



INFRASTRUCTURE ANALYSIS TEAM

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MEMORANDUM FOR THE INFRASTRUCTURE EVALUATION GROUP (IEG)

Subj: REPORT OF IEG DELIBERATIONS OF 27 JANUARY 2005

Encl: (1) DON Analysis Group Brief to IEG of 27 January 2005

1. The thirty-seventh deliberative session of the Department of the Navy (DON) Infrastructure Evaluation Group (IEG) convened at 1008 on 27 January 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; ADM John B. Nathman, USN, Co-Chair; Ms. Ariane Whittemore, alternate for VADM Justin D. McCarthy, USN, Member; VADM Kevin J. Cosgriff, USN, Member; LtGen Richard L. Kelly, USMC, Member; LtGen Michael A. Hough, USMC, Member; Dr. Michael F. McGrath, Member; Mr. 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. Carla Liberatore; 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; Mrs. Claudia Erland; Mr. Michael Rhodes; BGen Thomas L. Conant, USMC; Mr. George Ryan; Col Michael J. Massoth, USMC; CAPT David W. Mathias, CEC, USN; CAPT Walter Wright, USN; CAPT William Wilcox, USN; CAPT Nancy Hight, MSC, USN; and, Mr. Thomas B. Grewe. The following members of the IAT were also present: Mr. Dennis Biddick, Chief of Staff; Mr. David W. LaCroix, Senior Counsel; CAPT Jason A. Leaver, USN; Mr. Andrew S. Demott; CAPT Gene A. Summerlin, USN; CAPT Christopher T. Nichols, USN; CAPT Jan G. Rivenburg, USN; CAPT Matthew A. Beebe, CEC, USN; CDR Margaret M. Carlson, JAGC, USN; LtCol Mark S. Murphy, USMC; CDR Judith D. Bellas, NC, USN; CDR Philip A. Black, USN; CDR Carl W. Deputy, USN; CDR Peter R. Reif, 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 on the status of the scenario data call (SDC) process as of 27

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January 2005, noting that all existing SDCs have been released and all SDC responses have been returned.

3. Ms. Davis reviewed the status of scenario analysis for DON-Specific HSA activities. See slide 4 of enclosure (1). She noted that 30 candidate recommendations had been approved for the Reserve Centers Function but that only 29 of these recommendations had been forwarded to OSD. The candidate recommendation for the closure of Navy Reserve Center (NRC) Bangor, ME was withheld pending de-confliction with an Operations Function scenario to close Naval Air Station (NAS) Brunswick, ME. Ms. Davis noted that the DAG/IEG will not continue scenario analysis for Human Resource Service Centers (HRSC) since the Headquarters and Support Activities (HSA) JCSG is evaluating HRSCs. She noted that the remaining areas for evaluation by the IEG are Joint Action Scenario Team (JAST) Reserve Center scenarios and Marine Corps Districts (MCD). Ms. Davis informed the IEG that the Army has forwarded candidate recommendations for Joint Reserve Center scenarios without approval from or de-confliction with DON. She noted that the Army informed the Infrastructure Steering Group (ISG) that DON had not yet made a determination that it would participate in these JAST scenarios.

4. Ms. Davis provided the preliminary COBRA results for two DON-Specific HSA scenarios that would relocate MCDs within their current area of responsibility. At its 24 January 2005 deliberative session, the DAG analyzed two variants of scenario DON-0132 that relocate Fourth MCD to Ft Detrick, MD or Aberdeen Proving Ground (APG), MD. DON-0134 would relocate Eighth MCD to NAS Joint Reserve Base (JRB) Ft Worth, TX. See slide 5 of enclosure (1). DON-0132 (Ft Detrick) has one-time costs of \$3.9 million, never provides a Payback, and has 20-year net present value (NPV) costs of \$9.17 million. DON-0132 (APG) has one-time costs of \$1.8 million, never provides a Payback, and has 20-year NPV costs of \$3.8 million. DON-0134 has one-time costs of \$2.4 million, takes over 100 years to achieve a Payback, and has 20-year NPV costs of \$1.4 million. Ms. Davis noted that neither scenario appears viable as a candidate recommendation on its own merit. She stated, however, that DON-0134 may become necessary as part of the scenarios to close Naval Support Activity (NSA) New Orleans, LA (DON-0158A and DON-0159). Accordingly, the IEG approved the DAG's recommendation to continue data refinement (i.e., delete as active scenario and show as inactive in the OSD scenario tracking tool) for DON-0132 (both variants) and DON-0134.

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5. Ms. Davis reviewed the scenario analysis status for DON-Specific Education and Training Functions, noting that no scenarios were developed for DON Unique PME activities. See slide 6 of enclosure (1). The IEG proceeded to analyze Recruit Training and Officer Accessions Training scenarios.

6. Ms. Davis provided the preliminary COBRA results for a Recruit Training scenario (DON-0066) that would close Marine Corps Recruit Depot (MCRD) San Diego, CA and consolidate Marine Corps Recruit Training at MCRD Parris Island, SC. DON-0066 has one-time costs of \$643.41 million, indicates a Payback of over 100 years, and has 20-year NPV costs of \$533 million. The IEG noted that this scenario requires significant military construction (MILCON) to replicate training facilities (up to current standards) since the apparent excess capacity at MCRD Parris Island is primarily buildable acres. Ms. Davis noted that a fundamental difference between this scenario and a similar scenario analyzed in BRAC 1995 that indicated a much shorter Payback period is that significant billet consolidation has occurred at the MCRDs in the intervening years. The lack of opportunity to eliminate a significant number of billets (only 107 billets are eliminated) drastically reduces the savings resulting from the current scenario. Additionally, the IEG re-emphasized that single siting Marine Corps Recruit Training limits surge capability. Accordingly, the IEG approved the DAG's recommendation to continue data refinement for DON-0066.

7. Ms. Davis provided the preliminary COBRA results for three DON-Specific Education and Training Officer Training Command (OTC) scenarios that relocate the Naval Academy Preparatory School (NAPS). See slide 8 of enclosure (1). She informed the IEG that at its 30 November 2004 deliberative session, the DAG developed a scenario (DON-0137) to relocate NAPS from Naval Station (NAVSTA) Newport, RI to the U.S. Naval Academy (USNA), Annapolis, MD. The relocation of NAPS was also included as a subset of scenario DON-0086 that consolidates Navy OTCs at NAVSTA Great Lakes, IL and DON-0087 that consolidates Navy OTCs at OTC Pensacola, FL. DON-0137 has one-time costs of \$37.43 million, never provides a Payback, and has 20-year NPV costs of \$46.59 million. DON-0086 (NAPS subset) has one-time costs of \$13.79 million, never provides a Payback, and has 20-year NPV costs of \$18 million. DON-0087 (NAPS subset) has one-time costs of \$27.77 million, never provides a Payback, and has 20-year NPV costs of \$35.7 million. Ms. Davis noted that the costs are primarily for new MILCON and/or rehabilitation of facilities at the receiver sites. The DAG recommended that NAPS remain at NAVSTA Newport, RI. The IEG noted the benefit of keeping NAPS

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at NAVSTA Newport and decided to delay its decision concerning NAPS pending its analysis of Navy OTC and NAVSTA Newport.

8. Ms. Davis next reviewed the refined COBRA results for two DON-Specific OTC scenarios that consolidate OTC Newport and OTC Pensacola. See slide 9 of enclosure (1). DON-0085 (consolidation of Navy OTCs at NAVSTA Newport, RI) has one-time costs of \$3.22 million, provides a Payback in two years, and has 20-year NPV savings of \$21.22 million. DON-0086 (consolidation of Navy OTCs at NAVTA Great Lakes) has one-time costs of \$22.74 million, provides a Payback in 21 years, and has 20-year NPV costs of \$2.05 million. Ms. Davis reminded the IEG that at its 23 December 2004 deliberative session, the IEG directed the DAG to discontinue further analysis of DON-0087. Ms. Davis noted that the Naval Education and Training Command (NETC) favors consolidation of OTCs and prefers NAVSTA Great Lakes as the receiver site. She stated that OTC consolidation at NAVSTA Newport potentially conflicts with the fence line closure of NAVSTA Newport (DON-0039). Ms. Davis noted that the IEG reviewed Selection Criteria 5-8 and Candidate Recommendation Risk Assessment (CRRA) for these scenarios at its deliberative session on 6 January 2005. At that deliberative session, the IEG acknowledged the benefits of consolidating OTCs at NAVSTA Newport but decided to table further action on OTC scenarios pending greater visibility of JCSG actions affecting NAVSTA Newport.

9. The IEG next reviewed options for NAVSTA Newport, RI. Ms. Davis used slide 10 of enclosure (1) to display the functional activities aboard NAVSTA Newport, noting that the Naval Undersea Warfare Command (NUWC) and the Education and Training Function are the primary missions. She informed the IEG that the DAG is conducting additional research to determine the status of the public private venture (PPV) housing and the possibly inactive tank farms. Pending additional information, Ms. Davis noted that there might be an opportunity to create a more efficient footprint through divestiture of the upper parcel of NAVSTA Newport. The IEG reviewed DON and JCSG scenarios impacting NAVSTA Newport, noting that only two scenarios have been approved as candidate recommendations (E&T-0014 and DON-0156). See slide 11 of enclosure (1). The IEG noted that the Education and Training JCSG is no longer considering the consolidation of Judge Advocate training at Maxwell AFB, AL (E&T-0015). Ms. Davis noted that the series of Education and Training JCSG scenarios to realign Intermediate and Senior Service Colleges are not expected to relocate the entirety of the Naval War College from NAVSTA Newport. The IEG noted that Tech-0008A

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would only remove a small percentage of the NUWC from NAVSTA Newport. The IEG noted that execution of all scenarios would only reduce 18% of non-student personnel at NAVSTA Newport. See slide 12 of enclosure (1).

