BRAC 2005 Infrastructure Executive Council (IEC) Meeting Minutes of April 11, 2005

The Deputy Secretary of Defense chaired this meeting. The list of attendees is attached.

Mr. Michael Wynne, Under Secretary of Defense (AT&L), opened the meeting by using the attached slides to highlight the Process Overview (timeline), a Summary of the Candidate Recommendations, and pending IEC deliverables.

Vice Admiral Keith Lippert, Chairman of the Supply and Storage Joint Cross-Service Group (JCSG), then briefed candidate recommendation SS-0035R that realigns procurement management responsibility and related procurement support functions of Depot Level Reparables (DLRs), Class IX, to the Defense Logistics Agency (DLA). The IEC approved this recommendation.

Dr. Sega next briefed four candidate recommendations from the Technical JCSG, all of which were resubmissions. A summary of each and the IEC's decision follows:

<u>TECH 0005R -</u> Establish Joint Centers for Rotary Wing Air Platform RDAT&E activities (involves consolidating rotary wing RDAT&E activities within the Army, Navy and Air Force). Although IEC members agreed that creating Centers of Excellence is transformational and positive, they expressed concern at the limited savings of this scenario (16 years to pay back). The IEC decided to put this recommendation on hold until the next meeting so that questions about how Fort Eustis (a losing activity) will be affected may be answered.

<u>TECH 0006R</u> - Establish Joint Centers for Fixed Wing Platform RDAT&E at major sites (involves consolidating fixed wing RDAT&E activities within the Army, Navy, and Air Force). The IEC approved this recommendation.

 $\underline{\text{TECH 0009A}}$ – Defense Research Service Led Labs (involves consolidating Air Force laboratory facilities to several locations, including Hanscom AFB). The IEC approved this recommendation.

 $\underline{\text{TECH 0042C}}$ – Air and Space C4ISR DAT&E Consolidation (involves reducing Technical facilities performing those functions from six to two). The IEC approved this recommendation.

Next, Ms. Anne Davis, representing the Navy, briefed attached slides 20-26 on the Integrated Global Posture Basing Study (IGPBS) and the Deputy Secretary's December 2004 directive that the Navy homeport an additional Carrier Service Group (CSG) forward in the Pacific Theater. The Navy's brief summarized results of their analysis on how to accomplish this objective. After analyzing four different scenarios, the Navy concluded that the optimal long-term solution for this requirement depends on several factors that will probably be determined by results of the Quadrennial Defense Review (QDR). They recommended that their short-term Combatant Command requirements could be met through the current force posture, and that the long-term decision on repositioning their CSG be made outside the parameters of BRAC and in conjunction with results of the QDR.

Mr. Wynne then initiated discussion with IEC members on the costs and savings of pending candidate recommendations and identification of registered scenario closures as well as next steps in the process for the IEC. The following are discussion points:

- There are 24 recommendations where there is a negative NPV which will be closely scrutinized in order to determine whether their non-monetary benefits make them worth the investment.
- IEC members discussed the nature of DoD's "roll-out" plan. Members stated the plan should be DoD-led and not service centric.
- The Deputy Secretary said that any controversial issues should be vetted at the April 18, 2005 IEC meeting.

Approved:

Michael W. Wyrne Executive Secretary Infrastructure Executive Council

Attachments:

- 1. List of Attendees
- 2. Briefing slides entitled "Base Realignment and Closure 2005, Infrastructure Executive Council" dated April 11, 2005

Infrastructure Executive Council Meeting April 11, 2005

Attendees

Members:

- Mr. Paul Wolfowitz, Deputy Secretary of Defense
- Mr. Michael W. Wynne, Under Secretary of Defense (AT&L)
- GEN Peter J. Schoomaker, Chief of Staff of the Army
- Hon Francis J. Harvey, Secretary of the Army
- Mr. Michael L. Dominguez, Acting Under Secretary of the Air Force
- Gen John P. Jumper, Chief of Staff of the Air Force
- Hon Gordon R. England, Secretary of the Navy
- ADM Vern Clark, Chief of Naval Operations
- Gen Michael Hagee, Commandant of the Marine Corps

Alternates:

• Gen Peter Pace, Deputy Chairman, Joint Chiefs of Staff for Gen Richard B. Myers, Joint Chiefs of Staff

Others:

