

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 2004

TUESDAY, APRIL 29, 2003

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 4:35 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Kay Bailey Hutchison (chairman) presiding.

Present: Senators Shelby, Stevens, Domenici, Feinstein, and Landrieu.

DEPARTMENT OF DEFENSE

**STATEMENT OF JAMES L. JONES, JR., GENERAL, USMC, COMMANDER,
UNITED STATES EUROPEAN COMMAND**

**ACCOMPANIED BY LEON J. LAPORTE, GENERAL, USA COMMANDER,
UNITED NATIONS COMMAND, COMMANDER, REPUBLIC OF
KOREA-UNITED STATES COMBINED FORCES COMMAND, AND
COMMANDER, UNITED STATES FORCES KOREA**

OPENING STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Thank you very much for being here. I am very pleased to have both of our distinguished witnesses here. We have tried to get together, but there have been a few things going on the planet that have kept us from hearing from you. But, frankly, I think the time has been well spent, because I am very pleased with the prepared statements that I have seen about the efforts that you are making on overseas bases, and this has been a priority of our Military Construction Subcommittee really for the last 4 years. We will look at overseas military basing in two key theaters of operation today.

The fiscal year 2004 military construction request includes over \$1 billion in spending for overseas facilities. More than 70 percent of that is in Europe and Korea. The Administration has requested \$535 million for U.S. bases in Europe, including \$288 million in Germany and \$173 million for bases in Korea. At the same time, new threats, a changing international political environment, and efforts to transform the structure of our military forces are leading the Defense Department to reconsider how we deploy forces overseas and where those forces will be located.

The military construction challenge is twofold. In the near-term, during the time it takes to determine future security needs, the challenge is to ensure that expenditures are not wasted on facilities

which may be abandoned in the future. The long-term challenge is to ensure far-reaching decisions about how to deploy forces overseas makes sense.

Congress directed the Defense Department to submit a report on its overseas-basing master plan by April 1, 2002. The Defense Department is still studying the issue and has not yet submitted that report. This afternoon, Senator Feinstein and I introduced legislation that would establish an independent commission to review the overseas military structure of the United States and advise Congress. We look forward to passing that legislation this year.

We are fortunate to have with us today the commanders of U.S. Forces in Europe and Korea, where so much of our military construction dollars are spent. Both of you have been working hard to transform our overseas basing from a Cold War structure to one more suited to the military challenges of the 21st century.

I really appreciate the meetings we have had, the efforts you have made. Your staffs have been working with our staff, and I am very satisfied that we are going in the right direction for the efficient use of our taxpayer dollars, making sure we have the information about the long-term goals before we spend military construction dollars this year. And I also appreciate that the Department really stopped spending the 2003 dollars until they were also allocated for what we are now calling "enduring bases."

So, with that, I want to ask Senator Feinstein, the Ranking Member, to also make remarks that she might have, and I want to particularly say what a great working relationship Senator Feinstein and I have. She has traveled overseas to bases. I have traveled overseas to bases. And I think from what we have both learned, we have come to the similar conclusions that we need to look at those overseas bases, try to fit them within the structure of our forces as projected for the future and try to maximize the efficiency of our taxpayer dollars.

Senator Feinstein.

STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thanks very much, Madam Chairman. Your comments are reciprocal. As you said earlier this morning, we have both been Chairs, and we have both been Ranking Members of this Committee, and I think, in the process, have developed a very positive working relationship—I, for one, very much appreciate that—and, in addition, a friendship which means a lot to me.

You know, Madam Chairman, I have had the opportunity to visit both the Korean Command, under General LaPorte, in December, the European Command, unfortunately, not under General Jones, but under General Ralston, a little earlier, and had an opportunity to talk with both of them. And I just want to repeat something I said to my staff on the way coming in to this meeting.

One of the really great, I think, illuminating findings that I have had since I have been in the United States Senate is really how fine the command leadership of our military is. And I have had the opportunity to meet four-stars, to talk with them, to see men, really, at the apex of their military careers, particularly note those who are open to comments, those who are not. But I guess what I want to say is how well served I think our Nation is by both of you and

by our other four-stars. You are very impressive people, each in your own right; each different, but both highly committed, I think highly intelligent. It has been a very special experience for me, and, on a personal note, I want you both to know that.

Madam Chairman, your timing could not be more on target, considering that the Department of Defense submitted a budget amendment to the President only yesterday that proposes to rescind, delete, or realign more \$500 million of fiscal 2003 and fiscal 2004 overseas military construction projects.

I had the opportunity to talk with both generals in my office yesterday. I am very impressed with their commitment to streamlining and improving the efficiency of the United States military presence overseas. Their efforts to reshape the military forces within their commands have potential to produce significant efficiencies, increase responsiveness, and enhance the national security of the United States.

These generals are undertaking this task at a particularly sensitive time in our relations with our allies overseas. I think it is important to repair the damage that has been done to the image of America overseas and to get these relationships back on track. Both General Jones and General LaPorte have assured me that they are committed to working with our allies and strengthening our ties to Europe and Korea, and I want to really commend them for these efforts.

So thank you for scheduling this hearing, Madam Chairman, and I look forward to hearing from these distinguished witnesses.

Senator HUTCHISON. Thank you, Senator Feinstein.

Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Madam Chairman.

I welcome each of you, Generals. I consider each of you to be close friends through the years we have worked together.

I regret to tell you, I am going to have to go to a meeting with the Members of the House Appropriations Committee here soon to talk about allocations for 2004, and so I will not be able to stay and ask questions. But I do intend to stay and listen to you as long as I can.

I welcome the initiatives, as both of the other Senators have said, that have been indicated to me through my staff that your people are about ready to present. And I think it is very timely for us to consider such initiatives, and I look forward to working with you on them.

Thank you very much.

Senator HUTCHISON. Thank you, Mr. Chairman.

General Jones, I would like to ask you to speak first, and followed then by General LaPorte.

EUCOM OVERVIEW

General JONES. Thank you, Madam Chairman, and thank you for your kind opening remarks. And, Senator Feinstein, thank you for your very gracious remarks. I know I do not want to speak for General LaPorte, but I know all of us who are privileged to lead the tremendous young men and women in the uniform of the United

States today take a great pride in that privilege, and we are so proud of everything they do day in and day out. That makes our job much easier.

And, Senator Stevens, thank you for taking time to be here today, and thank you for your continual support of our Nation's Armed Forces around the globe and the important work that they are privileged to do every day of the year.

I am very pleased to appear before you to present testimony on the very important subject of the fiscal year 2004 Military Construction Request for the United States European Command. As each of you know full well, the area of responsibility of EUCOM has recently been increased to include 93 countries, a net increase in the land mass of 16 percent, and a net increase of 28 percent on the seas, as a result of the revisions to the Unified Command Plan.

As you also know, during the last decade our Nation reduced the numbers of Americans in uniform by roughly 40 percent while transforming the force into a 21st century capability that during these difficult times has made all of us extremely proud. In my 36 years of active duty, I have never been prouder of what our forces represent, not just in terms of combat capability, but especially in terms of what such a force means for the collective future of nations who are prepared to defend freedom wherever it might be threatened. It is not only a force that will win any future conflict; it is also one which will deter and prevent future conflicts through its positioning and through its engagement strategy around the world.

I thank the Committee, the Members, and the staff, alike, for the attention given to the infrastructure and the quality of life of our men and women who serve in the vast European, Africa, and Near-Eastern theater. I pledge continued cooperation and active dialog on these important issues.

Senator Feinstein, you mentioned my predecessor, General Joe Ralston, to whom I am particularly grateful for a wonderful turnover of this all-important command. He is one of our Nation's most distinguished modern-day warriors. I thank him for his leadership and friendship as I assumed the responsibility of the command. No one could have been more gracious, and no one could have done more to make it a better experience than did General and Mrs. Ralston. The Nation will miss them in its active-duty ranks.

EUCOM TRANSFORMATION

Much has been said about the ongoing transformation of our Nation's Armed Forces. The United States European Command's Strategic Transformation Campaign Plan Proposal is based on several key assumptions, and they are as follows.

The United States desires to maintain its current position as a Nation of global influence through leadership in the efficient and effective application of military, economic, and diplomatic power.

The United States remains committed to its friends and allies through its commitment to global organizations and institutions, and supports treaties and international agreements to which it is a signatory.

The United States remains committed to a global strategy, the cornerstone of which is forward-based and forward-deployed forces which contribute to the first line of defense, peace, stability, and world order.

The United States supports in-depth transformation of its Armed Forces and of its basing structure, as required, in order to respond to 21st century threats and challenges.

The United States will continue to seek ways to mitigate or offset obstacles posed by 21st century global sovereignty realities through a reorientation of its land, sea, air, and space assets.