10. Ms. Davis noted that three other scenarios would conflict with the closure of NAVSTA Newport. See slide 13 of enclosure (1). A Technical JSCG scenario (TECH-0028) relocates significant assets to NAVSTA Newport. DON-0085 consolidates Navy OTCs at NAVSTA Newport and DON-0150 would build an Armed Forces Reserve Center (AFRC) at NAVSTA Newport. The DAG recommendation to retain NAPS at NAVSTA Newport would also be affected by a closure of NAVSTA Newport.

11. The IEG reviewed the potential additions to NAVSTA Newport resulting from various DON and JCSG scenarios. See slide 14 of enclosure (1). Ms. Davis noted that as some activities are relocated from NAVSTA Newport, available space creates the opportunity for more efficient facility use. She noted that at its deliberative session on 24 January 2005, the DAG discussed the opportunity to relocate additional schools to NAVSTA Newport, thereby creating a premier officer-training site (e.g., Navy Supply School from Athens, GA and DON unique portion of the Navy Post Graduate School, Monterey, CA). The IEG discussed the cost and possible loss of synergy implications of relocating the Naval Submarine School from SUBASE New London, CT to NAVSTA Newport, RI. The IEG noted that Surface Warfare Officer's Course is currently onboard NAVSTA Newport (indicating that relocating the Naval Submarine School would not be a novel concept) and determined that additional research is required to understand the synergistic possibilities of this proposed relocation.

12. Based on the foregoing discussion concerning NAVSTA Newport, the IEG made the following decisions. The IEG approved the DAG's recommendation to discontinue analysis of DON-0039, close NAVSTA Newport. The IEG directed the DAG to prepare a candidate recommendation package for DON-0085, consolidate OTCs at NAVSTA Newport, and to continue data refinement for scenarios to relocate NAPS (DON-0137 and NAPS subset of DON-0086 and DON-0087). Finally, the IEG directed the DAG to coordinate additional scenarios and analysis with the Education and Training JCSG (i.e., close Supply School Athens and relocate to NAVSTA Newport, relocate DON unique portion of Navy Post Graduate School courses to NAVSTA Newport, and relocate the Naval Submarine School to NAVSTA Newport). See slide 15 of enclosure (1).

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13. The IEG reviewed its decision to prepare a candidate recommendation package for DON Specific Education and Training scenario DON-0085 and reviewed the list of DON Specific Education and Training scenarios evaluated by the IEG but not recommended as candidate recommendations. See slide 16 of enclosure (1). Ms. Davis noted that DON-0085 consolidates the officer accession training mission, makes available 90 KSF of facilities at NAS Pensacola for other uses, and is consistent with other scenarios that evaluate NAVSTA Newport as a receiving site.

14. The IEG next reviewed its candidate recommendation for the closure of NAVSTA Ingleside, TX approved at its deliberative session on 13 January 2005 (DON-0032). Ms. Davis reminded the IEG that the relocation of HM-15 from NAS Corpus Christi, TX to NAS North Island, CA (NASNI) was not included in the candidate recommendation pending additional DAG analysis to explore relocating HM-15 to NAVSTA Norfolk, VA, the present location of HM-14. At its 24 January 2005 deliberative session, the DAG noted that the NAVSTA Norfolk receiver site is more cost effective, would not overload facilities and maximizes fleet synergy. After reviewing both receiver site options for the HM-15 squadron, the DAG decided to conduct Selection Criteria 6-8 analyses for the NAVSTA Norfolk receiver site.

15. The IEG reviewed and compared the updated COBRA model results for DON-0032 (without the relocation of HM-15) that indicates one-time costs of \$223.72 million, provides a Payback in four years, and has 20-year NPV savings of \$550.06 million. DON-0032 with the relocation of HM-15 to NASNI indicates one-time costs of \$326.15 million, provides a Payback in five years, and has 20-year NPV savings of \$512.98 million. DON-0032 with the relocation of HM-15 to NAVSTA Norfolk indicates one-time costs of \$256.89 million, provides a Payback in four years, and has 20-year NPV savings of \$587.29 million. See slide 18 of enclosure (1).

16. The IEG next reviewed the Selection Criteria 6-8 analyses for DON-0032 with the relocation of HM-15 to NAVSTA Norfolk. Ms. Davis informed the IEG that Selection Criterion 6 analysis indicates an estimated employment decrease in excess of three percent of the NAVSTA Ingleside region of influence (ROI) employment population (the relocation of HM-15 increases the job loss by 0.8%). Ms. Davis noted that there would be minimal community impact, i.e., NAVSTA Norfolk indicated that the family housing waiting list would lengthen. The economic, community

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and environmental impact analyses for the proposed receiving sites did not identify any additional issues of concern. See slide 19 of enclosure (1).

17. The IEG next reviewed the Candidate Recommendation Risk Assessment (CRRA) for DON-0032 with the relocation of HM-15 to NAVSTA Norfolk. See slide 20 of enclosure (1). Ms. Davis noted that the CRRA did not change after adding the action to relocate the HM-15 squadron. The CRRA indicates minimal warfighting/readiness risk and medium executability risk (primarily due to large initial investment and economic impact to the NAVSTA Ingleside ROI). The IEG reviewed a summary of the candidate recommendation, noting that relocating HM-15 to NAVSTA Norfolk is a lower cost alternative than relocating to NASNI and co-locating HM-15 with HM-14 increases efficiencies in operations, maintenance and training. Accordingly, the IEG approved the DAG's recommendation to amend the candidate recommendation package for DON-0032 to include relocation of HM-15 to NAVSTA Norfolk. The IEG decided to forward this amendment as an administrative correction after the Force Structure Plan has been revised as the COBRA analysis will need to be revised to reflect the expected reduction in mine warfare ships.

18. Ms. Davis provided the list of Aviation Operations Function scenarios and discussed the agenda for analyzing and reaching decisions on these scenarios. See slides 22 and 23 of enclosure (1). Ms. Davis reminded the IEG that analysis suggested that at least one major reserve air station could close. DON-0068 realigns NAS Atlanta, GA and relocates assets to NAS JRB Fort Worth, TX, Robins AFB, GA, NAS Norfolk, VA, NAF Washington, MD and Ft Gillem, GA. DON-0069 closes or realigns NAS JRB Fort Worth, TX and relocates assets to NAS Atlanta, GA, Ellington Field ANG, TX and NAS Oceana, VA.

19. Ms. Davis used slide 24 of enclosure (1) to discuss preliminary COBRA results for alternative Aviation scenarios. DON-0068 indicates one-time costs of \$49.4 million, provides an immediate Payback, and has 20-year NPV savings of \$701.4 million. DON-0069 (close) indicates one-time costs of \$157.7 million, provides an immediate Payback, and has 20-year NPV savings of \$1.2 billion. DON-0069 (realign) indicates one-time costs of \$106.1 million, provides an immediate Payback, and has 20-year NPV savings of \$413.7 million. At its deliberative session on 24 January 2005, the DAG discussed both variants of scenario DON-0069 and noted that they require substantial initial investment (primarily MILCON) and that costs and savings are understated and overstated, respectively, since other

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Services reserve assets are relocated to an unidentified base (Base "X"). The DAG noted that impacts on DON Reserve demographics and other Services' reserve assets are additional major issues associated with DON-0069. Accordingly, the DAG decided not to recommend DON-0069 to the IEG and to conduct Selection Criteria 6-8 analyses for DON-0068.

20. The IEG reviewed the Selection Criteria 6-8 analyses for DON-0068. See slide 26 of enclosure (1). Ms. Davis noted that there were no significant economic or community impacts on losing or gaining communities and that Criterion 8 analysis did not identify any substantial environmental impacts, including the impact of environmental costs. The IEG next reviewed the CRRA for DON-0068 that indicates minimal executability and warfighting/readiness risk and no COCOM concerns. See slide 27 of enclosure (1). The IEG approved the DAG's recommendation to prepare a candidate recommendation for DON-0068 and continue data refinement for DON-0069. The IEG noted that DON-0068 will reduce five hangar modules from DON inventory, provides a significant Payback, retains necessary base operating personnel to support the Windy Hill Annex Reserve Center enclave and allows for feasible relocation of reserve assets. The IEG noted that a potential HSA JCSG candidate recommendation may allow DON to transfer ownership of Windy Hill Annex to the Air Force.

21. The IEG next reviewed an Aviation Operations scenario to close NAS Brunswick, ME. DON-0138 single sites P-3 assets on the east coast at NAS Jacksonville, FL. The Survival Evasion Resistance and Escape (SERE) School is relocated to MCAS Cherry Point, NC. The IEG noted that potential detachment sites (e.g., NAS JRB Willow Grove, PA, and McGuire AFB, NJ) are available in the Northeast to perform current homeland defense requirements. The IEG questioned whether relocating SERE school to Fairchild AFB, Washington (to consolidate with the Air Force SERE school) is a more viable alternative. Ms. Davis noted that DAG coordination with Air Force indicated that the Air Force could not sufficiently expand facilities to accommodate the increased DON student throughput. The IEG discussed the benefit of conducting SERE training in a cold weather environment and noted that the SERE school does not require a significant footprint. The IEG directed the DAG to coordinate with the Air Force to explore whether additional savings (even with MILCON) could be realized by capitalizing on available synergies.

