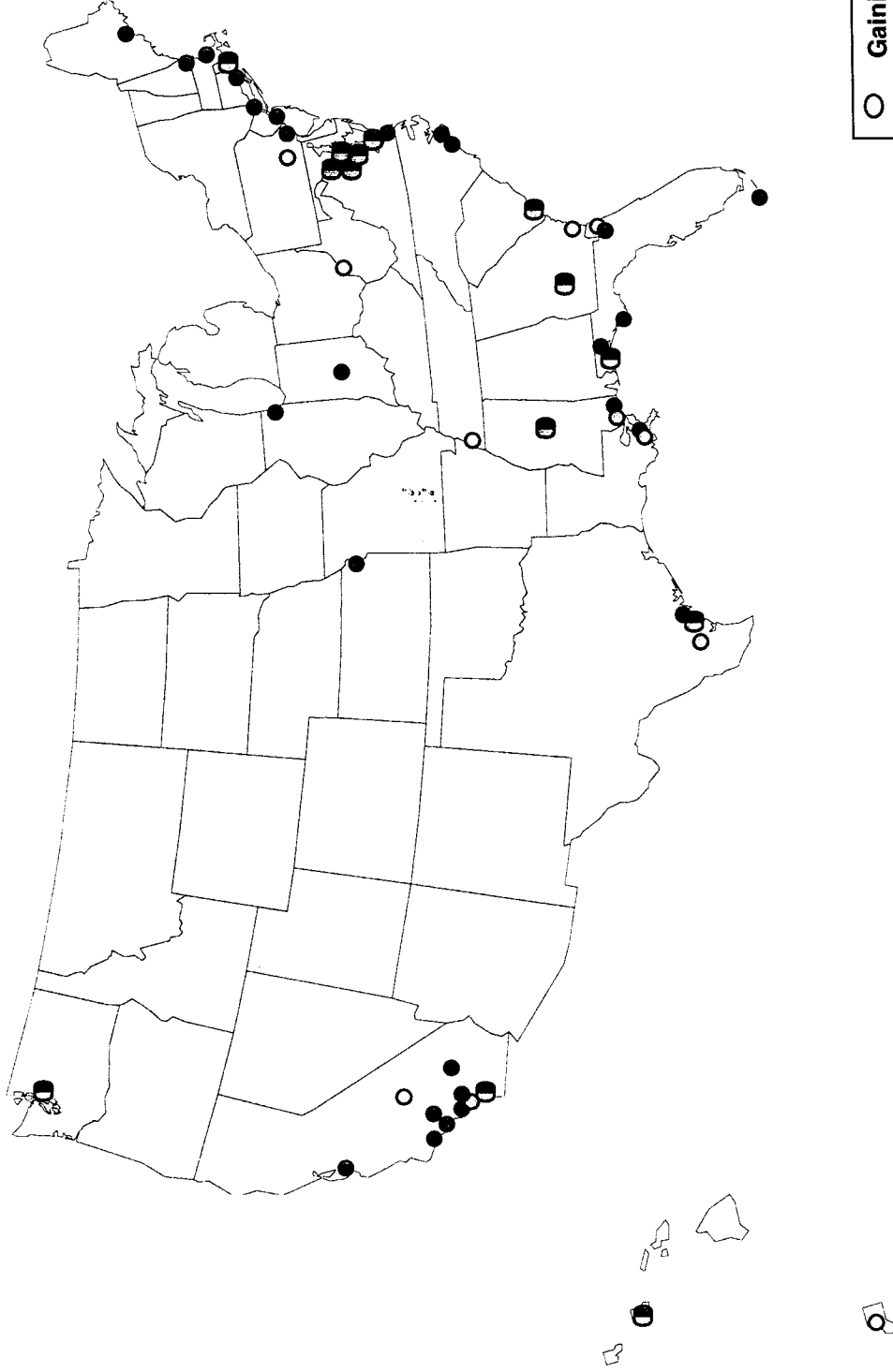
Remaining Analysis

- **Carrier move**
- **Weapons Stations**
- **Fenceline Closures/Integration of JCSG Candidate Recommendations**



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JCSG Candidate Recommendations

