

Headquarters U.S. Air Force

Integrity - Service - Excellence

ASMC PDI Orlando

European Infrastructure Consolidation (EIC)



June 2016

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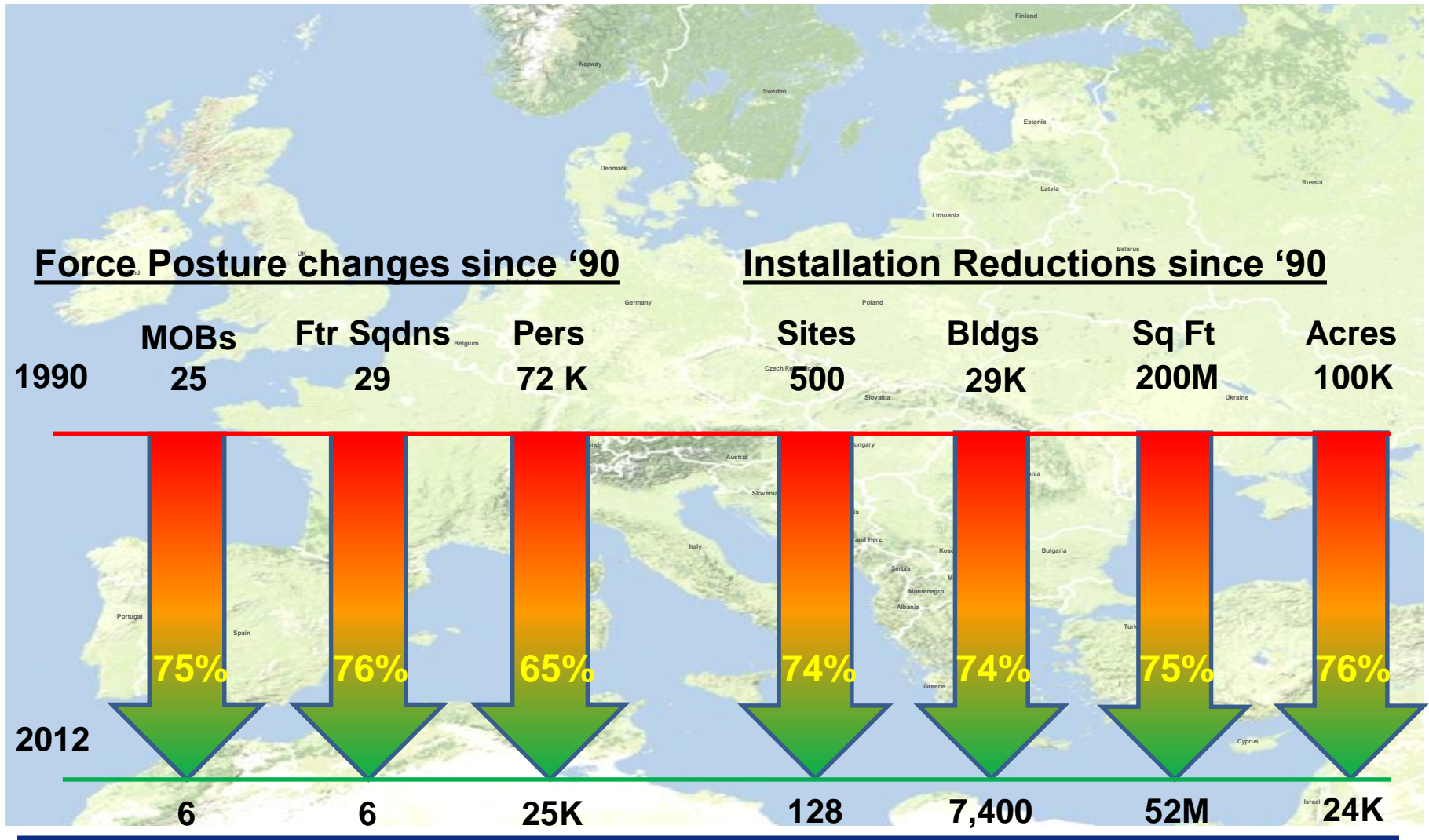
Background