22. Ms. Davis used slides 29-32 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for the close NAS Brunswick scenario. DON-0138 indicates one-time costs of \$180.8

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million, provides a Payback in one year, and has 20-year NPV savings of \$860.8 million. The IEG reviewed the Selection Criteria 6-8 analyses for DON-0138. Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease in excess of one percent in the NAS Brunswick ROI. She noted that NAS Brunswick currently provides structural fire fighting support to the surrounding communities. Ms. Davis noted that the economic and community impact analyses for the proposed receiving site did not identify any issues of concern. Criterion 8 analysis did not identify any substantial environmental impacts, including the impact of environmental costs.

23. The IEG next reviewed the CRRA for DON-0138 that indicates medium executability risk (primarily due to the economic impact) and medium warfighting/readiness risk (due to reduced flexibility associated with single siting the P-3s). See slide 31 of enclosure (1). There are no COCOM concerns for this scenario but the IEG noted that CFFC and N3/5 expressed concern that this scenario would result in diminished strategic flexibility and presence in the Northeast and may negatively impact future basing needs. The IEG also noted that this scenario requires significant investment but reduces excess capacity by 20 hangar modules and supports maintenance and training efficiencies (from single siting). The IEG approved the DAG's recommendation to prepare a candidate recommendation for DON-0138.

24. The IEG next reviewed a series of Aviation scenarios that explore options for DON east coast tactical aviation (TACAIR) basing. DON-0141 closes Marine Corps Air Station (MCAS) Beaufort, SC and relocates assets to MCAS Cherry Point, NC. Four scenarios explore alternatives for the closure of NAS Oceana, VA. These scenarios relocate assets to NAS Pensacola, FL (DON-0139), NAS Whiting Field, FL (DON-0140), MCAS Beaufort, SC (DON-0151) and Moody AFB, GA (DON-0153). Ms. Davis noted that these scenarios are linked by the DON vision and future requirements for East coast tactical aviation (TACAIR).

25. Ms. Davis used slides 34-36 of enclosure (1) to discuss Selection Criteria 5-8 analyses and CRRA for the close MCAS Beaufort scenario. DON-0141 indicates one-time costs of \$293.9 million, provides a Payback in three years, and has 20-year NPV savings of \$869.15 million. The IEG next reviewed the Selection Criteria 6-8 analyses for DON-0141. Ms. Davis informed the IEG that the Selection Criterion 6 analysis indicates an estimated employment decrease in excess of one percent in the MCAS

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Beaufort ROI. The IEG noted that employment is growing in the southeast South Carolina region. No community impact was identified for the MCAS Beaufort region of influence. Ms. Davis noted that the economic and community impact analyses for the proposed receiving site did not identify any issues of concern and Criterion 8 analysis did not identify any substantial environmental impacts, including the impact of environmental costs. The IEG noted that although approximately 800 more people will likely be affected by changes in noise contours in the vicinity of MCAS Cherry Point, the effect would be the same once JSF assets are single sited at MCAS Cherry Point.

26. The IEG next reviewed the CRRA for DON-0141 that indicates medium executability risk, primarily due to the required initial investment and economic impact, and medium warfighting/readiness risk since Marine Corps TACAIR assets are single sited. Ms. Davis noted that since this scenario reduces available east coast bases for DON TACAIR from three to two, the DAG did not make a recommendation pending decisions concerning NAS Oceana, VA.

27. Ms. Davis informed the IEG that the DAG developed the closure of NAS Oceana scenarios to determine options for a future Navy master jet base (MJB) on the east coast. The DAG analyzed bases that were not in the original DON operational aviation universe for their potential to serve as a MJB. The DAG discussed operational issues and concerns attendant to a MJB (e.g., available runways, outlying fields, ranges, operating limitations, present and future encroachment, noise and air quality, and CV OPAREAS). Ms. Davis noted that the DAG used these indicators to compare the ability of NAS Oceana and proposed alternate bases to serve as a Navy MJB.

28. Ms. Davis used slide 38 of enclosure (1) to discuss preliminary COBRA results for these scenarios. DON-0139 has one-time costs of \$480.9 million, provides a Payback in six years, and has 20-year NPV savings of \$422.5 million. DON-0140 has one-time costs of \$678.9 million, provides a Payback in 24 years, and has 20-year NPV costs of \$193.2 million. DON-0151 has one-time costs of \$726 million, does not provide a Payback for over 100 years, and has 20-year NPV costs of \$594.1 million. DON-0153 has one-time costs of \$490.4 million, provides a Payback in 14 years, and has 20-year NPV savings of \$16.9 million.

29. Ms. Davis informed the IEG that at its 17 January 2005 deliberative session, the DAG determined that NAS Pensacola was

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not a viable receiving site because of encroachment and lack of any enabling scenario relocating training assets. Subsequently, at its 24 January 2005 deliberative session, the DAG determined that environmental considerations would likely render TACAIR basing at NAS Whiting Field infeasible since the Air Force plans to base JSF assets at Eglin AFB, FL. Ms. Davis noted that the Air Force is withholding any decision concerning loading assets at Moody AFB, pending a DON decision. She noted that significant investment would result in unknown benefits for future flexibility for each scenario. The DAG noted that no scenario presented an obvious solution for future DON TACAIR basing and did not recommend any of the scenarios to the IEG.

30. The IEG discussed DON TACAIR basing options, noting that significant initial investments would be required to replicate available infrastructure at NAS Oceana, VA. The IEG discussed the favorable environmental and encroachment considerations of MCAS Beaufort (e.g., nitrous oxide emissions) and noted that its closure will significantly reduce DON TACAIR basing flexibility on the east coast. The IEG determined that although DON leadership is concerned with the future viability of NAS Oceana, the lack of viable options dictates against continued analysis of scenarios to close NAS Oceana. Additionally, the IEG determined that since the closure of MCAS Beaufort will stimulate significant savings, a candidate recommendation appears viable. The IEG noted the strategic implications of closing MCAS Beaufort, and directed the DAG to prepare a candidate recommendation package for DON-0141 and continue data refinement for DON-0139, DON-0140, DON-0151 and DON-0153.

31. Ms. Davis used slide 39 of enclosure (1) to discuss preliminary COBRA results for an Aviation scenario to realign Cambria Airport, Johnstown, PA and send Marine Corps reserve assets to NAS JRB Willow Grove, PA. DON-0067 has one-time costs of \$870 thousand, provides a Payback in one year, and has 20-year NPV savings of \$8.9 million. Ms. Davis noted that the economic, community and environmental impact analyses indicate no substantial impact on losing or gaining communities. The IEG next reviewed the CRRRA for DON-0067 that indicates minimal executability and warfighting/readiness risk. See slide 41 of enclosure (1). Ms. Davis noted that a recommendation for this scenario is contingent upon the decision concerning NAS JRB Willow Grove.

32. The IEG next reviewed an Aviation 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 an assumption for this

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scenario is that adequate excess capacity is available at McGuire AFB, NJ. She also noted that the demographics are suitable for reservists relocating from NAS JRB Willow Grove. The IEG noted that an HSA JSCG scenario is being considered to consolidate installation management of McGuire AFB, Ft Dix, and NAES Lakehurst, thereby creating a joint base. Accordingly, this scenario could maximize potential synergies gained from joint basing. Additionally, Ms. Davis noted that other Services plan to relocate reserve assets from NAS JRB Willow Grove. However, she noted that significant investment will likely be required at McGuire AFB since the Air Force appears to be moving assets onto the base. The preliminary COBRA data for DON-0084 indicates one-time costs of \$145.5 million (primarily for replicating NAS JRB Willow Grove facilities), provides a Payback in two years, and has 20-year NPV savings of \$722.8 million. See slide 42 of enclosure (1).

33. The IEG discussed the implications of the scenarios to realign Cambria Airport, Johnstown, PA and close NAS JRB Willow Grove. Ms. Davis noted that the DAG was reluctant to recommend DON-0084 until it is determined that sufficient capacity and facilities are available at McGuire AFB. She noted that the McGuire AFB capacity issue is still a decision pending within the Air Force and that the DAG would need to conduct a new COBRA analysis if facilities are available. She also noted that the closure of NAS JRB Willow Grove would require finding a receiver site for Army reserve assets. The IEG discussed the benefits of utilization of available capacity at McGuire AFB in conjunction with the HSA consolidation scenario (i.e., result in a transformational joint base). The IEG determined that the closure of NAS JRB Willow Grove and realignment of Cambria Airport appear viable and directed the DAG to continue analysis of these scenarios, including further discussion with MARFORRES to ensure that McGuire AFB is a demographically feasible receiving site for Marine Corps reservists relocating from Cambria Airport.

34. The IEG reviewed a summary of its decisions for the Aviation Operations Function that result in three candidate recommendation packages for Aviation activities (DON-0068, DON-0138 and DON-0141). These scenarios reduce active and reserve operational capacity from 317 hangar modules to 282 hangar modules (11%). The average military value score of the remaining operational aviation activities increases from 56.22 to 56.84. The total one-time costs are \$314.2 million and have a 20-year NPV savings of \$2.35 billion. See slide 44 of enclosure (1). The IEG noted that significant excess capacity

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remains in the Aviation Operations Function (particularly at NAS Whiting Field, FL and NAS Pt Mugu, CA). The IEG reviewed Operational Aviation scenarios evaluated but not recommended as candidate recommendations and noted that two scenarios (DON-0067 and DON-0084) require further evaluation. See slide 45 of enclosure (1).

35. The IEG compared and reviewed the Payback summary for Candidate Recommendation Package Two (CR2) and Candidate Recommendation Package One (CR1). Ms. Davis noted that the ratio of cost and NPV savings remains the same for the combined packages. See slide 46 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 47 of enclosure (1).