- Hon William Haynes, DoD General Counsel
- Mr. Raymond DuBois, Director, Administration & Management
- Mr. Philip Grone, Deputy Under Secretary of Defense (Installations & Environment)
- Mr. Pete Potochney, Director, OSD BRAC
- Dr. Craig College, Deputy Assistant Secretary of the Army
- Ms. Anne R. Davis, Special Assistant to the Secretary of the Navy for BRAC
- Mr. Nelson Gibbs, Assistant Secretary of the Air Force for Installations, Environment and Logistics
- Maj Gen Gary Heckman, Assistant Deputy Chief of Staff of the Air Force
- Mr. Fred Pease, Deputy Under Secretary of the Air Force (B&IA)
- Mrs. Nicole D. Bayert, Associate General Counsel, Environment and Installations
- VADM Keith Lippert, Chairman, Supply and Storage JCSG
- Lt Gen George Taylor, Chairman, Medical JCSG
- Dr. Ronald Sega, Chairman, Technical JCSG
- CAPT Sean O'Connor, Military Assistant to the Deputy Secretary
- Mr. Dick McGraw, Special Assistant to the Secretary of the Defense
- Mr. Dave Patterson, Special Assistant to the Deputy Secretary of the Defense
- Mr. Gary Motsek, Chairman, Armaments and Munitions, Industrial JCSG
- Mr. Donald Tison, Chairman, Headquarters and Service Activities JCSG



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BRAC 2005

Briefing to the Infrastructure Executive Council

April 11, 2005



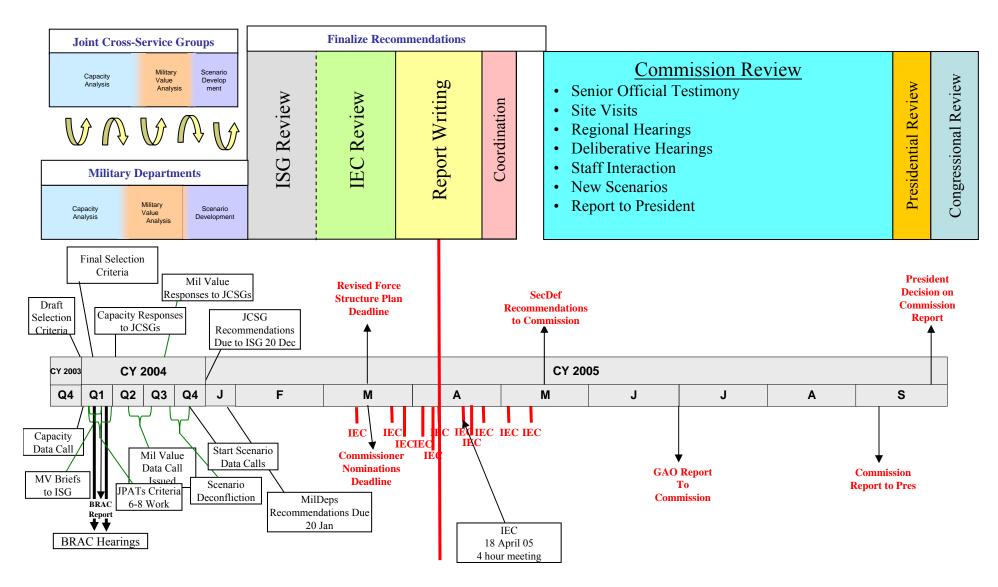
Process Overview

- Summary of Candidate Recommendations
- Pending IEC Deliverables
- Financial Summary
- Global Posture Carrier move in BRAC



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Process Overview





Summary of Candidate Recommendations

- Total of 9 candidate recommendations (CR) presented for approval
- Briefing includes CRs IEC members identified for discussion:
 - Depot Level Reparables (DLRs) S&S-0035R
 - Joint Center for Rotary Wing RDAT&E TECH-0005R
 - Joint Center for Fixed Wing RDAT&E TECH-0006R
 - Defense Research Service Led Laboratories TECH-0009A
 - C4ISR RDAT&E Consolidation (Air Force) TECH-0042C



Pending IEC Deliverables

Resubmissions:

- Consolidate Civilian Personnel Offices resubmit using HSA-0031
- Joint Center for Weapons & Armaments RDAT&E - TECH-0018D
- C4ISR RDAT&E Consolidation (Navy) TECH-0042A

Integrated packages:

- Closure of Red River USA-0036
- Closure of MCLB Barstow DoN-0165A

- Joint Weather Center at Stennis MS-TECH-0020 - Withdrawn
- Consolidate Undergraduate Flight Trng - E&T-0046
- Co-locate Extramural Research
 Program Managers TECH-0040R



Supply and Storage Joint Cross-Service Group (S&S JCSG) Chair: VADM Keith Lippert

S&S-0035R

Briefing to the Infrastructure Executive Council (IEC) 11 Apr 05



What does S&S-0035R Actually Do?