The United States recognizes that the current concept and disposition of U.S. basing within the European Command may not adequately support either the strategic changes attendant to an expanded NATO alliance or the national requirements of a rapidly changing area of responsibility.

And finally, that the United States will seek to preserve those assets which are of strategically enduring value to its missions, goals, and national interests, so as their location measurably contributes to our global strategy, the NATO alliance, and our bilateral engagements in theater.

STATUS OF EUCOM INFRASTRUCTURE

I have been in my current office for approximately 3 months, and each day has been a great learning experience. With regard to military construction, we find ourselves at a crossroads despite impressive theater reforms over the past 10 years, which, in and of themselves, produced a 66 percent reduction in the number of our European installations. We find ourselves retaining an inventory of aging facilities, many of which should be removed from our inventory.

In determining the current value of our facilities in Europe, we used our Theater 2002 Overseas Basing Requirements Study, which has identified that 80 percent of all of our installations are of critical mission value as being Tier I facilities. Another 14 percent were labeled as very important to the theater's mission, or Tier II. Finally, 6 percent were deemed to be non-critical to the theater, or Tier III.

We are using this study as a benchmark for our continuing evaluations of the needs of the European theater in the 21st century. Our needs will clearly be different than they are today. Determining how different is the challenge.

At present, we face four challenges with regard to infrastructure. The first is to quickly and efficiently remove unneeded Tier II and Tier III installations from our inventory. This is proceeding satisfactorily, but we need to quicken the pace. No monies in the fiscal year 2004 request will be expended for these installations. This represents approximately 20 percent of the total number of our installations in Europe.

We need to reevaluate all Tier I facilities with regard to their modern suitability for supporting our alliance in our national engagement strategies in the new world order, or, as some say, "new world disorder." Each European component is at work redefining its future basing needs while engaging with parent service headquarters in the context of how to obtain the maximum effect, the-

ater-wide, in the pursuit of our objectives. This is work in progress, and it is my expectation that we should soon be able to better see our way ahead in this very important matter. We are sensitive to the Committee's legislative calendar, and we will keep Members and staff apprised in real time of our progress in this study.

The asymmetric world and its associated threats, NATO's own invitation to seven new members, the deepening crises that threaten to engulf much of Africa, and the emergence of ungoverned regions from which narco-trafficking, criminality, and terrorism will be exported to the developed Nations, compellingly argues for some new basing paradigms, which will be different from our strategy of the past century. The key will be to preserve those installations that are of critical utility to our future goals and missions.

Our 20th century success in developing a free and prosperous Western Europe has made it more difficult and more expensive to train our military forces. Urbanization has brought cities to the edge of our bases both at home and in Europe. Despite having been successful protectors of the environment on our bases for the last half of the 20th century, we now face concerted efforts to limit essential military training at sea, in the air, and on land. It is a major problem, and it must be addressed both at home and abroad.

EFFICIENT BASING

The 21st century requires that we not only identify and maintain our most critical strategic infrastructure, it further requires that we become more agile, more expeditionary, and more efficient in our basing efforts on land, at sea, in the air, and in space. Our new bases should have a transformational footprint, be geostrategically placed in areas where presence yields the highest return on investment, be able to both contract and expand, as required, and should be constructed in such a way as to take advantage of our developing ability to rotationally base our forces coming from different parts of the world. It will also capitalize on the effectiveness of those forces which need to be continually and permanently stationed in the critical locations.

In Europe, we will need a robust mix of each to be effective in the future, and we are at work to determine the proposals for such considerations. For example, flexible, forward-operating bases and smaller forward-operating locations and new sites for our pre-positioned equipment to augment our permanent strategic presence will prove to be extremely useful to our future requirements. We will no longer be required to build the small American cities of the 20th century to achieve our strategic goals.

PREPARED STATEMENT

Our fiscal year 2004 request is predicated upon the assurance that we will not expend resources except where strategically warranted, that we will close unneeded facilities as efficiently and as quickly as possible, that we will identify those permanent facilities which have enduring strategic value for the future, and that we will look at better, more accessible, and more affordable training areas throughout our AOR; that we will begin to reshape a portion of our theater infrastructure to better capitalize on the utility of ro-

tational forces; and that we will develop newer basing models which will produce greater strategic effect resulting in a more peaceful theater in the 21st century.

Thank you, Madam Chairman, for the opportunity to present testimony before your Committee. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES L. JONES, JR.

Introduction

Madam Chairman, Senator Feinstein, distinguished Members of the Committee; it is my privilege to appear before you as Commander, United States European Command (USEUCOM), to discuss the very exciting efforts underway in the European Theater to respond to the challenges and opportunities of the 21st Century. On behalf of the men and women in USEUCOM who proudly serve this Nation, and their families, I want to thank the committee members and staff for your unwavering support over this past year. Your efforts have provided us with the resources for mission success and have enabled us to do our part in protecting our democracy and in contributing to the security of our Nation. Your dedication to improving our important facilities and the quality of life of our men and women in uniform is both recognized and greatly appreciated.

The USEUCOM Area of Responsibility

USEUCOM's area of responsibility encompasses a vast geographic region covering over 46 million square miles of land and water. The new Unified Command Plan, effective 1 October 2002, assigns USEUCOM an area of responsibility that includes 93 sovereign nations, stretching from the northern tip of Norway to the southern tip of South Africa, and from Greenland in the west to Russia's distant eastern coastline (Enclosure 1). The very title "U.S. European Command" is somewhat of a misnomer and does not fully capture the vastness of our area of operations.

The astonishing diversity of our area of responsibility encompasses the full range of human conditions: some nations are among the wealthiest of the world, while others exist in a state of abject poverty; some are open democracies with long histories of respect for human liberties, while others are struggling with the basic concepts of representative governments and personal freedoms. For example, Africa, long neglected, but whose transnational threats, ungoverned regions, and abject poverty are potential future breeding grounds for networked non-state adversaries, terrorism, narco-trafficking, crime, and sinking human conditions, will increasingly be factored into our strategic plans for the future. The resulting change in the security environment has driven a change in our strategic orientation with increased emphasis eastward and southward.

Historical Setting

U.S. Forces in Europe, in concert with our NATO Allies, played a pivotal role in bringing about the end of the Soviet Union and the Warsaw Pact. The dramatic collapse of the Soviet Empire brought tremendous opportunities for the former Warsaw Pact states. It also brought unprecedented uncertainty for NATO and the U.S. European Command. For nearly a decade after the end of the Cold War, funding for U.S. European Command infrastructure was virtually non-existent.

The existing uncertainty of the future size and makeup of U.S. Forces in Europe led to a long period of significantly reduced funding for infrastructure at European bases (Enclosure 2). Assuming that we no longer required the same robust presence as that of the Cold War era, we down sized our force structure and the number of military facilities in theater. Since the fall of the Berlin wall in October 1989, USEUCOM has undergone a reduction in forces of approximately 66 percent, from 248,000 (in 1989) to 109,000 (in 2002). We have closed 566 installations over the past decade, along with over 356 other sites and training areas. This reduction equates to a 70 percent shift in personnel and facilities compared to Cold War Era peaks. The scope and rapidity with which force levels and structure were reduced in USEUCOM was an extraordinary accomplishment.

During this turbulent time, my predecessors adjusted our force disposition in keeping with the requirements of our national strategy. Their efforts resulted in the beginning of our "efficient basing" programs and a number of alternative funding programs that have produced tangible results in our effort to provide adequate, affordable housing and facilities for our men and women in uniform. Although the end of the Cold War promised a much more stable and secure Europe, the scope of USEUCOM's mission grew as the newly independent states struggled to define their

place in a free Europe. In the same period, USEUCOM experienced a dramatic decline in the number of installations and a substantial reduction and realignment of our force structure in theater. Consequently, we now have a greater reliance on our forward basing capabilities than ever before. And, I believe forward based and forward deployed forces will be even more important as we confront the security challenges of the next century.

The New Security Environment

Today, we find ourselves at the crossroads of two centuries. While the bipolar security environment of the 20th Century shaped our command, and defined our mission, the 21st Century requires that we depart from the clearly defined role of territorial defense. As we shed the limitations of 20th Century warfare, we are emerging from a doctrine of "attrition" warfare to "maneuver" warfare, from symmetrical to asymmetrical response options, from the principle of mass to the principle of precision, and from large and vulnerable military stockpiles to a revolutionary integrated logistics concept. We are changing from the traditional terrain-based military paradigms to effects-based operations, in order to prepare for a new set of security challenges.

The developed world now faces threats from sub-national or supra-national groups; threats that are based on ideological, theological, cultural, ethnic, and political factors. Our new adversaries do not recognize international law, sovereignty or accepted norms of behavior. These are the challenges of the new world "disorder." They demand new approaches and different metrics by which we allocate resources and develop strategies for the protection of our national interests and the future security of our environment.