- **FY13 Request for BRAC authority rejected by Congress who directed DoD to look at Europe before requesting to close CONUS installation**
- **January 2013 – SecDef directed a BRAC-like review of European excess capacity resulting in infrastructure reduction while retaining force structure**
- **Goals: AF improvements in European posture support OSD and COCOM in reducing excess infrastructure to create long-term savings while supporting operational requirements and DoS commitments**
- **January 2015 – SECDEF approval, public release, report to Congress, host nation notification**



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Pre-EIC USAFE-AFAFRICA Transformation Overview

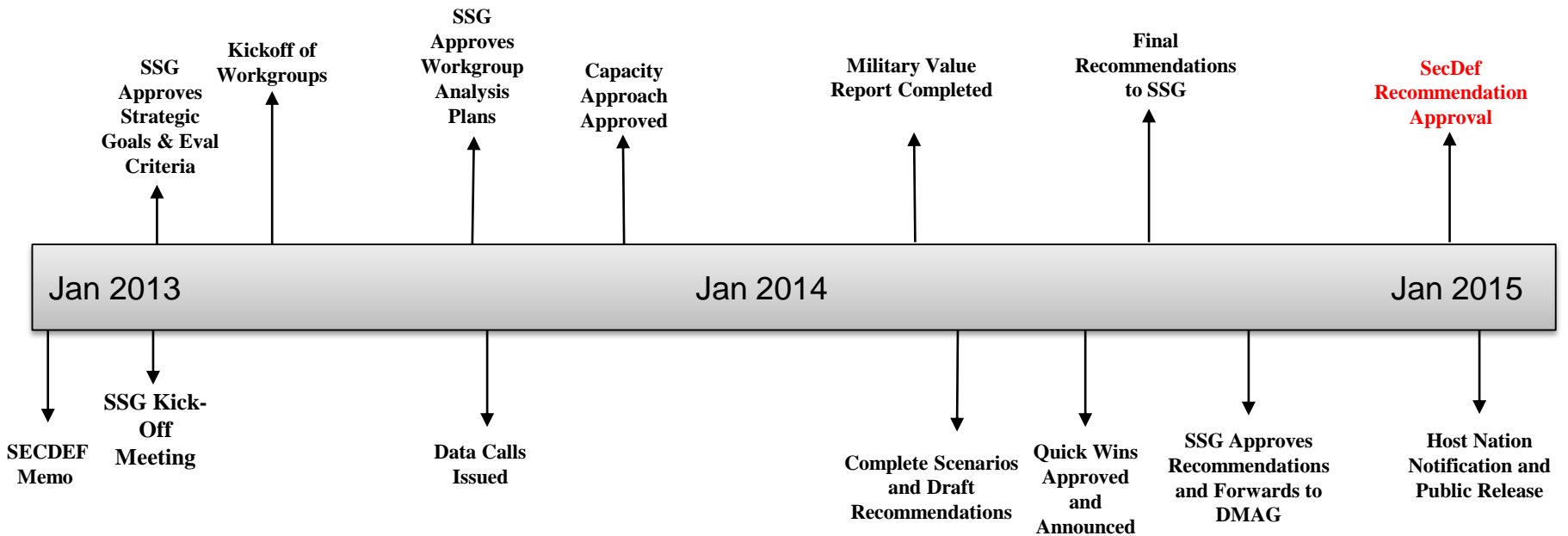
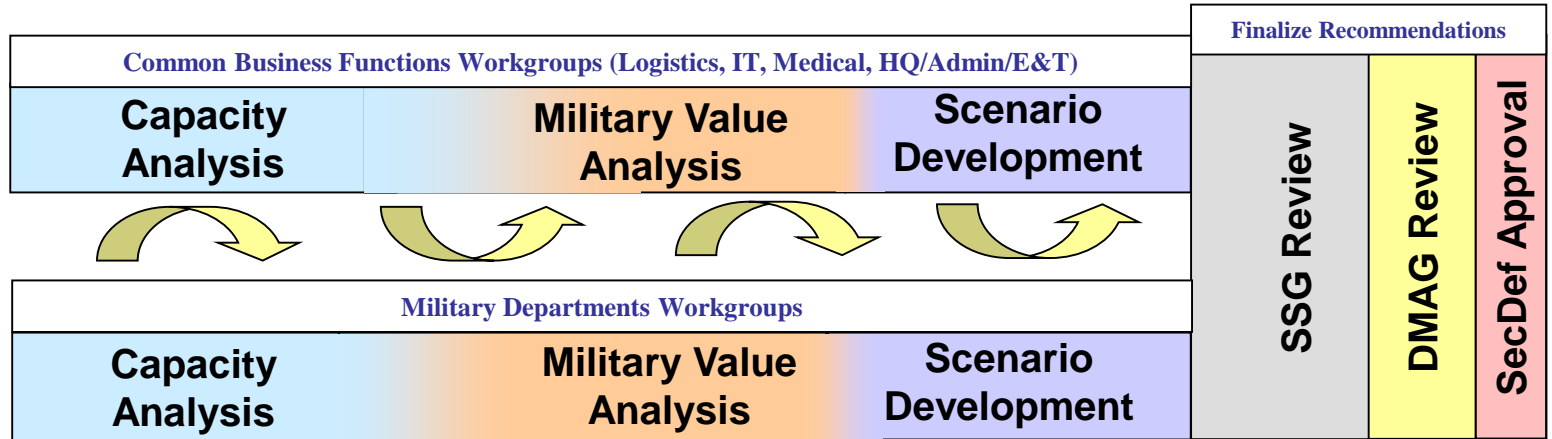