- Realigns procurement management responsibility and related procurement support functions of Depot Level Reparables (DLRs), Class IX, to DLA
- Transfers consumable item management to DLA
 - DLA today manages 90% of DoD consumables
- Achieves \$2.4B Savings (NPV)



Candidate Recommendation S&S-0035R

Candidate Recommendation (Summary): Transfers the Budget/Funding, Contracting, Cataloging, Requisition Processing, Customer Services, Item Management, Stock Control, Weapon System Secondary Item Support, Requirements Determination, Integrated Materiel Management Technical Support Inventory Control Point functions for Consumable Items and the procurement management and related support functions for DLRs (including oversight) to DLA. All other ICP functions remain with the Services. Relocates some Army & AF ICP functions to preserve Army Life Cycle Management, and provide for continuation of security facilities.

Justification		Military Value
✓ Mission consolidation		✓ Relative military value scores not determinative because select service
 Reduces excess capacity Leverages DOD buying power 		ICP functions were relocated and others were realigned to DLA
Payback		Impacts
✓ One Time Cost:	\$235.8M	✓ Criterion 6: -2 to -2,339 jobs; <
✓ Net Implementation Savings:	\$402.5M	0.1% to .72%
✓ Annual Recurring Saving:	\$210.3M	Criterion 7: No Issues
✓ Payback Period:	Immediate	✓ Criterion 8: TBD
✓20 Yr. NPV savings:	\$2.413B	

✓ Strategy

✓ JCSG/MilDep Recommended



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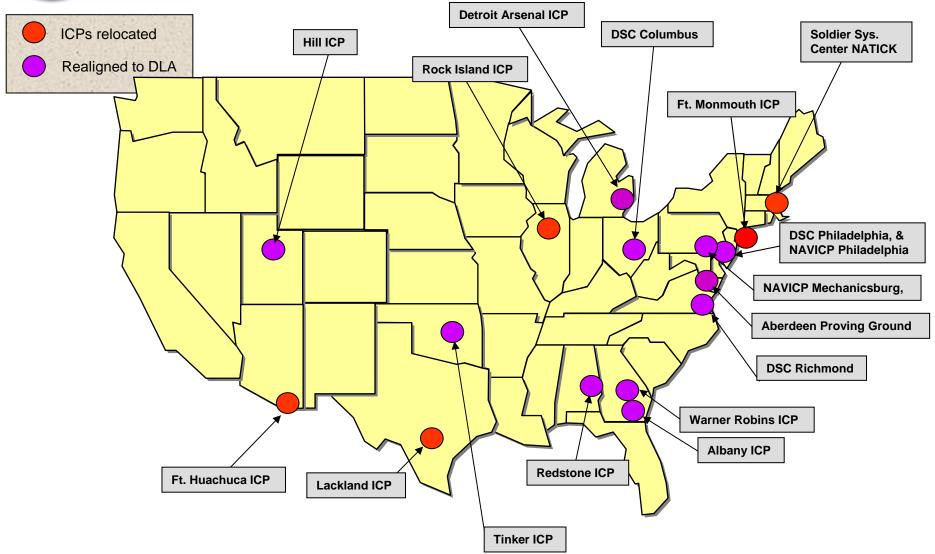
S&S-0035R - Payback

- * Eliminates 246 Gov't Positions
- * Realigns 2,815 Gov't Positions
- * Implementation Years: 2006-2011
- * Payback: Immediate
- * One-time Cost: \$235.8M
- * Annual Savings: \$210.3M
- * <u>NPV (Savings): \$2.4B</u>
- * MILCON: \$76.7M

<u>NPV Savings</u> Are in <u>addition</u> to any Service Business Process Improvement Savings being achieved