Our NATO allies have also recognized the dramatic changes in the European security environment and have responded with the most significant changes to the Alliance's strategic direction since its founding. At the 1999 Washington Summit, members approved the new strategic concept, defining the range of threats the Alliance would have to confront, and identified a broad range of new capabilities necessary to meet them. The same year, three new states joined the Alliance as the expansion eastward began. The Washington Summit set the stage for an even bolder expansion in 2002. During the historic Prague Summit last year, the Alliance again expanded, this time inviting seven new members to join; Latvia, Lithuania, Estonia, Romania, Bulgaria, Slovenia, and Slovakia (Enclosure 3). Equally significant was NATO's commitment to transform its military capabilities, command arrangements, and operational concepts. The endorsement of the NATO Response Force provides political guidance for the Alliance to develop an agile and tailorable joint military force to respond to the full spectrum of crisis, both within and outside NATO's borders. NATO's strategic reorientation and renewed focus on relevant military capabilities will enhance USEUCOM's capability and ensure full interoperability with our most important allies as we transform our forces.

To respond to the dangerous and unpredictable threats of the 21st Century, we are developing a strategy that matches our resources to needed capabilities. We shall continue to refine our strategy and recommend a basing plan that enhances our ability to project our forces, support sustained operations, and conduct engagement activities in the most remote regions of our theater, as required. This plan will reflect the tremendous importance of our main operating bases as strategic enablers to support operations both outside and inside our area of responsibility. In achieving our goals we will begin the process of an in-depth theater transformation that will yield a greater return on our strategic investment.

USEUCOM Transformation Assumptions

Our efforts to transform USEUCOM's infrastructure are based on four principal assumptions. First, that the United States desires to maintain its current position as a Nation of global influence through leadership and the judicious application of military, economic and diplomatic instruments of power. Secondly, that the United States will remain committed to supporting its friends and allies through its involvement in global institutions and in support of treaties and international agreements to which it is a signatory. Thirdly, that the United States, by virtue of its critical contribution to the world order of the 20th Century, remains committed to a global engagement strategy. The military vanguard of this strategy will be found in our forward based, and forward deployed forces, which contribute the first line of defense to promote peace, stability, and order in our world. Finally, that the United States will continue to pursue in depth transformation of the Armed Forces. Changing our basing strategy to respond to the dramatically different challenges of the new century is a key element of this transformation.

Main Areas of Emphasis

The challenges presented by the new security environment and USEUCOM's commitment to national security interests, coupled with the opportunities made possible by transformed forces and infrastructure, suggest three areas of focus: a critical evaluation of our existing infrastructure; a reassessment of how we assign and deploy forces to our theater; and new operational concepts to take advantage of transformational capabilities and concepts.

To begin with, we are critically evaluating every facet of our European Theater footprint. The continued reduction/realignment of "legacy" infrastructure that was justified by the Cold War strategy of the 20th Century is central to our conceptual transformation. We will re-orient some of the capability of our forces in a manner that better reflects our expanding strategic responsibilities and the emergence of new regional and global realities.

Next, we are reassessing how we deploy and assign forces to the European Theater. We will use forces that are joint, agile, flexible, and highly mobile. The combination of permanent and rotational forces, accompanied by an expeditionary European component construct, is better suited to meet the demands of our fluid, complex, multi-faceted, and dangerous security environment.

Additionally, we are adopting operational concepts that capitalize on innovation, experimentation, and technology in order to achieve greater effect. We are witnessing a shift from our reliance on the quantitative characteristics of warfare (mass and volume), to a new family of qualitative factors. Today, warfare is characterized by speed, stealth, precision, timeliness, and interoperability.

The modern battlefield calls for our forces to be lighter, less constrained and more mobile, with a significant expansion in capability and capacity. The principle of maneuver, attained by leveraging technologies, reduces a unit's vulnerability while increasing its lethality and survivability. High-speed troop lift (on land and sea), precision logistics, in-stride sustainment, and progressive Command and Control (C2) architectures are strategic enablers that translate into power projection.

USEUCOM as a Strategic Enabler

With our forward presence, bases in USEUCOM provide a springboard from which U.S. forces are able to rapidly support efforts beyond our area of responsibility. In addition to being an "ocean closer," USEUCOM enjoys a robust and secure transportation network in Germany, Belgium and the Netherlands that provides a tremendous power projection capability and provides our Nation immense capability and flexibility to carry out our National Security Strategy. Nowhere is this better demonstrated than in the ongoing operations in Afghanistan and Iraq.

USEUCOM's role and contributions to Operation ENDURING FREEDOM are significant, and go far beyond simply providing intermediate staging facilities. Our transportation planners have extensive experience with some of the best ports, rail connections, and airfields in the world, allowing immense flexibility in carrying out this campaign. For example, U.S. Army Europe rapidly established a rail line of communication from Bremerhaven, Germany, through Eastern Europe to Kabul, Afghanistan, facilitating the efficient movement of bulk supplies and heavy equipment. U.S. Air Forces in Europe has flown thousands of tons of humanitarian and military supplies into Southwest Asia. The Naval Air Station Sigonella and Naval Station Rota provided the staging and throughput for the majority of supplies moving south and east. The Army's 21st Theater Support Command is fully engaged in the effort providing thousands of tons of medical supplies, food, blankets, and relief support in this effort.

The importance of USEUCOM's strategic bases is further demonstrated by the support provided to Operation IRAQI FREEDOM. Over 22,000 U.S. military personnel from USEUCOM are under the operational control of USCENTCOM in support of Operation IRAQI FREEDOM. Most recently, the 173rd Airborne Brigade from the U.S. Army Southern Europe Airborne Task Force (SETAF) traveled 2,200 miles to successfully complete a "combat jump" into northern Iraq. The capability to successfully deploy SETAF is a direct result of the Efficient Basing South initiative. Additionally, European-based Patriot Air Defense systems have been deployed to Turkey and Israel reassuring these key allies of the United States' reliability and concern for their defense.

European-based U.S. Air Force C-130 aircraft are moving supplies and equipment bound for the Iraqi Theater of Operations through Europe. Additionally, we are providing advanced basing support to U.S. Central Command and U.S. Transportation Command at Burgas, Bulgaria; Constanta, Romania; Ramstein and Rhein Main Air Bases, Germany; Souda Bay, Greece; Akrotiri, Crete; Aviano, Italy; Moron and Rota, Spain; and RAF Fairford, and RAF Mildenhall in the United Kingdom. So far, this airlift bridge has moved over 26,165 passengers and 45,188 short tons of equipment

and provided a departure point for special operations aircraft, and bombers, as well as tankers to support a myriad of coalition forces.

In addition to our six main operating bases, four Forward Operating Bases were established to support coalition operations. Most significantly, our forward presence enabled our B-52s operating from RAF Fairford to strike targets in Iraq with half the number of air refuelings and two-thirds the quantity of fuel. Ultimately, this presence enabled us to double our sortie generation rates by turning bombers and crews in 18 hours or less versus 48 hours from locations in the U.S. This was crucial to not only to strike assets such as B-52s but also for C-17s operating out of Aviano Air Base, Italy, which dropped over 1,000 Army airborne troops into Northern Iraq, opening up the northern front. Reduced timelines mitigate strains on PERSTEMPO, lessen impact on operational assets, and provide commanders greater flexibility on the battlefield.

U.S. Naval bases in Europe provided logistics support to two carrier battle groups and one Amphibious Ready Group (ARG) operating with the SIXTH Fleet in the eastern Mediterranean. Air wings from these two carriers, and cruise missiles from other ships, conducted strike and close air support missions into northern Iraq, providing continuous air support to Coalition Forces. U.S. Marines from the Amphibious Ready Group were inserted into northern Iraq directly from NSA Souda Bay, supporting security efforts in that volatile region. Sailors from U.S. Naval Forces Europe's Naval Mobile Construction Battalion deployed to support force flow preparatory tasks in Turkey and tactical logistics support on the battlefield in Iraq alongside units of the 1st Marine Expeditionary Force.

USEUCOM is also actively engaged in the movement and treatment of U.S. and allied soldiers wounded or injured in Southwest Asia. Casualties are transported to the Regional Medical Center in Landstuhl, Germany, and Fleet Hospital EIGHT, a naval expeditionary hospital that was set-up at Naval Station Rota, Spain. European-based intelligence specialists from every branch of the U.S. Armed Services are providing timely, accurate, and actionable intelligence to U.S. Forces engaged in combat in Iraq, our commanders and national leaders.

Theater capabilities are the derivative of operational concepts that have been validated through combined and joint exercises. The Marine Corps' strategic agility and operational reach capability was demonstrated during the Dynamic Mix exercise conducted in Spain last year by the 2nd Marine Expeditionary Brigade. The derivative of this exercise is Task Force Tarawa, which has played a vital role in the war in Iraq. Exercising strategic enablers in theater, such as the Maritime Positioning Squadron (MPS) assets of the 2nd Marine Expeditionary Brigade, provides valuable lessons, increases efficiencies, and leads to operational success.