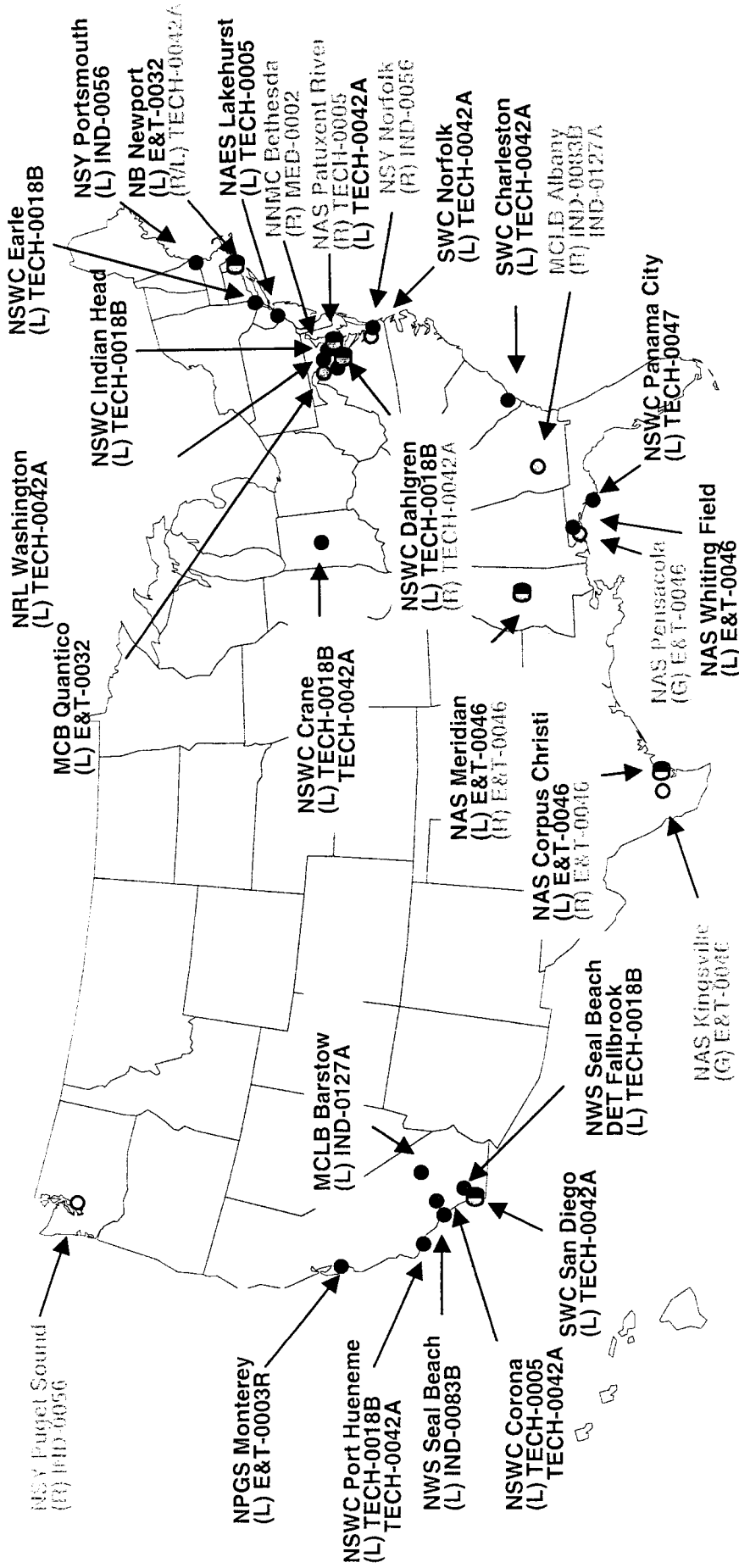


○	Gaining
●	Losing



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JCSG Candidate Recommendations



○	Gaining
●	Losing

Candidate Recommendation Briefed at the ISG (27 Feb & 4 Mar)



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25 Feb ISG

JCSG Candidate Recommendations

Headquarters & Support Activities: (3)

- HSA-0058 – Relocate SOUTHCOM HQs to State owned facility in Miami, FL
 - DON position: Object
- HSA-0077 – Consolidate/co-locate IMA and Army Service Providers to Ft Lee/Ft Sam Houston
 - DON position: No objections
- HSA-0106 - Close 18 and realign 23 Leased locations in NCR to Walter Reed
 - DON position: Analytical concerns

Industrial Activities: (6)

- IND-0056 – Close NSY Portsmouth, NH
 - DON position: No objections
- IND-0083A – Realign Rock Island Arsenal
 - DON position: Analytical concerns
- IND-0083B – Realign NWS Seal Beach, CA
 - DON position: Analytical concerns
- IND-0114 – Realign Watervliet Arsenal
 - DON position: No objections
- IND-0127A – Realign MCLB Barstow, CA
 - DON position: Object
- IND-0127B – Realign Red River
 - DON position: No objections



25 Feb ISG JCSG Candidate Recommendations

Medical: (3)

- MED-0002 – Realign Walter Reed Medical Center
 - DON position: Analytical concerns
- MED-0016 – Realign Lackland AFB medical functions
 - DON position: No objections
- MED-0018 – Disestablish inpatient care at Andrews AFB
 - DON position: No objections

Air Force: (12)

- USAF-0038 – Realign Hancock Field AGS, NY
 - DON position: Investment concerns
- USAF-0059 – Realign Maxwell AFB
 - DON position: Investment concerns
- USAF-0064 – Close New Castle APT AGS, DE
 - DON position: Investment concerns
- USAF-0068 – Realign Reno-Tahoe IAP AGS, CA
 - DON position: Investment concerns
- USAF-0081 – Realign Beale AFB relocate KC-135s
 - DON position: Investment concerns
- USAF-0083 – Realign March ARB relocate KC135s
 - DON position: Investment concerns



25 Feb ISG JCSG Candidate Recommendations

Air Force (cont.)