S&S-0035R

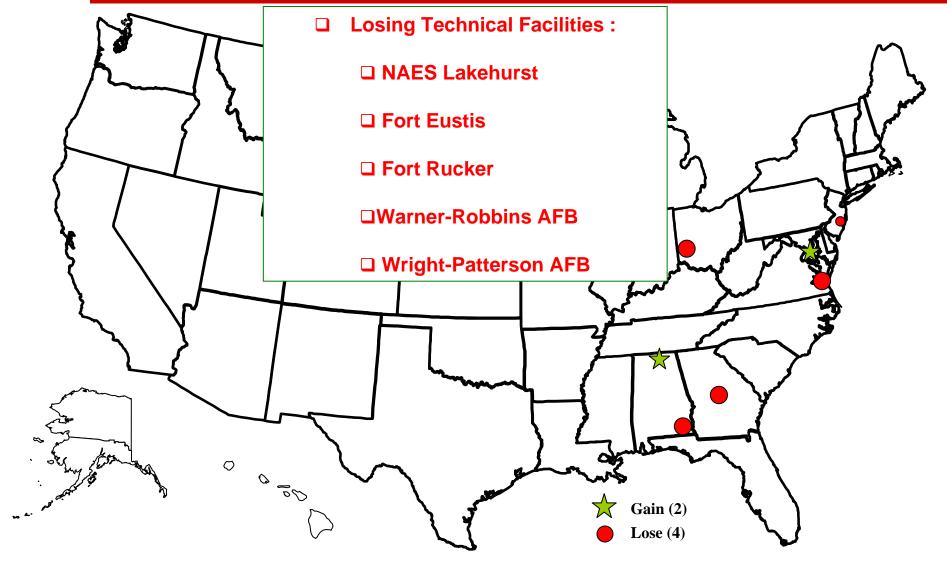




Technical JCSG



#Tech-0005R: Establish Joint Centers for Rotary Wing Air Platform RDAT&E

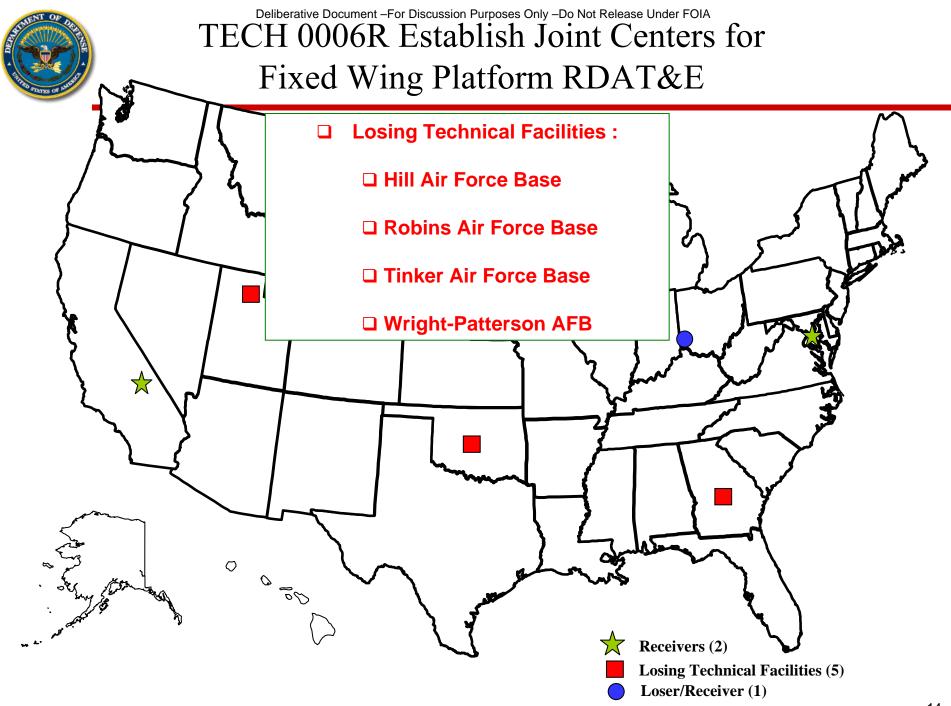




Deliberative Document –For Discussion Purposes Only –Do Not Release Under FOIA #TECH-0005R: Establish Centers for Rotary Wing Air Platform RDAT&E

Candidate Recommendation (abbreviated): Realign Wright Patterson AFB, OH, by relocating V-22 rotary wing platform D&A to Patuxent River, MD. Realign the NAES Lakehurst, NJ, by relocating rotary wing air platform D&A and T&E to Patuxent River, MD. Realign Ft. Eustis, VA, by relocating rotary wing platform R, and D&A to Redstone Arsenal, AL, and consolidating with the Aviation Missile Research Development Engineering Center at Redstone Arsenal, AL. Realign Ft. Rucker, AL, by relocating the Aviation Technical Test Center to Redstone Arsenal, AL, and consolidating it with the Technical Test Center at Redstone Arsenal, AL, and consolidating it with the Technical Test Center at Redstone Arsenal, AL, and consolidating it with the Technical Test Center at Redstone Arsenal, AL, and consolidating activities in rotary wing air platform D&A to Redstone Arsenal, AL. Realign Warner-Robins AFB, GA, by relocating activities in rotary wing air platform D&A to Redstone Arsenal, AL.