The operations in Afghanistan and Iraq highlight USEUCOM's value as a strategic enabler and underscore the importance of regional engagement. In both operations, new and willing allies made significant contributions that resulted in increased operational reach and combat effectiveness for U.S. and coalition forces. These same new allies offer new and exciting opportunities for training and future basing.

Basing Concepts for the 21st Century

Semi-permanent expeditionary bases, such as those utilized in Operation IRAQI FREEDOM, can more effectively engage and influence the stability of the region. Joint Forward Operating Bases such as "Camp Bondsteel" in Kosovo have proven their merit and demonstrate a visible and compelling presence at a fraction of the cost of a larger "small American city" base, more emblematic of the past. The strategic value of establishing smaller forward bases across a greater portion of our area of responsibility is significant and would allow us to assign and deploy our forces more efficiently.

Transforming how U.S. forces are based and deployed in the USEUCOM area of responsibility will be a difficult process, but one, which is absolutely essential. To achieve our goals and meet the new security challenges, we must be willing to embrace institutional change and accept a shift in our previously understood paradigms. The importance of moving this process along quickly is heightened in light of the current disposition of our facilities and installations. The average age of USEUCOM's 36,435 facilities in our 499 installations is 32 years. It is worse in family housing, where the average age in U.S. Army Europe family facilities, is now 48 years. In U.S. Air Forces in Europe, it is 43 years, and in U.S. Naval Forces Europe, it is 35 years. Due to other pressing requirements, insufficient resourcing and modernization, since 1989, has resulted in 19,090 government quarters being officially termed "inadequate."

The utilization of a rotational basing model, more flexible and along the lines of an expeditionary construct, will complement our forward-basing strategy and enable

us to reverse the adverse proportions of our theater “tooth-to-tail” ratio. Rotational forces require less theater infrastructure and increase our agility to respond to changing environments at significantly lower cost than that generally associated with closing and moving bases. In this regard, rather than enabling our operations, some of our “legacy” bases (those that are not strategic enablers), can become modern day liabilities as we strive to deal with the security challenges of the new century.

While this may represent a dramatic shift in how USEUCOM operates, it is not a foreign concept to our Service Chiefs. The Navy-Marine Corps team, for example, has been a predominantly expeditionary force since its inception. The Air Force has already created and implemented the Expeditionary Air Force model and the Army is in the process of creating lighter and more agile forces. Our global presence, of both sea-based and land-based units, redistributed more strategically, will achieve the desired goals of our National Security Strategy.

This approach to transformation is not intended to undermine the consolidation and revitalization process related to the “enduring” infrastructure of our vital Strategic Bases. It is a continuum of our effort to increase efficiencies and provide greater effectiveness for our forces. Through the proper melding of forward basing with new and more agile expeditionary components, we will achieve the desired capability and the right balance to ensure our effective forward presence in the 21st Century.

With your support, it will be possible to achieve significant reforms to our old and costly infrastructure in the near future. We have come a long way since the days of the Cold War, yet there is much still to do. The process to review our current infrastructure inventory and assess its merit through the lens of transformation is already well underway.

Theater Basing & Consolidation Efforts

USEUCOM completed a deliberate and detailed internal review of basing requirements and infrastructure that was completed in March 2002. This study allowed us to develop criteria by which we could evaluate our Real Property Inventory and determine those installations essential for mission accomplishment. As an example, our study determined that 80 percent, or 402 of the existing 499 installations in theater, were judged to be of “enduring” value (Tier I). This is to say, 402 European installations were assessed to be vital to the execution of U.S. Strategies, and worthy of regular funding and improvement, without which our mission may risk failure. It was determined that future military construction expenditures, in support of these installations, were both appropriate and necessary. Our fiscal year 2004 military construction program focuses on these enduring installations deemed “vital” by the basing study.

The study also determined that 14 percent, or 68 of the 499 installations in theater, were “important” to theater operations (Tier II). The study further determined that 6 percent, or 29 installations in theater were of “non-enduring” value (Tier III), or of “non vital” importance to the accomplishment of our missions. Tier III installations only receive the minimal sustainment (Operations & Maintenance) funding required. They will receive no military construction funding. USEUCOM’s fiscal year 2004 military construction submissions, contained in the President’s Budget are only for enduring installations.

This early study enabled us to accurately assess the utility of our bases in theater and provided us a useful benchmark to align our future infrastructure requirements to our new strategy. Our budget request reflects the relevant points from this study, along with our ongoing efforts to establish a force structure and basing plan that more aptly meets the challenges of the current security environment. Toward that end we are working in the Secretary of Defense’s broader study on, “Integrated Global Presence and Basing Strategy,” which will ensure that USEUCOM’s footprint is properly sized and structured to meet our changing national security interest.

Much of the groundwork for the study was well underway in 2000, when the U.S. European Command established a formal theater basing working group. This group brought together the basing plans of each of our Service Components to address issues that cross Service lines and best posture our in-theater forces to meet current and emerging threats. The release of the Quadrennial Defense Review provided the working group with the force structure information needed to pursue an appropriate basing strategy. As we restructure our footprint in USEUCOM we are considering future capabilities like the Army’s Stryker Brigade Combat Team. Design and planning for the Stryker Brigade Combat Team conversion is underway and is reflected in U.S. Army Europe’s input to the Future Years Defense Program.

It is important to understand the criteria used to evaluate basing strategies. The March 2002 study met the strategy requirements set forth for that study which was primarily for fixed forces. A fixed force strategy is very different from a strategy using rotational forces working and training out of semi-permanent expeditionary bases. We have begun a new evaluation of our basing requirements, using different criteria, with an operational premise of employing some rotational units in theater. USEUCOM's service components are leading the way in this important effort and are the agents of change as we continue with this vital transformation.

Military Construction Requests by Service Components

Rather than invest significant sums of money into all of our existing facilities, some of which may not be suited to our future basing needs, nor to our force requirements, we can seize the moment to apply the newer metrics of transformation to determine how best to spend, and where best to spend, our resources. The process has begun with the reshaping of our fiscal year 2004 military construction requirements.

USEUCOM submitted a realigned MILCON program, reducing the number of requested projects from 50 to 37, a reduction of \$164.20 million, to the Secretary of Defense. Theater components are realigning four non line item family housing projects with their services for a combined value of \$70.90 million. We have requested that five projects for enduring installations, with a total value of \$57.90 million, be added to the military construction program. Together, these adjustments will help set the conditions for successful transformation.

U.S. Army Europe (USAREUR)

U.S. Army Europe has the greatest amount of infrastructure in the theater and in order to ensure funding is concentrated on only enduring installations; USAREUR's military construction program has been adjusted from eleven line item projects to five, a reduction from \$177.60 million to \$121.70 million. USAREUR is working with the Department of the Army to realign three non-line item family housing military construction projects with a value of \$49.90 million to installations that are enduring. The adjustments to the fiscal year 2004 program will reduce older static infrastructure and improve the efficiency of the enduring bases.

Consistent with the objectives of our earlier basing study, USAREUR's Efficient Basing East is an ongoing initiative to enhance readiness, gain efficiencies, and improve the well being of 3,400 soldiers and 5,000 family members by consolidating a brigade combat team from 13 installations in central Germany to a single location at Grafenwöehr, Germany, further east. Executing this initiative will enhance command and control, lower transportation costs, enable better force protection, improve access to training areas, eliminate over 5 million square feet of inventory, and reduce base operations costs by up to \$19 million per year.

U.S. Army Europe's other major basing initiative, Efficient Basing South, is likewise consistent with established basing objectives and is well into the execution phase. Efficient Basing South, which added a second airborne battalion to the 173rd Airborne Brigade in Vicenza, Italy, provides U.S. European Command with enhanced forced entry capabilities, increased flexibility and more efficient use of ground combat troops by increasing the Army's tooth-to-tail ratio. It addresses the theater requirement for additional light-medium forces, which in concert with other support modules, will deploy as part of the Immediate Reaction Force. The second battalion, reached full strength in March 2003, and recently deployed to Northern Iraq.

In support of the Efficient Basing South initiative, the Defense Department's submission to the President's fiscal year 2004 budget includes a critical \$15.5 million Joint Deployment Processing Facility at Aviano Air Base, Italy, to support the 173rd Airborne Brigade's rapid deployment mission with a heavy drop rigging facility. A project we have asked consideration for funding this year is a \$13 million Personnel Holding Area to provide our troops with cover and space to check parachutes, weapons, and equipment before boarding their airlift.