- USAF-0089 – Close Kulis AGS
 - DON position: Investment concerns
- USAF-0117 – Close Grand Forks AFB relocate KC135s
 - DON position: No objections
- USAF-0118 – Realign McGuire AFB inactivate 108th air refuel wing
 - DON position: No objections
- USAF-0120 – Realign Robins AFB relocate KC135s
 - DON position: Investment concerns
- USAF-0121 – Close Niagra Falls ARS, NY
 - DON position: No objections
- USAF-0123 – Close Pittsburgh IAP ARS
 - DON position: No objections



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4 Mar ISG JCSG Candidate Recommendations

Education & Training Activities: (4)

- E&T-0003R – Privatize PDE function conducted at AFIT and NPS (update)
 - DON position: Object
- E&T-0032 – Realign SLCs under NDU and co-locate at Fort McNair
 - DON position: Object
- E&T-0046 – Realign DoD undergraduate Pilot/NAV/NFO/CSO Training
 - DON position: No objections
- E&T-0052 – JSF Integrated Training Center
 - DON position: Analytical concerns

Headquarters & Support Activities: (1)

- HSA-0069 – Co-locate Miscellaneous Army Leased Locations
 - DON position: No objections



4 Mar ISG JCSG Candidate Recommendations

Technical Activities: (9)

- TECH-0005 – Joint Centers for Rotary Wing Air Platform RD&A and T&E
 - DON position: Object or Analytical concerns
- TECH-0006v2 – Joint Centers for Fixed Wing Air Platform RD&A and T&E
 - DON position: Object or Analytical concerns
- TECH-0009A – Consolidate Defense Research Labs (AF Consolidation)
 - DON position: No objections
- TECH-0018A – Joint Centers for Weapons/Arm RDAT&E at Eglin AFB
 - DON position: No objection
- TECH-0018B – Realign W&A RD&A Guns and Ammunition Specialty Site at Picatinny Arsenal
 - DON position: No objections
- TECH-0042A – Consolidate Maritime C4ISR RDAT&E
 - DON position: Object
- TECH-0042C – Consolidate Air and Space C4ISR RDAT&E
 - DON position: No objections
- TECH-0047 – Combatant Commander C4ISR Development & Acquisition Consolidation
 - DON position: No objections
- TECH-0058 – Realign Brooks City Base Human Systems D&A
 - DON position: No objections



4 Mar ISG JCSG Candidate Recommendations

Army (2):

- USA-0063 – Close Selfridge Army Garrison
 - DON position: No objections
- USA-0223 – Close Fort Monmouth
 - DON position: No objections

Air Force (7):

- USAF-0065 – Realign Pittsburgh AGS
 - DON position: Investment concerns
- USAF-0079 – Close Portland AGS
 - DON position: Investment concerns
- USAF-0084 – Realign Fairchild AFB
 - DON position: No objections
- USAF-0087 – Realign Rickenbacker AGS
 - DON position: No objections
- USAF-0090 – Realign Eglin AFB
 - DON position: Investment concerns
- USAF-0124 – Realign Dover AFB
 - DON position: Investment concerns
- USAF-0125 – Realign Indian Springs AFAF
 - DON position: Investment concerns



Department of the Navy
DON Analysis Group

Candidate Recommendation Status

	One Time Costs (\$M)	Net Implementation (Savings/Cost)	Steady State (\$M)	NPV (\$M)	NPV/One-time Ratio	Total CRs	Total CRs affecting DON
Navy	1,302.1	-451.3	-606.4	-6,241.1	5	48	48
Army	4,604.8	1,975.3	-668.1	-4,258.0	1	150	44
(IGPBS) B	3,800.0		300.0	8,000.0	-2	1	0
(IGPBS) NE	300.0		-1,200.0	-15,600.0	52		
Air Force	1,971.4	441.6	-615.7	-5,525.4	3	50	6
E&T	769.8	357.4	-93.8	-567.2	1	10	7
HSA	3,060.4	8.1	-794.3	-7,380.7	2	47	25
IND	1,479.4	-653.4	-623.9	-6,446.7	4	27	11
Ind Enabler	45.3	-143.2	-63.2	-721.5	16	3	3
INTEL							
MED	1,845.0	937.8	-303.3	-1,938.1	1	15	4
S&S	231.2	-276.2	-150.1	-1,724.3	7	4	4
TECH	1,182.7	489.6	-182.6	-1,228.0	1	13	9
Total	16,446.7	2,829.0	-4,038.2	-35,309.5	2	368	161