<u>Justification</u>		Military Value		
•Enhances synergy		•D&A and T&E moves go from low to higher		
•Preserves healthy competition		quantitative military value		
•Leverages climatic/geographic conditions and existing infrastructure		•Research goes to location with lower quantitative MV but highest overall MV		
 Minimizes environmental impact 		because it supports Army strategy to develop a full life-cycle support activity for aviation.		
•Distributes demand on the telemetry spectrum		full life eyele support detryity for aviation.		
•Reasonable homeland security risk dispersal				
Payback		<u>Impacts</u>		
• One-time cost:	\$78.49M	• Criterion 6: -24 to -626 jobs; <0.1% to 1.27%		
• Net implementation cost:	\$62.32M	•Criterion 7: No issues		
• Annual recurring savings: \$6.35M		•Criterion 8: No impediments		
• Payback time:	16 years			
• NPV (savings):	\$2.11M			

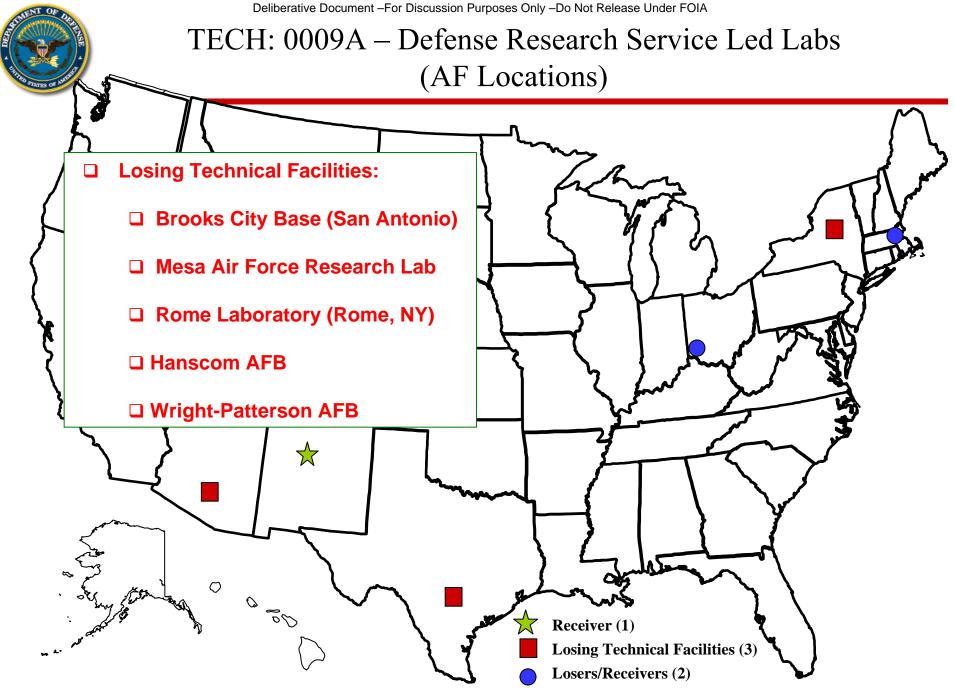




#TECH-0006R: Centers for Fixed Wing Air Platform RDAT&E

Candidate Recommendation:Realign Tinker Air Force Base, OK, Robins, Air Force Base, GA, and Hill Air Force Base, UT, by relocating fixed wing related Air Platform Development and Acquisition to Wright Patterson Air Force Base, OH. Realign Wright Patterson Air Force Base, OH, by relocating fixed wing related Live Fire Test and Evaluation to Naval Air Weapons Station China Lake, CA.

Justification		Military Value			
		Air Platforms D&A Quantitative MV			
work to major sites		•WPAFB, 2 nd of 18 • Tinker AFB, 6 th of	18		
Preserves healthy competition		•Hill AFB, 5 th of 18 • Robins AFB, 7 th of	18		
Leverages climate/geographic of the second secon	conditions and	■ Air Platforms T&E Quantitative MV			
existing infrastructure		• China Lake, 5 th of 23			
 Minimizes environmental impa 	ict	• WPAFB, 16 th of 23			
Provides reasonable home secu	rity risk dispersal				
Payback		Impacts			
■ One-time cost:	\$17.65M	■Criterion 6: -1 to -67 jobs; <0.1% to 0.1%			
■ Net implementation cost:	\$ 7.91M	■Criterion 7: No issues			
■ Annual recurring savings: \$ 2.66M		Criterion 8: No impediments			
■ Payback time: 10 yrs					
■ NPV (savings):	\$16.75M				





Tech 0009A: Defense Research Service Led Laboratories

(Air Force Locations)

Candidate Recommendation (summary): Realign AFRL, Brooks City Base by relocating HED to Wright Patterson AFB. Close AFRL Mesa City, AZ and relocate all functions to Wright Patterson AFB. Close Rome Laboratory, NY. Relocate the Sensor Directorate to Wright Patterson AFB and the Information Directorate to Hanscom AFB. Realign AFRL Hanscom by relocating the Sensors Directorate to Wright Patterson AFB and the Space Vehicles Directorate to Kirtland AFB. Realign AFRL Wright Patterson AFB by relocating the Information Systems Directorate to Hanscom AFB.