U.S. Air Forces in Europe (USAFE)

U.S. Air Forces in Europe are also assessing its basing strategy in the theater, looking east and south to optimize access, interoperability, cooperation, and influence. This strategy relies on permanent bases, necessary to provide mobility throughput and power projection to Forward Operating Locations in the new NATO countries. Although these bases are not all main operating bases, they are geo-strategically located in the European theater.

U.S. Air Forces in Europe continues to consolidate some of its geographically disparate units throughout the region to major operating bases that support airlift and power projection capabilities, thus increasing efficiencies while reducing footprint.

Fiscal year 2004 military construction is critical for these consolidation efforts, focusing on improvements to infrastructure and quality of life. The budget contains 21 line-item projects valued at \$178.07 million. Recently submitted transformational adjustments to the program reduce the line-item projects to 18, but add two projects for a combined value of \$158.71 million. These projects provide improvements to enduring installations across the spectrum including a mobility cargo processing facility, consolidated communications facilities, aircraft ramps, and crash fire stations. Critical quality of life improvements that positively impact our mission include an airman's dormitory, Family Support and Child Development Centers. One non-line item family housing project for \$21 million is also being realigned to an enduring installation in the theater.

U.S. Naval Forces Europe (NAVEUR)

Power and influence projection throughout the area of responsibility, strategic agility worldwide, and our ability to swing combat and logistics forces around the world—requires assured access through Air and Sea Lines of Communication. Line of communication control is a fundamental strategy that will be enhanced by our future Forward Operating Bases, and Forward Operating Locations, as they directly support the force flow and stability operations of the future. The Navy's revised fiscal year 2004 military construction submission contains four projects, totaling \$94.90 million that will continue to strengthen U.S. Naval Forces Europe's support to project logistics and combat power east and south.

Recapitalization of Naval Air Station Sigonella's operational base improves its ability to support logistics flow. The significant Quality of Life and operations support facilities upgrades at NSA La Maddalena's waterfront, the homeport of Navy's Mediterranean based ship-repair tender, will ensure USEUCOM maintains the capability for unimpeded access to repair facilities for nuclear powered warships. Construction of a Bachelor Quarters at Joint Maritime Facility St. Mawgan will eliminate serious antiterrorism and force protection risks and improve single sailor quality of life at this critical joint maritime surveillance facility. These projects will ensure that these critical bases can support future operations and maintain our surveillance coverage of the eastern Atlantic Ocean.

U.S. Naval Forces Europe is also considering consolidating several satellite locations, including those in London, as a means of gaining efficiency and reducing the footprint to effectively respond to the changing theater mission requirements and transformational initiatives. In 1990 there were 14 major naval bases and 17,500 naval personnel permanently stationed at shore bases. Today, U.S. Naval Forces Europe's footprint has been reduced by five bases and the number of personnel in-theater has decreased by one third. Previous closures have predominately been in the United Kingdom with follow-on military construction focusing on enhancing Navy bases in the Mediterranean.

U.S. Marine Forces Europe (MARFOREUR)

U.S. Marine Corps Forces Europe is the smallest Service Component Command in USEUCOM. It is, however, well structured to support transformational concepts with its pre-positioned equipment set, the Norway Air-Land Brigade and Maritime Pre-Positioning Squadron-1 (MPSRON-1). The force projection capability associated with MPSRON-1 is a timely and effective means to place a self-sustaining 15,000 man, combat-ready brigade when and where its presence is required. The Norway Air-Land Brigade set of equipment and supplies started in the mid-1980's as a pre-positioned deterrent located in Norway during the Cold War. Over the years, the Norway Air-Land Brigade program has evolved into a very cost effective, and timely pre-positioned capability for the entire USEUCOM area of responsibility. The equipment and supplies have been used numerous times during past years from the war in Kosovo, to the current War on Terrorism. The return that USEUCOM gains for the extremely small cost and physical footprint associated with U.S. Marine Corps Forces Europe is substantial.

U.S. Special Operations Europe (SOCEUR)

Special Operations Command Europe (SOCEUR) continues to examine the feasibility of relocation from Patch Barracks, Vaihingen, Germany, to other installations within the Stuttgart military community. Consolidation of headquarters command and staff elements is a key goal. HQ SOCEUR currently operates from six facilities on two installations, Patch Barracks and Kelly Barracks, within Stuttgart. Two of SOCEUR's four subordinate units are based on Panzer Kasern, Stuttgart.

Effective 1 October 2004, SOCEUR's military personnel authorization increases by 79 personnel with the addition of a Standing Joint Special Operations Task Force. Also in fiscal year 2004, USSOCOM will fund approximately \$11.4 million for the construction of hanger and office facilities for the fiscal year 2005 basing of F Com-

pany, 160th Special Operations Aviation Regiment, at the Stuttgart Army Air Field, totaling 105 personnel. In fiscal year 2005, HQ SOCEUR will receive a Joint Special Operations Air Component consisting of an additional 32 manpower authorizations. Basing options within the USEUCOM Theater are being evaluated.

War Reserve Material

Multi-service war reserve material in the theater is presently stored in several Preposition Sites throughout USEUCOM's area of responsibility. There is \$22 million in our fiscal year 2004 military construction request to establish facilities to store a pre-positioning set of equipment that supports our basing strategy. Pre-positioned equipment is essential to support our rotational force concept. These war reserve material sites are strategic enablers that facilitate rapid response to crises, reduce the burden on strategic-lift assets, and optimize our ability to project power.

Infrastructure Investment: A Key Enabler

It cannot be overstated—the quality of our infrastructure has a profound impact on our operations, intelligence capabilities, training, security cooperation activities, and the quality of life of our service members. We recognize the need to eliminate excess infrastructure, and the Congressionally mandated and OSD-directed Overseas Basing Requirements Study highlights our most recent efforts to do so. However, despite our continued efforts and determination, it has not been possible to improve existing infrastructure and reduce the degradation of mission readiness at existing funding levels. Considering the tremendous impact our infrastructure makes on all aspects of our mission, and the current state of our facilities, infrastructure investment is our most critical funding requirement.

We have a coherent basing strategy based on current and emerging threats; we continue to consolidate our facilities; and, we have maximized the use of alternative funding sources. In addition to Appropriated and Non-Appropriated Agency Construction and Service funding, we pursue several alternative funding programs that have contributed to this effort. Such programs include the North Atlantic Treaty Organization Security Investment Program, Residual Value, the Payment-in-Kind program, and Quid Pro Quo initiatives. Since 1990, these programs have generated in excess of \$2 billion for construction projects throughout U.S. European Command's area of responsibility.

Significant efforts by the Service Components to consolidate, privatize, and outsource have reduced the requirements backlog. Our very successful, and still embryonic use of the build-to-lease program to recapitalize our family housing throughout the theater has substantially decreased our military construction requirements. However, we need to do much more in this regard, and the renovation of existing housing is an area that still accounts for 20 percent of the theater's request for military construction funding.

USEUCOM has embraced the concept and practice of Public-Private Ventures with build-to-lease housing, contracted support services, and the privatization of utilities. We are aggressively pursuing utilities privatization and the use of private sector financing to improve utility system reliability. U.S. Army Europe started these programs in the 1980's with the privatization of their heating plants and systems and continued in 1996 with other utilities. 85 percent of U.S. Army Europe's heating systems have been privatized providing a cost avoidance of \$2 billion. Since 1996, 39 percent of their utility systems have been privatized resulting in a cost avoidance of \$27.60 million. In fiscal year 2003, the Army's cost avoidance was \$15.40 million. U.S. Air Forces in Europe has contracted out base operating support functions, using private industry to provide civil engineering, services, supply, and other important support. United States military personnel and civilian employees normally hold these positions, but at certain locations, we have effectively transferred the workload to the private sector. The USEUCOM Service Components have all divested their family housing and presently have a mix of both Government Family Housing and build-to-lease family housing.

Our fiscal year 2004 military construction request has recently been revised and submitted to the Office of the Secretary of Defense for consideration. The adjustments submitted reflect recommended funding support for our most strategically enduring installations, supports our long-term effort to capitalize on new capabilities and appropriately arrayed forces to enhance our theater engagement strategy. With the funding requested, we can continue to transform and align our forces in a manner that is consistent with our expanding strategic interests and Alliance responsibilities, while improving the quality of life for those who serve.

Summary

USEUCOM is proceeding with a strategy that matches military capabilities with the challenges of the new century. Through the proper blend of our Strategic Bases

with newer and more agile Forward Operating Bases, we will achieve the combined capability, and the right balance, necessary in the new millennium. I would like to thank the Congress for its continued support, without which our Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen would be unable to perform the tasks assigned to them by our Nation. With your continued assistance, they will remain ready and postured forward to defend freedom, foster cooperation and promote stability throughout our theater of operations. I appreciate the opportunity to testify, and for the committee's consideration to my written and oral remarks.

I look forward to responding to your questions.