36. Ms. Davis noted that further scenario analysis is required for JAST Reserve Centers, Aviation Operations and the IGPBS directed relocation of a CVN and CVW. Additionally, she noted that the IEG and DAG will continue to be poised to act on possible fenceline closures that result from JCSG Candidate Recommendations. Ms. Davis provided a list of fenceline closures currently being considered based on JCSG scenarios posted in the OSD scenario tracking tool. She noted that some of the scenarios may no longer be viable (e.g., DON-0163, closure of NAES Lakehurst) and that the DAG will continue coordination with the JCSGs to monitor for possible fenceline closures. She provided the IEG a cartographical display of known JCSG scenarios approved for candidate recommendation packages to depict affected geographical areas. See slide 50 of enclosure (1). Lastly, the IEG reviewed JCSG Candidate Recommendations that will be briefed to the ISG and Infrastructure Executive Council (IEC). See slide 51 of enclosure (1).

37. The IEG received the following JCSG status updates:

a. Intelligence. Mrs. Erland informed the IEG that the JCSG is evaluating scenarios that are largely strategy driven vice the results of data analysis. She noted that the Intelligence JCSG scenarios are not expected to affect DON activities since there is minimal apparent excess capacity.

b. Headquarters and Support Activities. Mr. Rhodes informed the IEG that the JCSG is analyzing a scenario that relocates Army Transportation Command (TRANSCOM) and Navy Commander, Military Sealift Command (COMSC) to Ft Eustice, VA

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(HSA-0063). He stated that the JCSG will discuss the viability of a scenario relocating U.S. Army Pacific Command (USARPAC) to COMNAVREG HI (HSA-0050) and noted that the Army is not supporting this scenario. Additionally, CAPT Wilcox (Education and Training JCSG representative) informed the IEG that Naval Education and Training Command (NETC) has expressed a desire to relocate its headquarters to NSA Millington, Tennessee. He noted that DON will need to propose this scenario to the HSA JCSG. The IEG noted that the relocation of Chief of Naval Air Training (CNATRA) headquarters to NAS Pensacola, FL should be considered.

c. Industrial. RADM Klemm informed the IEG that the JCSG is reviewing a group of scenarios involving small industrial transfers that appear to have not completely captured potential savings. Additional data is being sought to refine the analysis.

d. Technical. Mr. Ryan informed the IEG that the JCSG plans to forward its initial four candidate recommendation packages to the OSD BRAC office on 28 January 2005.

e. Medical. CAPT Hight informed the IEG that the JCSG is evaluating a scenario (Med-0005A) to consolidate enlisted medical training at Fort Sam Houston, TX (relocating Naval School of Health Sciences from Portsmouth, VA and San Diego, CA).

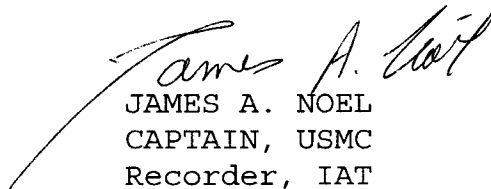
f. Supply and Storage. CAPT Wright informed the IEG that the JCSG is considering briefing four candidate recommendations to the ISG on 28 January 2005. He noted that S&S-0005 creates regional strategic distribution points and three scenarios privatize supply and storage functions (S&S-0043, S&S-0044 and S&S-0045 affect packaged petroleum products, compressed gases and tires).

g. Education and Training. CAPT Wilcox informed the IEG that the scenario (E&T-0015) to consolidate Judge Advocate training at Maxwell AFB, AL (relocation from NAVSTA Newport, RI) is no longer being considered. He noted that the scenarios (E&T-0037 and E&T-0038) to create a joint range structure have been approved as candidate recommendations. The JCSG is continuing analysis of undergraduate flight training and JSF scenarios, including scenarios that create UAV training centers (Ft Rucker, AL or Indian Springs, NV). CAPT Wilcox noted that the flight training subgroup has recommended Indian Springs, NV as the UAV training site since it has unencumbered airspace.

Subj: REPORT OF IEG DELIBERATIONS OF 27 JANUARY 2005

The IEG expressed concern that the selection of a UAV training site should be a command and control decision rather than a BRAC decision. CAPT Wilcox noted that the JCSG will continue analysis on a scenario to relocate Naval War College from NAVSTA Newport, RI. He noted that the JCSG expects to complete its candidate recommendation packages by early February.

38. The IEG adjourned at 1145.


JAMES A. NOEL
CAPTAIN, USMC
Recorder, IAT

TAB 1 ,



Department of the Navy
DON Analysis Group

DON Analysis Group

Brief to

Infrastructure Evaluation Group

27 January 2005

27 Jan 05

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Agenda

- **Scenario Data Call Status**
- **DON-Specific HSA**
 - Recap
 - Marine Corps Districts
- **DON-Specific E&T**
 - Recap
 - NS Newport Discussion
- **Operational**
 - Surface/Subsurface
 - Aviation
- **DON Candidate Recommendation Summary**
- **Status/Upcoming Analysis**
- **JCSG Candidate Recommendations**
- **IEG/FAB Open Discussion**



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Scenario Data Call Status

Type	IN OSD Tracker	SDC Released	DAG Review	IEG Review
Operational	29	29	29	27
DON E&T	8	8	8	8
DON HSA	109	108	103	55
Fencelines	14	11	6	3
Total	160	156	146	93

Status as of
0830 27 Jan 05

JCSG

JCSG	In OSD Tracker	Template RCVD	SDC Released	AWW Release	Template Withdraw	Template Returned
E&T	54	32	32	0	5	32
HSA	127	52	52	0	0	52
IND	125	49	49	0	0	49
MED	56	24	24	0	1	24
S&S	46	14	14	0	0	14
TECH	60	33	33	0	0	33
INTEL	11	0	0	0	0	0
Total	479	204	204	0	6	204



DON-Specific HSA Recap

- **HSA Sub-functions:**
 - Reserves
 - 29 CRs forwarded
 - 1 CR approved pending deconfliction with Ops Scenario
 - Recruiting
 - 1 CR forwarded
 - Regional Support Activities
 - IM Regions- 1 CR forwarded
 - NAVFAC- 2 CRs forwarded
 - REDCOMs- 2 CRs forwarded
 - HRSCs- dropped, JCSCG addressing
- **Remaining**
 - Reserves (JAST), to do
 - Regional Support, MCDs- 2 Scenarios evaluated, **results follow**



MCD Summary

- **Scenarios**
 - DON-0132, Relocate 4th MCD to FT Detrick/Aberdeen Proving Ground
 - DON-0134, Relocate 8th MCD to NAS JRB FT Worth
- **Discriminating Characteristics**
 - Neither appears viable as a Candidate Recommendation on its own merit
 - DON-0134, Relocation may be required as part of closure scenarios for NSA New Orleans (DON-0158A and DON-0159)

SDC#	Closes/Realigns	Billets Elim	Billets Moved	One-Time Costs (\$M)	Steady-State Savings (\$M)	ROI Years	20 Year NPV (\$M)
DON-0132	4th MCD Cumberland (Relocate to Detrick)	0	78	3.877	0.0479	Never	9.167
DON-0132	4th MCD Cumberland (Relocate to Aberdeen)	0	78	1.804	0.196	Never	3.793
DON-0134	8th MCD to JRB FT Worth (Relocate)	0	73	2.388	-0.056	100+	1.441

All Dollars shown in Millions

DAG Recommendation:

Continue Data Refinement for DON-0132 and DON-0134



DON Specific E&T Recap

- **E&T Sub-functions**
 - DON Unique PME
 - No Scenarios
 - Recruit Training
 - MCRD San Diego to MCRD Parris Island, results follow
 - Officer Accessions
 - NAPS Scenario, results follow
 - OTC Scenarios, results follow



Recruit Training DON-0066

- **DON-0066: Close MCRD San Diego, CA; consolidate USMC Recruit Training at MCRD Parris Island, SC**
 - Relocate Western Recruiting Region and 12th Marine Corps District Headquarters to MCB Camp Pendleton, CA
 - Relocate USMC Recruiters School to MCB Quantico, VA

Scenario	Billets Eliminated	Billets Moved	One-Time Costs	Steady – State Savings	ROI Years	20 Year NPV
DON-0066 Close MCRD San Diego	107	6,416	643.41	-6.01	100+	533

All Dollars shown in Millions

- **Replicates facilities - Large MILCON bill at Parris Island precludes payback**
- **Personnel efficiencies previously taken; receiver requires personnel**
- **Single siting limits surge flexibility**

DAG Recommendation:
Continue Data Refinement for DON-0066



NAPS

DON-0086/0087 (NAPS Subset), DON-0137

Relocate NAPS	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0137 (Annapolis)	3	320	37.43	None	Never	46.59
DON-0086 (Great Lakes)	0	323	13.79	None	Never	18.00
DON-0087 (Pensacola)	0	323	27.77	None	Never	35.70

All Dollars shown in Millions

- Separated NAPS from OTC on 30 November
- Analyzed relocation to Great Lakes (DON-0086), Pensacola (DON-0087), and Annapolis (DON-0137)
- Costs driven by extensive new construction and/or rehab of facilities
- DAG recommends NAPS stay in place at Newport



Officer Training Commands

DON-0085/0086

- Scenario Description: Consolidate OTC Newport & OTC Pensacola: NAVSTA Newport or NAVSTA Great Lakes receives

Scenario	Billets	Billets	One-Time	Steady-State	ROI	20 Year
	Elim	Moved	Costs	Savings	Years	NPV
DON-0085 (Newport Receives)	15	266	3.22	-1.67	2	-21.22
DON-0086 (Great Lakes Receives)	24	584	22.74	-1.51	21	2.05