 Justification Reduces number of Air Force Research Laboratory operating locations Eliminates overlapping infrastructure Increase efficiency of operations Closes Rome, Mesa Facilitates the closure of Brooks City Base 		 Military Value Realigning/Closing locations with lower military value to locations with higher military value. Increases Capability at WPAFB, Kirtland, Hanscom 		
Payback•One-time cost:\$393M• Net implementation cost:\$204M• Annual recurring savings:\$58M• Payback time:7 years• NPV (savings):\$349M		Impacts•Criterion 6: -457 to -2536 jobs; <0.1 to 1.6%		

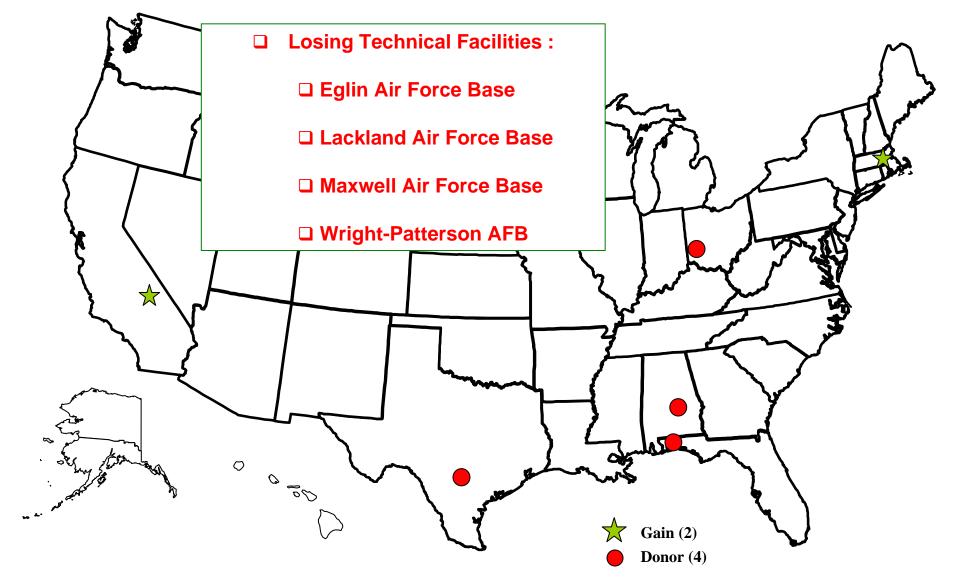
✓ COBRA ✓ Military Value Analysis / Data Verification ✓ Criteria 6-8 Analysis

✓ De-conflicted w/MilDeps

17



#Tech-0042C: Air & Space C4ISR DAT&E Consolidation





#Tech-0042C: Air & Space C4ISR DAT&E Consolidation

Candidate Recommendation: Realign Wright-Patterson Air Force Base, OH, Maxwell Air Force Base, AL, and Lackland Air Force Base, TX, by relocating Air & Space Information Systems Development & Acquisition to Hanscom Air Force Base, MA. Realign Eglin Air Force Base, FL, by relocating Air & Space Sensors, Electronic Warfare & Electronics and Information Systems Test & Evaluation to Edwards Air Force Base, CA.

 Justification Reduce Technical Facilities from 6 to 2 Increase likelihood of fielding interoperable systems Eliminate overlapping infrastructure Increase efficiency of operations 		 Military Value Hanscom AFB, MA has the highest MV in Air Information Systems D&A. Military judgment indicated Information Systems RD&A should be at location with highest MV in D&A - the largest workload. Edwards AFB, CA has the highest MV in Air Sensors, EW and Electronics T&E and Air 		
		Information Systems T&E among installations with suitable Open Air Ranges.		
Payback		Impacts		
■ One-time cost:	\$254.4M	■ Criterion 6: -212 to -3254; < 0.1 to 1.57%		
Net implementation cost:	\$115.3M	■Criterion 7: No issues		
Annual recurring saving: \$36.2MPayback time: 8 years		Criterion 8: May have to build on constrained acres at		
		Hanscom. No impediments		
■ NPV (savings):	\$238M			