LEXICON OF TERMS

Main Operating Base.—Strategically enduring asset established in friendly territory to provide sustained command and control, administration, and logistical support in designated areas.

Forward Operating Base.—Semi-permanent asset used to support tactical operations without establishing full support facilities. Can be scalable, and may be used for an extended time period. May contain prepositioned equipment. Backup support by a MOB may be required to support

Forward Operating Location.—Expeditionary asset similar to a FOB, but with limited in-place infrastructure. May contain prepositioned equipment.

Preposition Site.—Sites that contain prepositioned war reserve material (Combat, Combat Support, Combat Service Support), usually maintained by contractor support.

Base.—Locality from which operations are projected or supported; An area or locality containing installations, which provide logistic or other support; and Home airfield or carrier.

Installations.—A grouping of facilities, located in the same vicinity, which support particular functions. Installations may be elements of a base.

Facility.—A Real Property entity consisting of one or more of the following: a building, a structure, a utility system, system, pavement, and underlying land.

Site.—A geographic location that has one or more bases or facilities associated with it.

Senator HUTCHISON. Thank you, General Jones.

General LaPorte.

General LAPORTE. Madam Chairman, Senator Feinstein, Senator Stevens, thank you for your opening comments. I am honored to appear before the Committee to update you on the current situation in the Republic of Korea.

First, I want to extend the thanks of all the soldiers, sailors, airmen, marines, and Department of Defense civilians who serve in Korea. Your unwavering support enables us to maintain readiness and accomplish our deterrence mission on the Korean Peninsula.

This past year, we were able to harden theater-level command posts, renovate a portion of our existing facilities, and begin construction on several new projects, to include new barracks, family housing, and multipurpose facilities on our enduring bases. These projects continue the work needed to provide service members with quality facilities to work and to live.

This year is a unique opportunity to significantly improve readiness and overall quality of life in Korea. We are committed to consolidating our dispersed and inefficient legacy installations into hubs of enduring installations that position units where they can best accomplish their assigned missions. Consolidation is a critical step toward solving systematic issues related to encroachment, decaying support infrastructure, overcrowded and inadequate housing, and deficient force-protection design.

Three programs, the Yongsan Relocation, the Land Partnership Plan, and the future of the Alliance Policy Initiative, are the vehicles to implement this much-needed reorganization.

Yongsan Relocation has received renewed attention this year. Under the original 1990 Yongsan Relocation Agreement, the Republic of Korea committed to fund the movement of the United States Forces Korea units out of Central Seoul. Due to President Roh's current administration's support and emphasis, we now have agreed, in principle, to accelerate the Yongsan Relocation.

The Land Partnership Plan. The principal instrument for consolidating our 41 major installations and 90-plus camps and stations is on track. The Land Partnership Plan, signed by the Minister of National Defense and ratified by the Korean National Assembly, will ensure stable stationing of the United States Korea forces. It returns half of the land, 32,000 acres, granted to the United States forces under the Status of Forces Agreement. In exchange, the Republic of Korea Government will procure the land needed for new construction on our enduring installations' hubs. Moreover, the Land Partnership Plan has the flexibility needed to accommodate refinements in force structure and stationing. The Land Partnership Plan requires no new military construction funding; however, it depends on stable funding to existing military construction projects throughout the future years defense plan.

To strengthen the Republic of Korea-United States Alliance and to ensure continued regional and peninsula security, we are in the midst of a Future of the Alliance Policy Initiative Study, a series of high-level consultations directed by the Secretary of Defense and the Republic of Korea Minister of Defense. The Future of the Alliance Policy Initiative is designed to strengthen the alliance, enhance deterrence, shape future roles, missions, and functions for the combined military forces, and establish a stable stationing plan. The Future of the Alliance Policy Initiative brings 21st century warfighting capability to Korea and improves combined deterrence. It synchronizes our efforts to consolidate United States Forces Korea into hubs of enduring installations through the Land Partnership Plan and Yongsan Relocation. We also achieve significant economies of scale that reduce the overall cost of operating our bases.

Because of the Republic of Korea's commitments provided in these three innovative programs, I am confident that we can implement our Military Construction Plan to achieve efficiencies and improve readiness and overall quality of life. U.S. support to stable military construction budgets for projects in future years is essential to bringing this plan to fruition.

Our strategy uses a balance of sustainment, renovation, build-to-lease, and military construction to address our core deficiencies. We prioritize military construction projects based on their impact on readiness, infrastructure, mission accomplishment, and quality of life. This approach ensures that we use resources to address the most pressing needs on our enduring installations.

PREPARED STATEMENT

To implement this strategy, we need your help in two areas, continued stable military construction budgets and, secondly, a change in the rules governing build-to-lease programs in the Republic of Korea.

I am confident that our strategy will prudently use military construction projects to improve the overall readiness and quality of life for the service members who serve in Korea.

I thank you for the opportunity to appear today before this Committee, and I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL LEON J. LAPORTE

INTRODUCTION

Senator Hutchison, Senator Feinstein, and distinguished committee members, I am honored to appear before you as Commander United Nations Command, Combined Forces Command, and United States Forces Korea. I want to express our deep gratitude to Congress for your support to our forces serving in Korea. Our ability to accomplish the mission in Korea has been possible because of the help you provided. Over the last year, we have had many legislators and their staffs visit Korea. They spent time with our service members hearing about their concerns, and seeing the living and working conditions firsthand. With your support we have made significant quality of life improvements such as workplace renovation, housing upgrades, and providing internet access in our libraries, day rooms and community centers. However, there is much more to be done. Your efforts and personal involvement made a tremendous impact on our people. On behalf of all the Soldiers, Sailors, Airmen, Marines, and Department of Defense civilians serving in Korea, I thank you for your continued support.

This has been an extraordinary year in Korea. 2002 marked the fourth democratic transfer of power in the Republic of Korea, renewed South Korean efforts toward inter-Korean reconciliation, and the first World Cup hosted in Asia. In contrast, there were some discouraging incidents such as North Korea's calculated armistice violation in the West Sea, exposure of the North Korean nuclear weapons programs, a tragic training accident in June, and cyclic rise of anti-United States Forces Korea sentiment. North Korea attempted to split the Republic of Korea-United States Alliance by exploiting these events. Our Alliance weathered these challenges and continues to serve as the foundation for peace and security throughout Northeast Asia. These incidents have firmly reinforced three points: the consequences of events in Korea affect the entire world, continued United States presence in Northeast Asia is critical to regional stability, and the Republic of Korea-United States Alliance is essential to regional security.

CONSOLIDATING TO ENDURING INSTALLATIONS

This year is a unique opportunity to significantly improve readiness and overall quality of life in Korea. We are committed to consolidating our dispersed and inefficient legacy installations into hubs of enduring installations that position units where they can best accomplish their assigned missions (Figure 1). Moreover, this effort is a crucial step toward solving systemic issues related to encroachment; decaying infrastructure; overcrowded and inadequate housing; and deficient force protection design. Momentum in three major programs facilitate this consolidation effort: Yongsan relocation; Land Partnership Plan; and the Future of the Republic of Korea-United States Alliance Policy Initiative.

Yongsan relocation has received renewed attention this year. Under the original 1990 Yongsan relocation agreement, the Republic of Korea committed to fully fund the movement of United States Forces Korea units out of central Seoul. For a variety of reasons, relocation of Yongsan languished until the current Korean government placed heavy emphasis on moving national government functions out of Seoul. Partly as a result of the Roh administration's emphasis, we now have agreement-in-principle to accelerate Yongsan relocation. Next month we expect to complete the Yongsan relocation facilities master plan. The Republic of Korea will pay all costs associated with Yongsan relocation. We are aggressively working with the Republic of Korea government to decide the details of timing and final facilities for Yongsan relocation under the terms of the original agreements.¹

¹ The Yongsan relocation agreement provides for residual U.S. presence in Seoul to man headquarters billets for Combined Forces Command and United Nations Command. United States Forces Korea headquarters and operational units will move out of Seoul.

Land Partnership Plan, in its first year of execution, is the principle instrument for consolidating our 41 major installations.² Approved by the Ministry of National Defense in March 2002 and ratified by the National Assembly in November 2002, Land Partnership Plan has the full support of the Korean government and will ensure stable stationing for United States Forces Korea. Land Partnership Plan depends heavily on predictable military construction funding because the needed facilities are funded by a combination of United States military construction and host nation funded construction.³

Land Partnership Plan is a comprehensive, durable framework for United States Forces Korea stationing. It returns half of the land (32,000 acres) granted to United States Forces Korea under the Status of Forces agreement. In exchange, the Republic of Korea government must procure the land needed to expand our enduring installations. These land parcels accommodate new facilities construction and provide easements that reduce encroachment and improve force protection. Moreover, Land Partnership Plan has the flexibility needed to accommodate refinements in force structure or stationing to achieve efficiencies identified through the Future of the Republic of Korea—United States Alliance Policy Initiative.