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Process Overview



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Capacity Analysis

- Compared existing infrastructure to current requirements plus tenants, Surge #1 and Surge #2

Operations

- Fuel hydrant systems
- Ramp area
- Hangar capacity
- Squadron operations
- Aircraft maintenance
- Supply storage
- Hot cargo pads
- Munition Storage

Base Operating Support

- Civil engineering
- NAF/WG HQ and contracting
- Communications
- Force support
- Logistics readiness
- Security forces

Capacity Analysis indicated there was opportunity to consolidate.



Military Value Analysis

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Mission (X pts)

- **Distance to airspace supporting ops** (X pts)
 - Identify and state the distance to all Special Use Airspace within a 300NM radius of the installation
- **Distance to low level routes supporting operations** (X pts)
 - Identify and state the distance to all Airspace for Special Use (IR/VR/SR routes) within 150NM radius of the installation
- **Range complex support for training** (X pts)
 - Identify all Special Use Airspace / Airspace for Special Use on which weapons/electronic combat training can be conducted within a 300NM radius of the installation
- **Airfield elevation** (X pts)
 - What is the airfield elevation?
- **Required access to adequate supersonic airspace** (X pts)
no requirement add 5 pts
 - If the installation schedules or controls a supersonic-capable Special Use Airspace or Airspace for Special Use, identify all supersonic airspace

Costs (X pts)

- **Area Cost Factor (ACF)** (1 pt)
 - What is the area cost factor for each installation?
- **BAH rate** (1 pt)
 - What is the BAH rate?
- **Utilities cost rating (U3C)** (2pt)
 - What is the Utility Costs and Climatic Consideration Rating for the Installation?