✓ Strategy ✓ Capacity Analysis / Data Verification

✓ JCSG/MilDep Recommended



Department of the Navy Infrastructure Evaluation Group

IGPBS CVN to Pacific Discussion



- DEPSECDEF memo of 23 Dec requires BRAC process accommodate certain IGPBS decisions
 - Requires homeporting an additional CSG forward in the Pacific Theater
 - Two ports meet specified requirement
 - IGPBS does not specify the source of the forces to comprise the CSG (CVN, T-AOE, CVW, Escorts)

• 4 Options analyzed result in realignment actions

- CVN/CVW from West Coast to Hawaii (no mvmt of escorts)
- CVN/CVW from East Coast to Hawaii (2 DDGs to San Diego; 1 CG to Pearl Harbor)
- CVN/CVW from West Coast to Guam (escorts to Guam)
- CVN/CVW from East Coast to Guam (escorts to Guam)



IGPBS ROI Summary

Scenario	One-TimeSteady-StateCostsCosts		ROI Years	20 Year NPV
DON-0036B (San Diego to Pearl Harbor)	2,659	+64.65	Never	+3,145
DON-0036C (Norfolk to Pearl Harbor)	2,726	+94.26	Never	+3,533
DON-0037B (derived) (San Diego to Guam)	4,038	+76.11	Never	+4,559
DON-0037C (derived) (Norfolk to Guam)	4,062	+89.35	Never	+4,726

All Dollars shown in Millions

Notes:

- Total MILCON costs Hawaii \$2.1B, Guam \$3.4B Maintenance Infrastructure and Housing)
- Significant Dredging at both locations (Hawaii-\$192M, Guam-\$94M)
- Procurement of new simulators at both locations (\$120M)
- Land lease /acquisition costs at Hawaii and Guam (Kalealoa \$4.3M; Agana \$28M, Land for Guam Family Housing \$101M)



• Industrial

- Ability to support 7 CVNs if east/west coast mix changes
- Estimate \$82M cost to provide CVN capability at PHNSY

Training/Environmental

- FCLPs potential impacts on USMC Ops
- Noise impact on community increase in population affected at 55 dB DNL from 15 to 3144 (20860 % increase)

• Requires change to USAF laydown at Hickam AFB

- Cost approximately \$400 million (not in COBRA)

States willingness to lease Kalealoa to Navy



- Major support infrastructure improvements needed for increased presence
- Industrial support
- Community infrastructure (support services, utilities, roads)
 - Costs/improvements to support additional 12,000 people
 - Probably require importing off-island workers to build infrastructure
- Ability to complete Guam move within BRAC timeline (2011)
- Job change +20.49% on Guam



- BRAC analysis displays costs
 - Does not characterize operational benefit/risks
 - Does not fully assess execution viability
 - Identifies potential for significant community infrastructure impacts
- Other than cost, no clear BRAC preference for either losing or gaining site
 - Alternatives not derived from either capacity or military value analysis
 - Decisions need to be based on strategic/operational judgment

Issues/unknowns

- High investment for incremental increase in forward presence
- Impact of overarching Pacific basing strategy on basing availability
- Impact of QDR on force posture/positioning



- Equivalent short-term warfighting benefit achievable in multiple ways within variable timeframes and cost
 - Guam solution: 5-8 years \$4.0-\$6.6B
 - Hawaii solution: 4-6 years at \$2.6-\$3.1B
- Optimal long-term solution depends on several factors that are likely to be influenced by QDR
 - Force structure
 - COCOM response/presence requirements
- Operating force repositioning decisions can be made outside of BRAC
- DON Recommendation:
 - Meet short-term COCOM requirements through force posture and defer long-term decision pending results of QDR



Candidate Recommendations – Cost and Savings (\$M)

(As of 8 Apr 05)