The Future of the Alliance Policy Initiative is a series of high-level consultations designed to strengthen the Alliance, enhance deterrence, shape future roles, missions, and functions for the combined military forces, and establish a stable stationing plan for United States Forces Korea. During these talks, the Republic of Korea confirmed the agreement to consolidate United States Forces Korea into hubs of enduring installations and to refine the Land Partnership Plan to implement a stable stationing plan.⁴ The details of the consolidation will be developed in subsequent meetings between the Republic of Korea Ministry of National Defense and Ministry of Foreign Affairs and Trade in conjunction with the United States Office of the Secretary of Defense and State Department.

With these three innovative programs, I am confident that we can implement our military construction plan to enhance readiness; achieve efficiencies; guarantee force protection; and improve overall quality of life. Your support to stable military construction budgets for projects in the Future Year's Defense Plan is essential to bringing this plan to fruition.

Today I will address current and future requirements in the context of: the Northeast Asia security environment; the Republic of Korea today; the North Korean challenge to regional and global security; the Republic of Korea-United States Alliance; and the Fix Korea Strategy.

THE NORTHEAST ASIA SECURITY ENVIRONMENT

Northeast Asia is a nexus of economic might, competing interests, converging threats, cultures, and historical animosities. Over 17 percent of the world's trade value is with countries in Northeast Asia, and United States trade with the region (over \$414 Billion) is second only to our trade with the North American Free Trade Association.⁵ Many of the nations in the region—China, Japan, Russia, and the Republic of Korea—are contending for economic and political influence. Enduring cultural and historical animosities remain a dynamic political force. This region marks the convergence of five of the world's six largest militaries, and three of the five declared nuclear powers. Today, the current military demarcation line between North and South Korea is the most heavily armed in the world and remains an arena for confrontation. North Korea's pursuit of nuclear weapons and proliferation of missile technology threatens global and regional stability. United States presence in Korea demonstrates our firm commitment to defend democratic values and prevent our en-

²As ratified in November 2002, the Land Partnership Plan identifies 23 enduring United States Forces Korea installations on the Korean peninsula. As part of the Future of the ROK-U.S. Alliance Policy Initiative, USFK proposed LPP refinements to further reduce the number of enduring installations and accelerate consolidation into enduring hubs.

³The Land Partnership Plan agreement provides the Status of Forces Joint Committee the authority to negotiate modifications to the basic plan.

⁴The joint press statement from the first Future of the Alliance Policy Initiative meeting confirms ROK commitment to USFK consolidation and acceleration of Yongsan relocation: "The two sides agreed to consolidate the USFK base structure in order to preserve an enduring stationing environment for USFK, to achieve higher efficiency in managing USFK bases, and to foster a balanced development of ROK national lands. Both sides agreed to continue discussion on the timing of the overall realignment process . . . to provide a stable stationing environment for USFK, the two sides agree to relocate Yongsan Garrison as soon as possible."

⁵Derived from U.S. Census data. For 2002, total trade with Northeast Asia (\$U.S. billion) are: Japan \$172.93, China \$147.22, Republic of Korea \$58.17, Taiwan \$50.59. Trade with NAFTA during the same period was \$557.39 (Canada \$371.39 and Mexico \$232.26), (<http://www.census.gov/foreign-trade/top/dst/2002/11/balance.html>, accessed 14 APR 2003).

emies from threatening us—and our partners—with weapons of mass destruction. Our forces in Korea send the clear message that we will stand with our allies and friends to provide the stability that promotes prosperity and democratic values.

The Republic of Korea Today

The Republic of Korea today is fast becoming a global economic competitor. In 2002 the Republic of Korea's economy grew six percent while boasting the world's 11th largest Gross Domestic Product and third largest cash reserves.⁶ The Republic of Korea's vision of the future is to diversify its economy by becoming the "transportation, financial, and information technology hub of Northeast Asia".⁷ This vision seeks to route Northeast Asia, Europe, and the Americas trade through South Korea using an inter-Korean transportation system. Inter-Korean initiatives begun by former President Kim, Dae Jung and continued by President Roh, Moo Hyun pursue reconciliation for cultural, economic, and humanitarian reasons. The Republic of Korea's engagement policies toward North Korea profoundly affect how South Koreans view their relations with the United States and North Korea.

Many South Koreans under age 45, a generation that has lived in an era of peace, prosperity, and democratic freedoms, have a diminished perception of the North Korean threat. These South Koreans see North Korea not as a threat but rather as a Korean neighbor, potential trading partner and a country that provides access to expanded Eurasian markets. This view of North Korea contrasts with America's view that North Korea is a threat to regional and global stability. This divergent perception of North Korea, coupled with strong national pride, has been a cause of periodic tension in the Republic of Korea-United States Alliance.

There have always been groups in the Republic of Korea that are critical of United States policy and claim that the United States hinders inter-Korean reconciliation. Demonstrations against American policy and military presence increased sharply during this year's Republic of Korea presidential election. Political interest groups made claims of inequity in the Republic of Korea-United States alliance a central issue during the presidential campaign. Opposition groups exploited a United States military court's acquittal of two American soldiers charged with negligent homicide in the tragic training accident that claimed the lives of two South Korean schoolgirls last June. Non-governmental organizations asserted that the Status of Forces Agreement (SOFA) was unjust and that the acquitted soldiers should have been tried in a Republic of Korea court rather than by a United States military court. During the presidential election campaign, these groups used biased and inaccurate media reporting to inflame anti-United States Forces Korea sentiments and mobilize demonstrations, a traditional tool of political protest in the Republic of Korea. Regrettably, several of these protests turned violent.

Since the December 2002 Republic of Korea presidential election, anti-United States Forces Korea demonstrations have virtually disappeared, due in large part to positive steps taken by United States Forces-Korea, the United States Embassy, and the Republic of Korea government. Shortly after his election, President Roh, Moo Hyun voiced support for a strong Republic of Korea-United States alliance and continued United States military presence in Korea even after reconciliation. Since the presidential election, pro-American groups in the Republic of Korea have conducted demonstrations, some as large as 100,000 people, supporting the continued stationing of United States forces in the Republic of Korea. The future of the Alliance involves the Republic of Korea assuming the predominant role in its defense and increasing both Republic of Korea and United States involvement in regional security cooperation. I firmly believe that we have an opportunity to revitalize the Alliance, by closely examining the roles, missions, capabilities, force structure, and stationing of our respective forces.

THE REPUBLIC OF KOREA'S SUPPORT TO GLOBAL MILITARY OPERATIONS

The Republic of Korea has continued their support for U.S.-led operations in Iraq and Afghanistan. The Republic of Korea's National Assembly has extended its mandate and increased its commitment of support forces to Operation ENDURING FREEDOM through December 2003. Today Republic of Korea liaison officers are planning and coordinating with their United States counterparts at both Central

⁶United States Department of State, Country Commercial Guide Korea, fiscal year 2003.

⁷President Roh, Moo-hyun announced his intent to position the Republic of Korea as the "economic powerhouse of Northeast Asia". In public appearances, he amplified this vision stating that he sought to make South Korea the transportation, financial, and information technology hub of Northeast Asia. For President Roh's national priorities, see Korea Herald articles at http://kn.koreaherald.co.kr/SITE/data/html_dir/2003/01/11/200301110003.asp, http://kn.koreaherald.co.kr/SITE/data/html_dir/2002/12/28/200212280010.asp.

Command and Pacific Command headquarters. The Republic of Korea has provided several contingents of support troops to Operation ENDURING FREEDOM, including a navy transport ship moving essential airfield material to Diego Garcia, four C-130 cargo aircraft to support the United States Pacific Command's operations, a hospital unit in Afghanistan, and an engineering unit at Bagram Air Base, Afghanistan. In addition, the government of the Republic of Korea has provided \$12 million of their \$45 million pledge to fund humanitarian and rebuilding efforts in Afghanistan.

In April, with President Roh's strong endorsement, the Republic of Korea National Assembly approved deployment of troops to the Iraqi theater of operations. The contribution of a 600-man engineering battalion, a 75-man security unit, and a 100-man medical unit to the Iraqi theater of operations bring needed stability operations capabilities to Iraq. Participation in Operations ENDURING FREEDOM and IRAQI FREEDOM represent another in a long series of Republic of Korea deployments along side United States troops during the past 50 years of our Alliance.