Capacity (X pts)

■ **MISSION**

- **Ramp** (X pts)
 - How many parking spaces of sufficient length, width, and pavement to support operations are available?
- **Hangars** (Mx, Small, Medium, Large, Fuel Cell) (X pts)
 - List all facility types and their current use
- **Aircraft Mx Facilities (Aircraft Gen Purpose Shop, AMU1369, Engine Maint, Corrosion Control)** (X pts)
 - List all facility types and their current use
- **Fuel: storage, dispense rate, hydrant system** (X pts)
 - Verify System Type, Number of Refueling Points/Outlets, if Serviceable, and Distance Between Refueling Points.
- **Munition Storage** (X pts)
 - Does the installation possess a currently certified Munitions Storage Area?
- **Weapons Storage** (X pts)
 - Does the installation possess a currently certified Weapons Storage Area?
- **Communications** (X pts)
 - Does the installation have 7.2 Mbps capacity and 4.8Mbps available with w/DSS subscription?

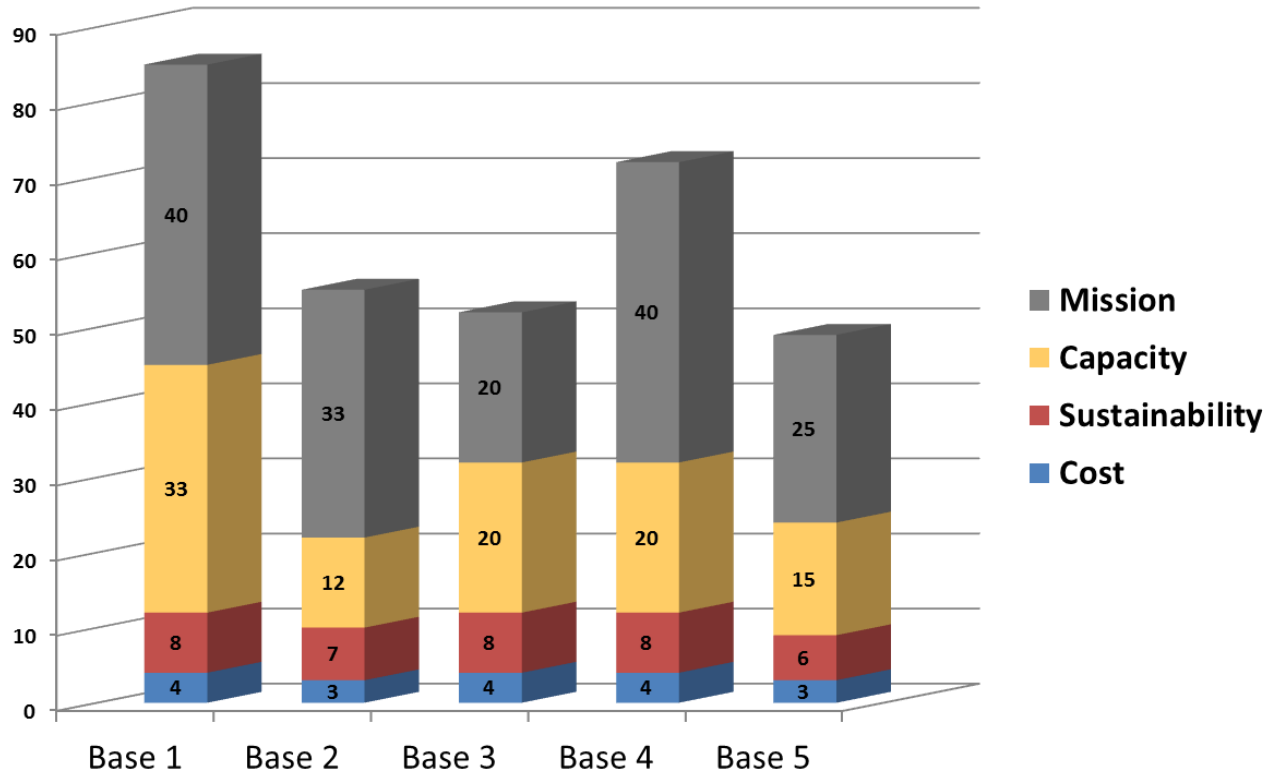
Sustainability (X pts)

- **No encroachment:** (X pts)
 - Does the base have any incompatible development in Clear Zones and/or Accident Potential Zones?
- **Air Quality:** (X pts)
 - Is the base located in an area that meets National Ambient Air Quality Standards?