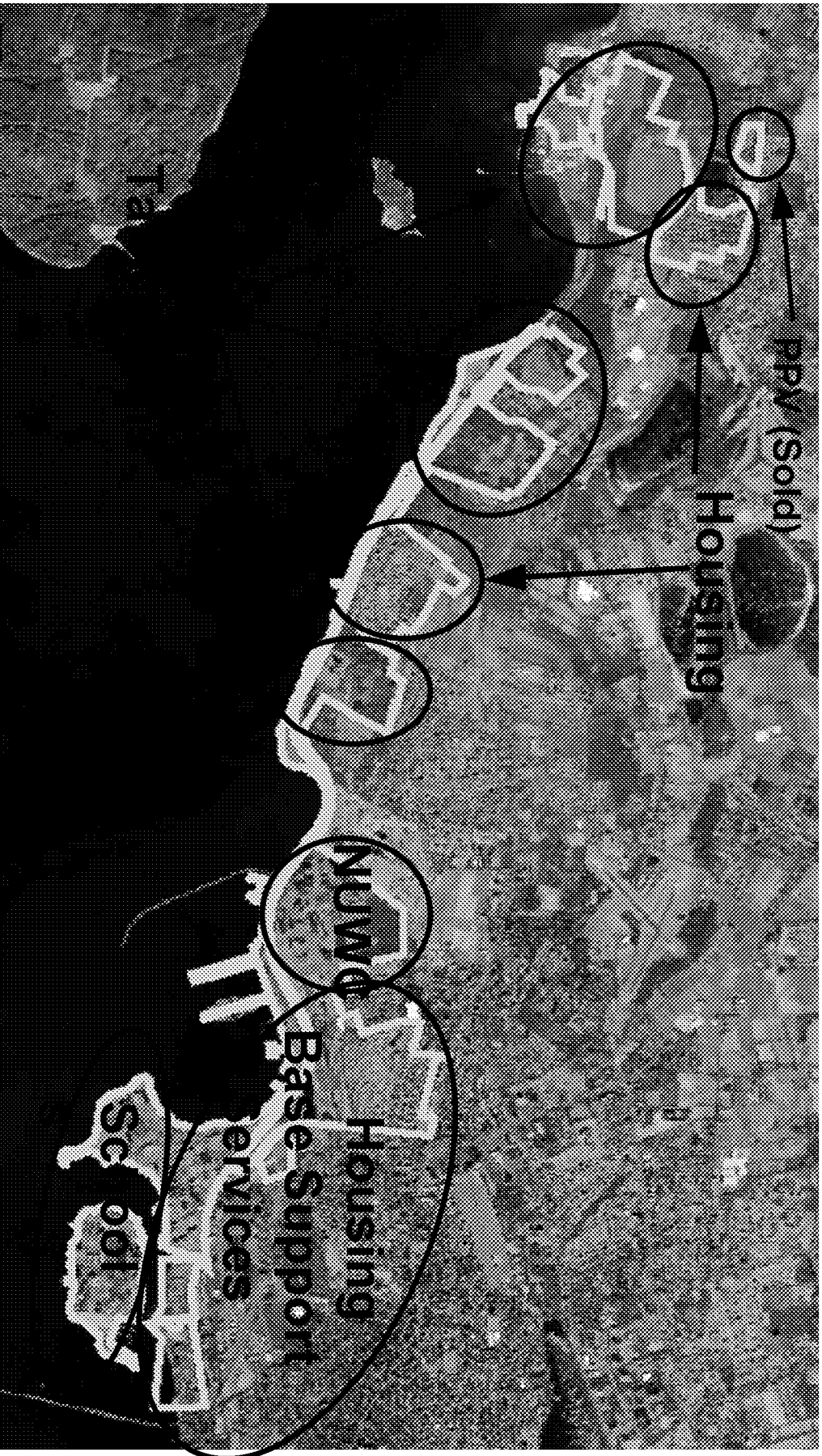
All Dollars shown in Millions

- Pensacola (DON-0087) removed as receiving site on 23 Dec due to lack of available facilities/costs
- NETC favors consolidation, preferred Great Lakes
- Relocation to Newport potentially conflicts with DON-0039 (Close NAVSTA Newport – Fenceline closure)
- IEG reviewed Criteria 6-8 and Risk Assessment on 6 Jan
 - Newport preferred Alternative
 - Tabled pending further review of NAVSTA Newport



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NAVSTA Newport



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NAVSTA Newport

Enabling Closure Scenarios

- **E&T-0014:** Consolidate service Chaplain SST/PDE Functions at Ft. Jackson, SC
- **E&T-0015:** Consolidate JAG SST/PDE Functions at Maxwell AFB, AL
- **E&T-0024:** Realign Intermediate and Senior Service College functions to appropriate Service Academy (Naval War College to US Naval Academy)
- **E&T-0026, 0027, 0028, 0032, 0033, 0034, 0035, 0036:** Realign and/or consolidate DON/DOD Senior Level Colleges at Fort McNair (DC), MCB Quantico, Fort Eustis (VA)
- **TECH-008A:** Consolidate Sensors, Electronic Warfare and Electronics RDAT&E, surface and above, functions at NUWC Newport with NSWC Dahlgren
- **TECH-008B:** Consolidate Maritime Information Systems RDAT&E functions at NUWC Newport with SPAWARSCEN San Diego
- ***DON-0156:** Relocate REDCOM Northeast Newport To COMNAVREG Mid-Atlantic, Norfolk, VA
- **DON-0086:** Consolidate Officer Accession (OTC, NAPS) at NAVSTA Great Lakes
- **DON-0137:** Relocate NAPS to USNA