As of 3 Mar 05



Department of the Navy
DON Analysis Group

IEG-FAB Open Discussion

TAB 2



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

1 March 05

MEMORANDUM FOR DIRECTOR, OSD BRAC

SUBJECT: DEPARTMENT OF NAVY REVIEW OF CANDIDATE
RECOMMENDATIONS FOR IEC MEETING ON 7 MAR 05

Below are the Department of the Navy (DON) comments for the candidate recommendations presented to the Infrastructure Executive Council on 23 Feb 05 and the Infrastructure Steering Group on 25 Feb 05.

DON objects to the following Candidate Recommendations as they are currently structured:

- HSA-0029 Consolidating CPOs puts BRAC and NSPS execution at risk. Services need to maintain service responsibilities through NSPS implementation period. Recommendation is ill advised as BRAC recommendation – can and should change management structure within and post NSPS implementation.
- E&T-0003 DON has a requirement to provide graduate level education in military unique courses of instruction that supports other Services as well as foreign student programs. Working with JCSG to determine courses/programs not available in private sector that satisfies requirement. CR needs to be updated to allow for this requirement to be met.
- IND-0127A Eliminates only heavy equipment ground maintenance depot west of the Mississippi – logistics concerns to support West coast requirements. Analysis measured workload requirement based on peacetime tempo and 1.5 shifts; does not measure what we believe to be the “requirement” as substantiated by recent throughput.
- TECH-0020 Costs for movement of NRL detachment may be significantly understated; significant reported one-time costs were not included in CR package. Appears CR was based on movement of associated Navy activity that is not being recommended for movement. Raises question of value of move.
- HSA-0020, HSA-0021, HSA-0022, HSA-0024, HSA-0082 These CRs build new facilities at a high cost, with no apparent benefit other than re-facilitizing correctional activities.
- HSA-0058 Requires a contingent favorable agreement from the State. Previous JAST candidate recommendations with similar terms were rewritten. Sets a precedent to allow “offers” to be used in support of final recommendations.

SUBJECT: DEPARTMENT OF NAVY REVIEW OF CANDIDATE
RECOMMENDATIONS FOR IEC MEETING ON 7 MAR 05

DON has concerns about the analysis performed on the following Candidate Recommendations. We recommend that the Red Team be asked to perform a detailed review of these recommendations:

- HSA-0106 Dependent on MED-0002. NCR reconciliation has a number of moving parts that have major impacts on multiple CRs
- IND-0056 Accounting for personnel and their movement, as well as nuclear testing/clean-up issues need to be furthered reviewed.
- IND-0083A Use of 1.5 shifts as an analytical construct may overall begin to overtax our industrial facilities, particularly for ground equipment.
- IND-0083B A piece of the candidate recommendation currently moves 6K DLH of Tactical Missile maintenance (maintenance on missile containers/canisters/accessories), that is best left at the Weapons Station since it is integral to their storage function.
- MED-0002 Movement and costing of military medical personnel needs to be consistently analyzed
- IND-0122 Moves artillery production to a load, assemble & pack (LAP) plant – no existing capability, but no MILCON reflected

DON has concerns regarding the investment projected by many Candidate Recommendations within the BRAC process. A process is required that appropriately balances the investment versus benefit within the BRAC context. Of particular note are those investments that are beyond the 20-year payback window. Consistent with the methodology proposed by the ISG Chair to the IEC, we recommend that these recommendations receive special attention during the integration process.

HSA-0008	USA-0190	USAF-0047	USAF-0068
HSA-0078	USA-0191	USAF-0051	USAF-0069
HSA-0108	USA-0192	USAF-0052	USAF-0081
IND-0116	USA-0193	USAF-0054	USAF-0083
MED-0005	USA-0194	USAF-0055	USAF-0086
USA-0018	USA-0208	USAF-0059	USAF-0089
USA-0019	USA-0210	USAF-0060	USAF-0111
USA-0070	USA-0219	USAF-0063	USAF-0113
USA-0111	USAF-0038	USAF-0064	USAF-0120
USA-0189	USAF-0041	USAF-0067	

SUBJECT: DEPARTMENT OF NAVY REVIEW OF CANDIDATE
RECOMMENDATIONS FOR IEC MEETING ON 7 MAR 05

The above comments are being provided consistent with the discussion at the 23 February IEC meeting, ensuring all issues raised by DON and not resolved prior to IEC meetings are noted.



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