Military Value Assessment

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Military value analysis informed which bases should be considered for retention or divestiture.

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Business Case Analysis

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- One-time/implementation costs compared to enduring annual savings post-implementation

Calculation of One-Time Implementation Costs

- Military Construction
- Personnel Relocation
- Equipment Relocation
- Severance

Calculation of Comparative Recurring Costs

Gaining Location #1: MILPERS + CIVPERS + BOS + Sustainment + Other

+

Gaining Location #2: MILPERS + CIVPERS + BOS + Sustainment + Other

-

Losing Location #1: MILPERS + CIVPERS + BOS + Sustainment + Other

=

Total Scenario Savings



Scenario Analysis

Sample scenario considered in EIC:

<p align="center"><u>Analysis Summary</u></p> <p>(+) Eliminates 1 of 6 MOBs (17% reduction) (+) Low priority for TRANSCOM enroute mission (Tier 3) – not replicated (+) Aligns force structure with COCOM needs</p>	<p align="center"><u>Military Value</u></p> <p>(+) Scored lowest of 6 European MOBs (+) Divests DoD of old infrastructure</p>
<p align="center"><u>Payback</u></p> <p>One Time Cost: \$450M Net Implementation Savings: \$30M Annual Recurring Savings: \$110M Payback Period: 2023 20 Year Savings in NPV: \$1.5B</p>	<p align="center"><u>Pol-Mil Assessment</u></p> <p>Losing country assessment: Neutral Gaining country assessment: Neutral</p> <p align="center"><u>Other Impacts</u></p> <p>(-/+) Local community and off base impacts (+) Return of infrastructure/land to Host Nation</p>

Capacity and military value factors informed decisions, but to be approved a scenario needed to demonstrate savings and align with military judgment/strategy



EIC Wedge Distribution

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- OSD had established a nearly \$1.3B wedge to provide up-front funding for EIC actions
- Only scenarios that resulted in net savings were eligible
- Speed prioritized over impact:

Primary Consideration:

$$\text{Payback ratio} = \frac{\text{Net Implementation Cost}}{\text{Annual Recurring Savings}}$$

Secondary Consideration:

Annual Recurring Savings

- Ultimately all approved scenarios funded in whole or in part as EIC wedge exceeded net upfront costs
- Allocation of EIC wedge to the Services was off-set by anticipated savings in that same FY



Approved Air Force EIC Scenarios

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EIC Actions w/AF Ownership or Equity	(2015-2021) O&M / MILCON	Est. Total Cost	Est. Annual Savings
Divest RAF Mildenhall (AF Lead): Relocate KC-135s to Ramstein AB ; MC-130s and CV-22s and the 352nd SOW to Spangdahlem AB ; RC-135 ISR mission to “an active RAF installation”	\$164M / \$408M	\$572M	\$128M
Divest RAF Alconbury and RAF Molesworth (AF Lead): Relocate intelligence missions to the Joint Intelligence Analysis Complex (JIAC) at RAF Croughton	\$111M / \$249M	\$360M	\$74M
Streamline Moron (AF Lead): Right-size contract to support base maintenance work	\$3M / \$0M	\$3M	\$4M
Data Center Consolidation (OSD CIO Lead): Reduce AF IT footprint in Europe to support consolidation and closures of DoD Data Centers	\$60M / \$0M	\$60M	\$42M
Streamline Lajes (AF Lead): Divest excess capacity to meet Operational mission requirements	\$68M / \$0M	\$68M	\$35M
Total	\$406M / \$657M	\$1.1B	\$283M

- EIC also resulted in four AF sites returned to HN (Karup Munitions Storage, Mildenhall Ammo Storage, Feltwell Housing, Siesenburg Range)
- O&M and MILCON Funds executed by USAFE with SAF/IE and A4 oversight
 - FY16 - \$41M MILCON (Planning and Design) and \$20M O&M Requirements