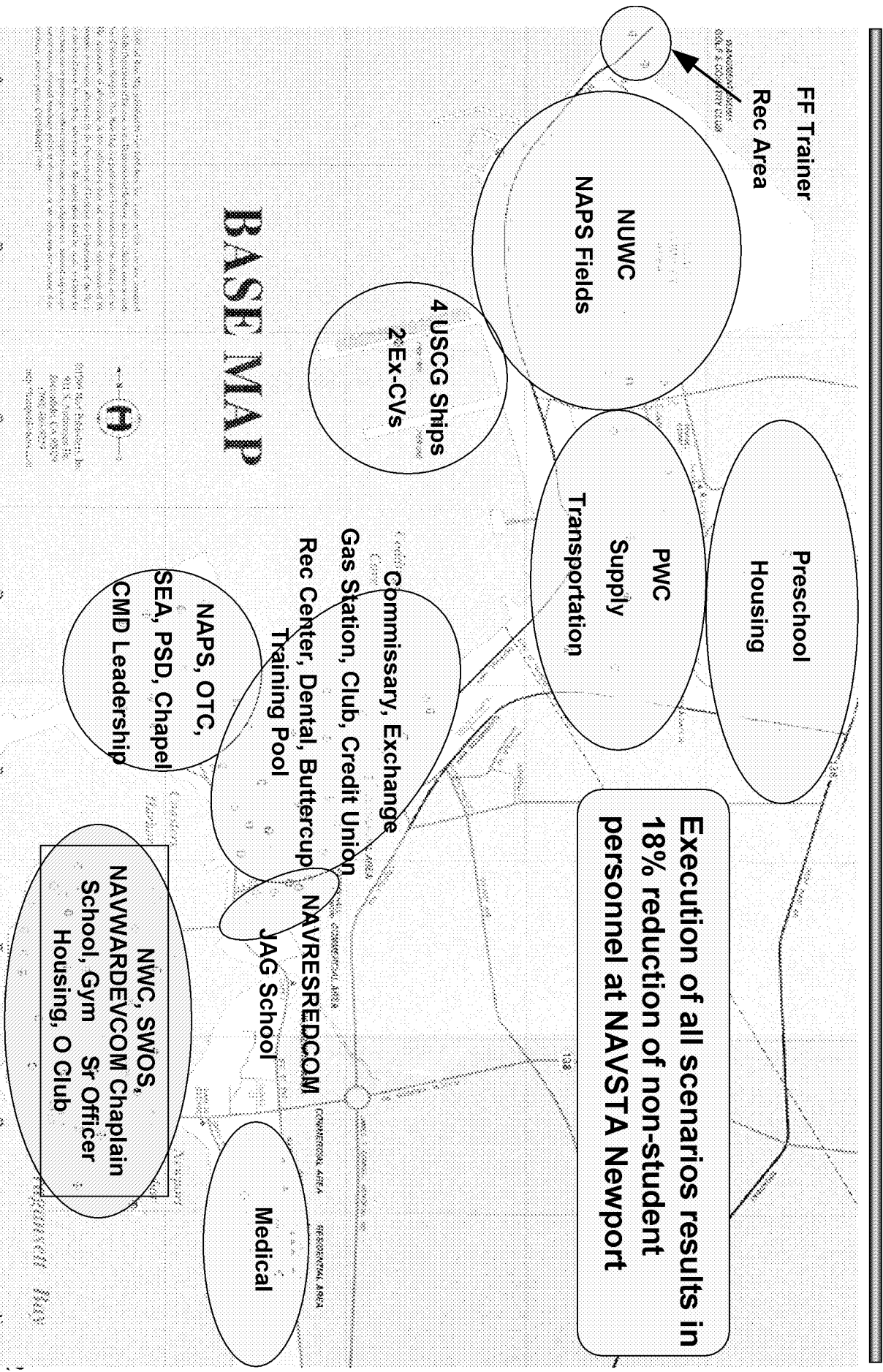
* Candidate recommendations



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NAVSTA Newport

Maximum effect of current scenarios





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NAVSTA Newport

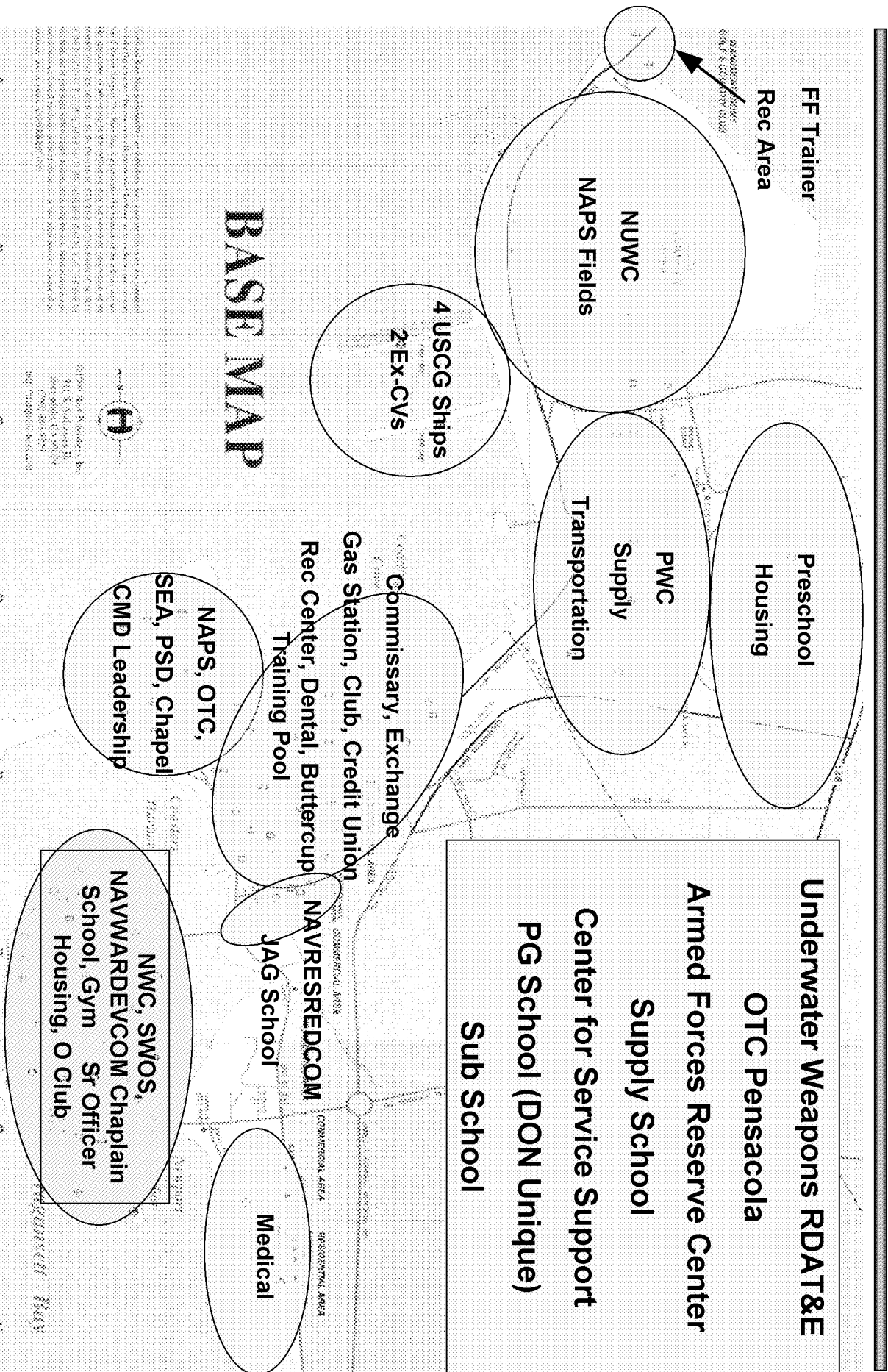
Conflicts with Closure Scenarios

- **TECH-00028:** Relocate all RDAT&E for underwater weapons and underwater weapons systems integration, platform integration, including mines, mine countermeasures and unmanned underwater vehicles from Panama City to Newport.
- **DON-0085:** Realign OTC Pensacola, FL to NAVSTA Newport, RI
- **DON-0150:** Build Armed Forces Reserve Center Newport, RI
- **DAG recommendation:** Retain NAPS at Newport



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NAVSTA Newport Remains Open (Potential Gains)





NAVSTA Newport Summary

DAG Recommends:

- **Discontinue analysis of DON-0039 (Close Newport – fenceline closure)**
- **Approve Candidate Recommendation package for DON-0085 (OTC to Newport)**
- **Continue data refinement for NAPS scenarios (retain at Newport)**
- **Coordinate additional scenarios and analysis with E&T JCSG:**
 - Close Supply School Athens and relocate to Newport
 - Relocate (DON unique) PG School courses to Newport
 - Relocate Sub School to Newport (vice Kings Bay)

IEG Decisions



DON E&T Scenarios Recap

Evaluated not recommended:

Scenario	Description	Rationale
DON-0039	Close NAVSTA Newport, RI	NUWC enclave leaves 56% of current personnel, NWC likely to remain in Newport, Opportunity to move additional officer schoolhouse functions into Newport.
DON-0066	Close MCRD San Diego, CA	Cost, Negative mission impact
DON-0086	Consolidate OTCs and relocate NAPS to Great Lakes, IL	Cost
DON-0087	Consolidate OTCs and relocate NAPS to Pensacola, FL	Cost
DON-0137	Relocate NAPS to Annapolis, MD	Cost

Candidate Recommendation:

Scenario	Billets	Billets	One-Time	Steady-State	ROI	20 Year
	Elim	Moved	Costs	Savings	Years	NPV
DON-0085 (OTC P to Newport)	15	266	3.22	-1.67	2	-21.22

All Dollars shown in Millions

Impact of Recommendation

- Mission consolidation
- Frees 90 KSF of facilities at NAS Pensacola for other uses
- Consistent with additional scenarios to evaluate NS Newport as receiving site



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Operational Scenarios Criteria 6, 7, 8 & Risk Assessment and Summary

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Surface/Subsurface Close Naval Station Ingleside

- **Candidate Recommendation for Ingleside Closure approved 13 Jan 05**
- **Issue: Receiving site for HM-15 (now at NAS Corpus Christi)**
 - Two options for HM-15 relocation:
 - NAS North Island, CA
 - NAVSTA Norfolk, VA (Present location of HM-14)
 - DAG approved NAVSTA Norfolk receiver site for criteria 6, 7, 8 analysis

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0032 (SD Only)	726	2080	223.72	-60.33	4	-550.06
DON-0032 with HM-15 to NASNI	801	2826	326.15	-65.26	5	-512.98
DON-0032 with HM-15 to Norfolk	801	2826	256.89	-65.81	4	-587.29

All Dollars shown in Millions



Criteria 6-8 Considerations Close Naval Station Ingleside

- **DAG reviewed impact of the HM-15 move to NAVSTA Norfolk on the results of Criterion 6, 7, and 8 Analysis for the Ingleside scenario (DON-0032):**
 - Economic impact on losing economic region results in job change in excess of 3% (Increase in job loss of 0.8% as result of HM-15 move)
 - Minimal community impact at HM-15 receiving site (increase in family housing waiting list at NS Norfolk region)
 - No Additional Criterion 8 impacts at Naval Station Norfolk with relocation of HM-15



Candidate Recommendation Risk Assessment (DON-0032) (with HM15 to NAVSTA Norfolk, VA)

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 5 years

Investment/Ratio of Initial Cost to 20 Year NPV

- 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(ies) readily able to absorb forces, missions, personnel**

- 1: Some potential impact on receiving site community(ies) 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:

(DON-0032 with HM-15 to NAVSTA Norfolk, VA)
Single Site investment dependent upon # of ships
Consistent with CFFC intent to have Mine Warfare Center of Excellence
Desirable to co-locate HM-15 with sister squadron in Norfolk, vice leave in place in Corpus Christi

Risk Matrix

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

Wartighting/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 which affects capability to support/deploy forces
- COCOM Concerns: PACOM concern over lack of forward deployed MIW ships in theater**



Close Naval Station Ingleside Summary

- **DON-0032 Approved**
 - Single Site Surface Assets at San Diego
 - Consolidate/co-locate Training and COMINEMWARCOM in San Diego
 - \$223M initial investment
- **Relocate HM-15 to NAVSTA Norfolk**
 - Lower cost alternative than NAS North Island
 - Co-location with HM-14 increases efficiencies in operations, maintenance and training

DAG Recommendation:

Amend Candidate Recommendation package for DON-0032 to include relocation of HM-15 to Norfolk



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-0149:** 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



Aviation Agenda

- **DON-0068:** Realign NAS Atlanta } Seeking IEG decision
- **DON-0069:** Close NAS JRB Fort Worth } Seeking IEG decision

- **DON-0138:** Close NAS Brunswick → Seeking IEG decision

- **DON-0141:** Close MCAS Beaufort
- **DON-0151:** Close NAS Oceana } Seeking IEG guidance
- **DON-0153:** Close NAS Oceana }

- **DON-0067:** Realign Cambria Airport (Johnstown, PA) }
- **DON-0084:** Close NAS JRB Willow Grove } Update



Aviation

Close Fort Worth/Atlanta

- Scenario development indicated at least one Reserve Air Station could close

Scenario	Bilets Elim	Bilets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0068 Realign Atlanta	576	743	49.4	-53.9	Immediate	-701.4
DON-0069 Close Fort Worth	759	2272	157.7	-103.6	Immediate	-1,237.6
DON-0069 Realign Fort Worth	290	1191	106.1	-39.8	Immediate	-413.7