	Gross Savings*	One-Time (Costs)	Net Implementation Savings/(Costs)	Annual Recurring Savings/(Costs)	NPV Savings/(Costs)	
Army BRAC	4,593.0	(9,673.3)	(8,521.0)	327.9	(5,080.3)	
Overseas	15,958.9	(348.5)	4,360.2	1,248.5	15,610.4	
BRAC + Overseas	20,552.0	(10,021.9)	(4,160.7)	1,576.4	10,530.1	
Navy	9,859.4	(1,924.1)	618.2	789.9	7,935.3	
Air Force	8,964.7	(2,286.6)	(265.7)	747.6	6,678.1	
JCSGs	50,836.2	(14,655.2)	(138.2)	3,912.3	36,181.0	
E&T	7,082.5	(2,950.5)	(872.7)	540.9	4,132.0	
H&SA	12,908.2	(3,005.1)	667.0	998.7	9,903.2	
Industrial	13,386.3	(1,600.3)	2,658.1	1,002.4	11,785.9	
Intelligence	1,996.5	(1,723.9)	(1,326.8)	154.3	272.6	
Medical	4,048.4	(2,031.4)	(1,052.6)	323.5	2,016.9	
S&S	4,968.2	(331.9)	1,169.7	382.1	4,636.3	
Technical	6,446.1	(3,012.0)	(1,381.0)	510.5	3,434.0	
Total	74,253.3	(28,539.2)	(8,306.7)	5,777.6	45,714.1	
Total W/Overseas	90,212.2	(28,887.7)	(3,946.5)	7,026.1	61,324.4	

* Gross savings is the sum of Net Present Value and the 1-time costs



Registered Closure Scenarios

Annotated to Indicate Withdrawals

(as of 11 Apr 05)

Army		Dept of the Navy		Air Force		JCSG Potential Closures
Ft Hamilton, NY		NS Pascagoula, MS	\checkmark	Cannon AFB, NM	\checkmark	Fort Huachuca, AZ
Selfridge Army Activities, MI	\checkmark	NS Ingleside, TX	\checkmark	Grand Forks AFB, ND	\checkmark	National NavMed Ctr Bethesda, MI
Pueblo Chem Depot, CO	\checkmark	NS Everett, WA		Scott AFB, IL		NAS Meridian, MS
Newport Chem Depot, IN	\checkmark	SUBASE San Diego, CA		Ellsworth AFB, SD	\checkmark	NAS Corpus Christi, TX
Umatilla Chem Depot, OR	\checkmark	SUBASE New London, CT	\checkmark	Holloman AFB, NM		NAES Lakehurst, NJ
Deseret Chem Depot, UT	\checkmark	NAS Atlanta, GA	\checkmark	Onizuka AFS, CA	\checkmark	Presido of Monterey, CA
Ft Gillem, GA	\checkmark	NAS JRB Fort Worth, TX		Los Angeles AFB, CA		MCLB Albany, GA
Ft Shafter, HI		NAS Brunswick, ME	\checkmark	Moody AFB, GA		Brooks City Base, TX
Ft Monroe, VA	\checkmark	NAS Oceana, VA		Pope AFB, NC	\checkmark	
Ft McPherson, GA	\checkmark	MCRD San Diego, CA		Rome Lab, NY	\checkmark	
Watervliet Arsenal, NY		MCAS Beaufort, SC		Mesa AFRL, AZ	\checkmark	
Rock Island Arsenal, IL		NAS JRB Willow Grove, PA	\checkmark	ANG / Reserve Stations (2	23 sites)	
Detroit Arsenal, MI		CBC Gulfport, MS				
Sierra Army Depot, CA		NAS Whiting Field, FL				
Hawthorne Army Depot, NV	\checkmark	MCSA Kansas, MO	\checkmark			
Louisiana AAP, LA		NSA New Orleans, LA	\checkmark			
Lone Star AAP, TX	\checkmark	Naval Postgraduate School, CA	√			
Mississippi AAP, MS	\checkmark	NDW DC (Potomac Annex), D	C			
Kansas AAP, KS	\checkmark	Navy Supply Corps School, GA	4	•		JCSG/MilDep cooperative effort.
River Bank AAP, CA		NAV Shipyd Norfolk, VA		•	•	tions, only one of which would be
Carlisle Barracks, PA	\checkmark	NAV Shipyd Portsmouth, ME	\checkmark	recomme		stee deliberate de sisier te
Red River Army Depot, TX		NSA Corona, CA	\checkmark		•	ates deliberate decision to s, or render it inactive
Ft Monmouth, NJ		NAS Point Mugu, CA				t number of realignments in
Walter Reed, DC		Arlington Service Center, VA		addition t	0	8
Soldier System Ctr Natick, MA V		NS Newport, RI				te recommendation submitted
NG / Reserve Centers (~ 394 site	tes)	MCLB Barstow, CA	\checkmark	6. Awaits Se	rvice ena	bling scenario
		NWSC Crane, IN				-
		NSA Philadelphia, PA		NSWC Indian Head, MD		
		Reserve Centers (~ 40 sites) Deliberative Document –For Disc		NSWC Philadelphia, PA		
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■ Next IEC meeting – 18 Apr 05

- 4 hour meeting
- Continue to review and approve candidate recommendations