All Dollars shown in Millions

- Each scenario uses other site as receiver



Aviation

Close Fort Worth/Atlanta

- **Fort Worth (DON-0069)**
 - Requires major upfront investment with execution
 - Closure scenario costs understated, savings overstated
 - Major Issue: Impact on Reserve demographics and other service Reserve assets
- **DAG recommended Criteria 6 – 8 analysis for DON-0068**



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Criteria 6-8 Considerations Realign Atlanta

- **Results of Criteria 6, 7, and 8 Analysis for DON-0068:**
 - No significant economic impact on either losing or gaining economic regions
 - No significant community impact on either losing or gaining communities
 - No significant Criterion 8 impacts



Candidate Recommendation Risk Assessment DON-0068

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(ies) readily able to absorb forces, missions, personnel

- 1: Some potential impact on receiving site community(ies) 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:

Risk Matrix

9-10					
7-8					
5-6					
3-4					
0-2	X				
	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:



Close Fort Worth/Realign Atlanta Summary

- **DAG recommends continue data refinement for DON-0069**
- **Realign Atlanta (DON-0068)**
 - Reduces 5 hangar modules from inventory
 - Good payback on investment
 - Retains BOS personnel to support Reserve Center enclave (Windy Hill Annex)
 - Additional savings possible if transfer to Air Force
 - Reserve asset relocation feasible

DAG Recommendation:

Prepare Candidate Recommendation package for DON-0068



Aviation Close Brunswick

- **Single sites P-3 assets on East Coast**
 - Costs include bringing facilities to standards at NAS Jacksonville
- **SERE School relocated to MCAS Cherry Pt**
- **Detachment sites available in Northeast to perform current “requirements” for Homeland Defense**

Scenario	Bilets Elim	Bilets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0138 Brunswick to Jacksonville, Cherry Point	1,028	2,251	180.8	-95.7	1	-860.8

All Dollars shown in Millions



Criteria 6 – 8 Considerations Close Brunswick

- **Results of Criteria 6, 7, and 8 Analysis for DON-0138:**
 - Employment decreases by greater than 1% in Southern Maine. No significant economic impact on gaining economic region
 - NAS Brunswick currently provides structural fire fighting support by Mutual Aid agreement to the surrounding communities (Bath, West Bath, Topsham, and Brunswick).
 - No significant community impact on gaining community.
 - No significant Criterion 8 impacts



Candidate Recommendation Risk Assessment DON-0138

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(ies) readily able to absorb forces, missions, personnel**

- 1: Some potential impact on receiving site community(ies) but absorption likely over time

- 2: Impact on receiving community likely; uncertainty regarding absorption of forces, missions, personnel

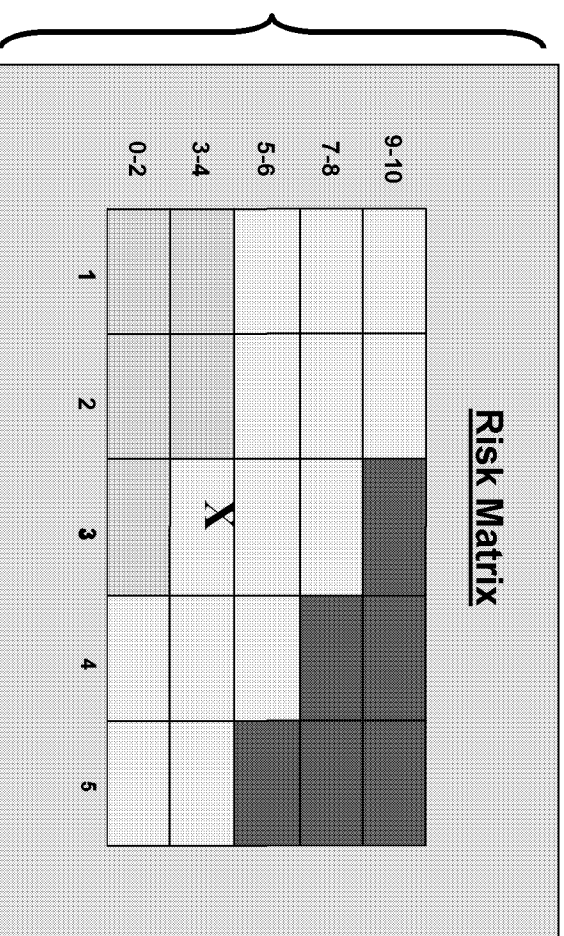
Environmental Impact

- 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:

Strategic flexibility and presence in the Northeast.
Receiving sites for two Reserve units.



Wartighting/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 Brunswick Summary

- **Single sites P-3 assets on East Coast**
 - Significant investment but reduces excess capacity by 20 hangar modules
 - Supports maintenance and training efficiencies
- **Removal of DON Aviation asset/presence in New England**
 - Strategic concern
 - Future basing flexibility

***DAG Recommendation:
Prepare Candidate Recommendation package for DON-0138***



Aviation

Close Beaufort/Oceana

- **Independent scenarios for closure of MCAS Beaufort (1) and NAS Oceana (4)**
 - DON-0141 Close MCAS Beaufort; assets to MCAS Cherry Point
 - DON-0139 Close NAS Oceana; assets to NAS Pensacola
 - DON-0140 Close NAS Oceana; assets to NAS Whiting Field
 - DON-0151 Close NAS Oceana; assets to MCAS Beaufort
 - DON-0153 Close NAS Oceana; assets to Moody AFB
- **Vision and future requirements of East Coast tactical aviation link scenarios**



Aviation Close Beaufort

- **Single sites Marine Corps tactical aviation assets on East Coast**
- **Retains ranges**
- **Fits into future Marine Corps plans and transition to JSF**

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0141	668	3334	293.90	-84.48	3	-869.15

All Dollars shown in Millions



Criteria 6-8 Considerations Close Beaufort

- **Results of Criteria 6, 7, and 8 Analysis for DON-0141:**
 - Employment decreases by greater than 1% in southeast South Carolina. No significant economic impact on gaining economic region
 - No significant community impact on either losing or gaining communities
 - No significant Criterion 8 impacts



Candidate Recommendation Risk Assessment DON-0141

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%)

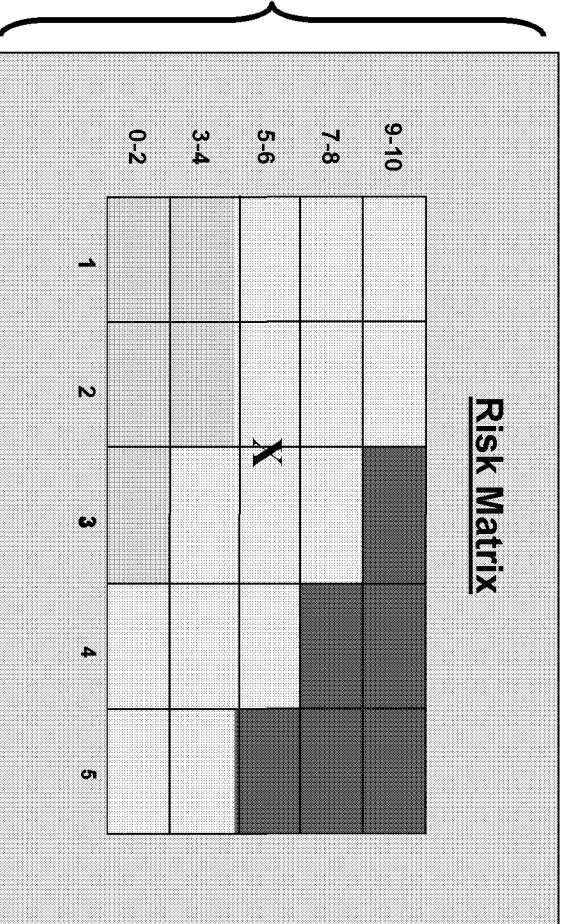
Community Infrastructure Impact

- 0: Receiving site community(ies) readily able to absorb forces, missions, personnel
- 1: Some potential impact on receiving site community(ies) 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

Issue: DON aviation basing flexibility



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:



Aviation

Close Oceana

- Scenario developed to determine options for future Master Jet Base site on East Coast
- Review high military value options not in initial DON operational air station universe
 - NAS Pensacola (Training)
 - NAS Whiting Field (Training)
 - Moody AFB (Training)
- **DAG discussed operational issues and concerns**
 - Runways
 - Operating Limitations
 - OLFs
 - Encroachment (present & future)
 - Ranges
 - Noise/air quality
 - CV OPAREAS



Aviation Close Oceana

- DAG determined NAS Pensacola and NAS Whiting Field not viable receiving sites
- Significant investment and unknowns regardless of choice
- Air Force decision on Moody AFB being held, pending DON decision

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0139 (Pensacola)	396	9995	480.9	-81.6	6	-422.5
DON-0140 (Whiting Field)	396	9995	678.9	-42.6	24	193.2
DON-0151 (Beaufort)	396	9995	726.0	-13.3	100+	594.1
DON-0153 (Moody)	396	9995	490.4	-43.8	14	-16.9

All Dollars shown in Millions

DAG Recommendation:

Request IEG guidance on scenario to close NAS Oceana



Aviation Realign Cambria

- Cambria scenario sends Marine reserve assets to 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-0067 Realign Cambria	8	78	0.87	-0.67	1	-8.89

All Dollars shown in Millions



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Criteria 6-8

Realign Cambria

- **Results of Criteria 6, 7, and 8 Analysis for DON-00067:**
 - No significant economic impact on both losing and gaining communities
 - No significant community impact on both losing and gaining communities
 - No significant Criterion 8 impacts



Candidate Recommendation Risk Assessment DON-0067

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(ies) readily able to absorb forces, missions, personnel

1. Some potential impact on receiving site community(ies) 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

Issue: Tied to NAS JRB Willow Grove decision

Risk Matrix

9-10					
7-8					
5-6					
3-4					
0-2	X				
	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:



Aviation

Close Willow Grove

- **Assumed that excess capacity was available at McGuire AFB**
 - 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**
- **Data provided to date requires significant investment to move**
 - Capacity/facility availability uncertain

Scenario	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0084 Close Willow Grove	552	468	145.5	-63.5	2	-722.8



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Aviation

Realign Cambria/Close Willow Grove

- **DAG would not recommend NAS JRB Willow Grove closure if no capacity/facilities available at McGuire AFB**
- **McGuire AFB capacity issue still a decision within Air Force**
 - Would need to re-run COBRA assuming assets are available
 - Would need to find receiving site for all Reserve assets at Willow Grove (Army)
- **Utilization of available capacity at McGuire AFB in conjunction with Dix/Lakehurst “consolidation” viewed as good**
- **DAG recommendation on Cambria realignment on hold, pending Air Force decision on McGuire base loading**

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Aviation

Recap Summary Part One

- **DON-0068:** Realign NAS Atlanta; assets to NAS JRB Fort Worth, NS Norfolk, NAF Washington, Robins AFB, Ft. Gillem
- **DON-0138:** Close NAS Brunswick; assets to NAS Jacksonville, MCAS Cherry Point
- **Overall impact of these scenarios**
 - Active/Reserve Operational Capacity decreases from 317 hangar mods to 292 (-8%)
 - Overall capacity decreases from 433 hangar mods to 408 (-6%) for all air stations
 - Average Military Value score increases from 56.95 to 57.49

Scenario	Bilets Eliminated	Bilets Moved	One-Time Costs	Steady-State Savings	ROI Years	20 Year NPV
DON-0068 Atlanta to Ft. Worth, Norfolk, Washington	576	743	49.5	-53.9	Immediate	-701.7
DON-0138 Brunswick to Jacksonville, Cherry Point	1,028	2,251	180.8	-95.7	1	-860.8
Totals	1,604	2,994	230.3	-149.6	-----	-1562.5

All Dollars shown in Millions

DAG Recommendation:
Prepare Candidate Recommendation packages for two Aviation Activities



Operational Aviation Scenarios Evaluated

•Not Recommended:

<u>SDC#</u>	<u>Scenario Description</u>	<u>Rationale</u>
DON-0069	Fort Worth to Atlanta, Ellington, Oceana	Operational and demographic concerns
DON-0139	Oceana to Pensacola	Cost, conflict with JCSCG scenario, encroachment and air space (ranges)
DON-0140	Oceana to Whiting Field	Cost and air space (ranges)

•Under Evaluation:

<u>SDC#</u>	<u>Scenario Description</u>
DON-0067	Realign Cambria
DON-084	Close NAS JRB Willow Grove
DON-0141	Close MCAS Beaufort



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DON Candidate Recommendation Payback Summary

CR2 Package	Billets Elim	Billets Moved	One-Time Costs	Steady-State Savings	20 Year NPV	Cost/NPV ratio
Aviation (2)	1,604	2,994	230.3	-149.6	-1,562.5	1:7
OTCs (1)	15	266	3.22	-1.67	-21.22	1:7
TOTAL	1619	3260	233.52	-151.27	-1583.72	1:7

Combined Totals (CR1 & CR2)	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)	1,604	2,994	230.3	-149.6	-1562.5	1:7
OTCs (1)	15	266	3.22	-1.67	-21.22	1:7
Reserve Centers (29)	170	142	8.65	-22.61	-316.17	1:37
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	5,154	14,024	1,215.06	-525.49	-5,229.31	1:4

All Dollars shown in Millions



Remaining Analysis

- **Additional Reserve (JAST)**
- **Additional Aviation**
- **Carrier move**
- **Fenceline Closures from JCSCG Candidate Recommendations**



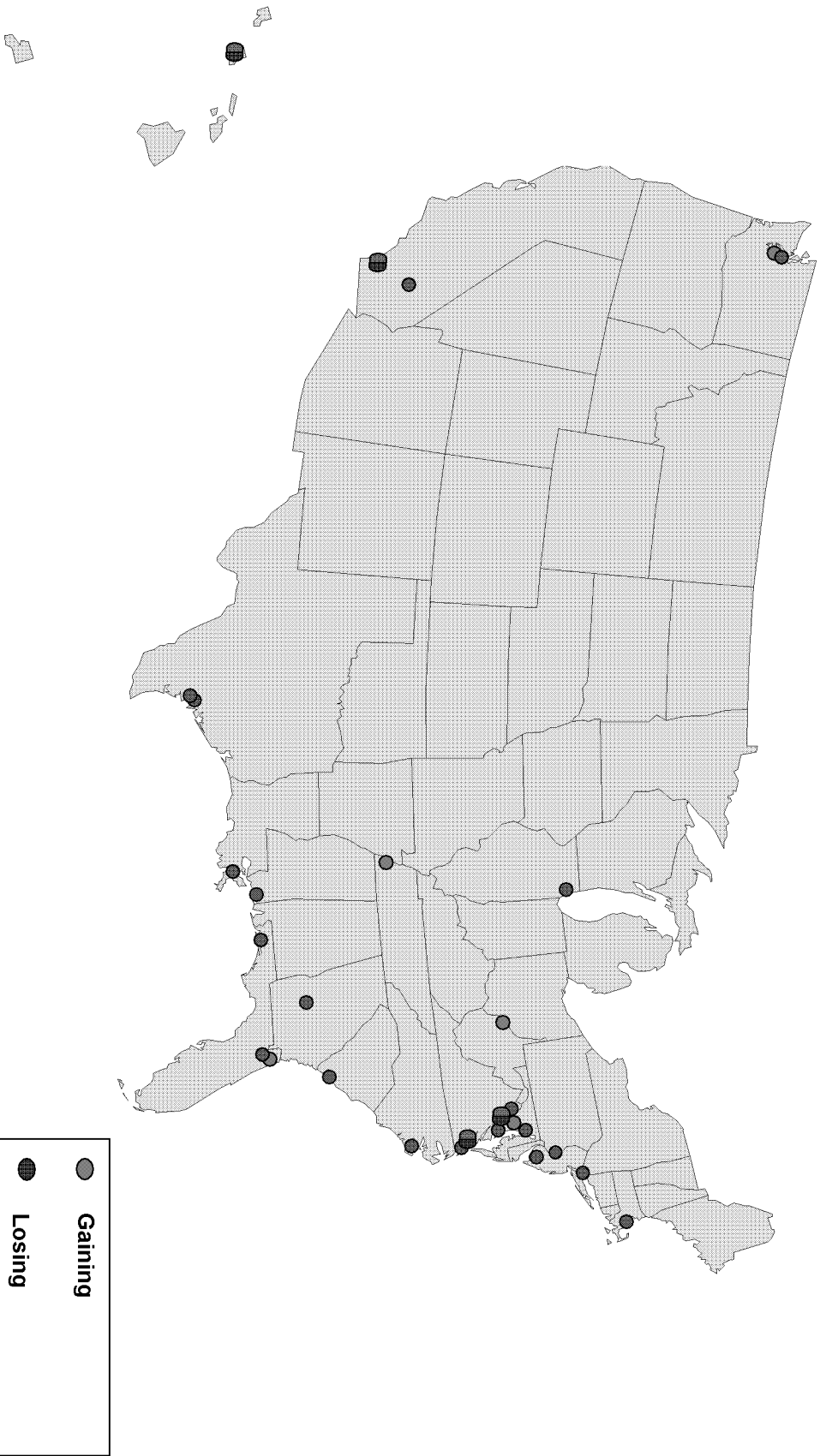
Fenceline Closures

- **DON-0070/0071 – PG School Monterey**
- **DON-0072 – Potomac Annex**
- **DON-0126 – Navy Supply Corps School, Athens**
- **DON-0131 – Naval Shipyard Norfolk**
- **DON- 0133 – Naval Shipyard Portsmouth**
- **DON-0152 – NAS Whiting Field**
- **DON-0157 – MCSA Kansas City**
- **DON-0158/0059 – NSA New Orleans**
- **DON-0161 – NSWC Div Corona**
- **DON-0162 – NAS Pt. Mugu**
- **DON-0163 – NAES Lakehurst**
- **DON-0164 – Arlington Service Center**
- **DON-0165 – MCLB Barstow**
- **DON-0166 – NSWC Crane**



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JCSG Candidate Recommendations



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JCSG Candidate Recommendations

Headquarters & Support Activities:

- HSA-0014 – Establish Joint Base Myer-Henderson Hall
- HSA-0057 – Realign Fort Monroe, VA to vicinity JFC (NS Norfolk)
- HSA-0119 – Establish Joint Base Dobbins-Atlanta
- Plus one additional CR affecting Army FORSCOM HQ

Industrial Activities:

- IND-0019 – Enabler scenario for Close Pascagoula
- IND-0024 – Consolidate SIMA Norfolk with NSY Norfolk
- IND-0030 – Enabler scenario for Close Ingleside
- IND-0095 – Relocate NSY Puget Sound Det Boston to NSY Puget Sound
- IND-0096 – Relocate NNSY Det NAVPESO Annapolis to NSY Norfolk
- IND-0097 - Relocate NNSY Det NAVSHIPSO Phil to NSY Norfolk
- IND-0121 – Consolidate NSWC Indian Head Det Yorktown with NSWC Indian Head
- Plus two additional CRs affecting Munitions Plants

Medical Activities:

- MED-0030 – Close Uniform Services University of Health Sciences

Supply and Storage Activities:

- S&S-0004 – Regionalization of Strategic Distribution sites (4 Regions)

Issues?



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IEG-FAB Open Discussion

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