NORTH KOREAN CHALLENGES TO REGIONAL AND GLOBAL SECURITY

North Korea is a dangerous dictatorship that continues to pose a direct threat to peace, security, and stability in NEA Northeast Asia. The Kim Regime uses illicit activities to fund the extravagant lifestyles of the inner circle and is using its military capabilities to extort resources from the international community. North Korea poses several threats to global stability: an economy on the brink of failure; an active nuclear weapons program; withdrawal from the Nuclear Non-proliferation Treaty; growing threat to the world through proliferation of missiles, chemical, and biological weapons technologies and possibly nuclear materials and technology; and large conventional force and special operations force that directly threaten our Allies. North Korean brinkmanship ensures that the Korean Peninsula remains a place of palpable danger, illustrated by the North Korea's unprovoked attack in the West Sea on June 29, 2002, the restart of the Yongbyon nuclear reactor, and their efforts to develop highly enriched uranium nuclear weapons. North Korea continues to flagrantly violate their international agreements resulting in increased regional tensions. The Republic of Korea and United States forces continue to face the possibility of a high intensity war involving large conventional forces and significant weapons of mass destruction delivered by long-range missiles.

North Korea poses a dangerous and complex threat to peace and security on the peninsula and throughout the region. Their growing weapons of mass destruction, missile, and re-vitalized nuclear weapons programs constitute a substantial threat to the world. What's most dangerous is that they have shown willingness to sell anything to anybody for hard currency. They will continue to support the military at the expense of the general population and extort aid to prop up their failing economy. We see no indications that the Kim Regime will change the policies of brinkmanship and proliferation of missiles and weapons of mass destruction technologies throughout the world.

THE REPUBLIC OF KOREA-UNITED STATES ALLIANCE: UNITED NATIONS COMMAND, COMBINED FORCES COMMAND, AND UNITED STATES FORCES KOREA

Since I took command in May 2002, I have had several opportunities to assess the readiness and training of United Nations Command, Combined Forces Command, and United States Forces Korea. Key events included response to the West Sea Armistice Violation by North Korea, security for development of the inter-Korean transportation corridors through the Demilitarized Zone, and security support for the 2002 World Cup and Asian Games.

United Nations Command

Under the mandate of United Nations Security Council Resolutions 82, 83, and 84, the United Nations Command in Seoul provides a standing coalition with 15 member nations to address trans-national interests in regional stability. United Nations Command led the international response to the June 29, 2002 West Sea Armistice violation by the North Koreans. This egregious, unprovoked North Korean attack in the West Sea that sank a Republic of Korea patrol boat, killed 6 and wounded 19 Republic of Korea sailors. The member nations of the United Nations Command promptly issued strong statements denouncing the North Korean aggression. Facing this international censure, North Korea reluctantly expressed regret over the incident and agreed to the first United Nations Command-Korean Peoples Army General Officer talks in almost 2 years. At the General Officer talks, North Korea guaranteed not to interfere with a United Nations Command-led salvage operation. Under the United Nations flag, the Republic of Korea's navy successfully salvaged

the sunken boat. United Nations Command observers ensured neutrality and transparency of the salvage operation. The strength of the Republic of Korea-United States Alliance, backed by the United Nations Command member nations led to a successful West Sea recovery operation and reinforced the legitimate authority of United Nations Command to enforce the Armistice. United Nations Command again provided a stabilizing force and prevented a dangerous situation from escalating into open hostilities.

Following the West Sea salvage operation, the Republic of Korea and North Korea held the Seventh Inter-Korean Ministerial talks, during which they re-invigorated efforts to establish inter-Korean transportation corridors. These corridors allow re-connection of rail lines and roadways through two designated points in the Demilitarized Zone to facilitate inter-Korean humanitarian visits and commerce. To support this Republic of Korea reconciliation initiative, United Nations Command worked closely with the Republic of Korea's Ministry of National Defense to establish special coordination measures between the Republic of Korea's Ministry of National Defense and the North Korean People's Army to speed construction and operation of the transportation corridors while ensuring compliance with the Armistice Agreement and security of the Demilitarized Zone. The first group of passengers crossed the Military Demarcation Line through the eastern corridor on 14 February 2003. This was the first time in 50 years that citizens of the Republic of Korea crossed directly into North Korea and is a clear demonstration of successful cooperation between the Republic of Korea and United Nations Command. Figure 2 illustrates the location of the east and west inter-Korean transportation corridors through the Demilitarized Zone.

Combined Forces Command

Combined Forces Command ensures the security of the people of the Republic of Korea. Combined Forces Command provides the military force that deters external aggression and stands ready to defeat any external provocation against the Republic of Korea. Combined Forces Command, composed of air, ground, naval, marine, and special operations component, conducts combined training exercises and readiness inspections to maintain the warfighting readiness that is essential to deterrence. The Combined Forces Command headquarters is a fully integrated staff, manned by Republic of Korea and United States military officers. This thoroughly integrated headquarters coordinates the operations that deter external aggression. In 2002, Combined Forces Command assisted with the successful United Nations Command salvage operation in the West Sea and military security support to the World Cup and Asian Games.

Leveraging Combined Forces Command wartime operational procedures, United States Forces-Korea and Republic of Korea forces shared information and conducted combined exercises to deter terrorist infiltrators seeking to disrupt the World Cup and Asian Games. Combined Forces Command operated a Crisis Action Response Team to quickly respond to any type of incident. United States Forces-Korea provided unique biological defense assets to augment the Republic of Korea's military capabilities. Our close cooperation demonstrated the agility of Combined Forces Command to conduct a wide range of operations and ensured a secure 2002 World Cup and Asian Games.

United States Forces Korea

United States forces in Korea are the tangible demonstration of United States commitment to peace and stability in Korea and throughout Northeast Asia. United States Forces-Korea brings the robust technological superiority, information dominance, and warfighting prowess that buttress the Republic of Korea's military capabilities. Our forward presence deters North Korean aggression and prevents a devastating war that can only have tragic consequences throughout the region. My command priorities—Ensure peace and stability on the Korean peninsula, Readiness and Training, Strengthen the Republic of Korea-United States Alliance, Transform the Command, and Make Korea an Assignment of Choice—focus our resources to maintain the military dominance that ensures deterrence. I want to present my vision of improved readiness and quality of life and the key military construction projects that will need your support. Your continued support is essential to maintaining the balanced readiness that sustains our state-of-the-art warfighting capabilities.

Enduring Installations—the Cornerstone of Balanced Readiness

Balanced readiness requires functional installations that meet both warfighting requirements and quality of life needs. Our current installations, a legacy of the Cold War, meet neither of these criteria. The existing 41 major bases are dispersed throughout Korea, causing substantial inefficiency in operations, logistics, and life

support. For example, our logistics facilities are significantly separated from their operational unit customers, lengthening supply channels and delaying replenishment. Dispersion also impacts quality of life, requiring service members at remote installations to travel between 1 and 4 hours to a medical or dental appointment or use a commissary.

Our facilities and infrastructure are old—one third of all buildings in the command are between 25 and 50 years old and another one third are classified as temporary buildings. They have deteriorated because of high operational tempo, deferred maintenance, and the 1990–1994 military construction freeze. These deficits underscore the need for stable military construction to achieve consolidation and rectify our facilities shortfalls. Figure 3 illustrates the historical military construction spending in Korea.

Fix Korea Strategy

Consolidating into enduring installations is the key to improving readiness and improved quality of life for United States Forces Korea. Our service members in Korea face challenges from decaying support infrastructure, inadequate force protection facilities, overcrowded and inadequate housing, family separation, and financial hardship. Our strategy to maintain readiness and improve the working and living conditions in Korea has six pillars: Sustain and Improve Our Aging Infrastructure, Renovate Where We can, Maximize Build-to-Lease, Minimize Build-to-Own, Achieve Environmental Standards, and Address Inadequate Pay. With your help, we've made significant progress implementing this strategy. We have upgraded much of our existing housing and begun construction on several of the needed additional facilities. Stable funding contributes to the strength of each of the strategy pillars.

Sustain and Improve our Aging Facilities and Infrastructure

The first priority of our strategy is sustaining our existing infrastructure. Providing quality facilities allows our skilled uniformed and civilian personnel to work safely and efficiently. We prioritize Sustainment, Restoration, and Modernization funding based on safety of use, mission impact, efficiency, and quality of life to ensure that best return on investment. However, Sustainment, Restoration, and Modernization funding levels have resulted in a growing backlog of restoration requirements.⁸ Over time, lack of maintenance leads to failure of life support systems and degraded readiness and increases the frequency of emergency repairs. It also leads to increased costs associated with substantial restoration projects. Figure 4 illustrates how lack of proper maintenance required significant repair to one of our many sewer systems. Similar projects have been required to maintain our electrical power distribution, roads, and buildings.

Renovate Where We can

In addition to sustaining our infrastructure, we are renovating existing structures to provide the capabilities we need. The fiscal year 2004 renovation of hardened aircraft shelters at Kunsan air base illustrates this process. This \$7 million force protection project is part of a phased plan that repairs the concrete protective structures and utility systems that support our mission critical aircraft.

Force protection is a key part of our renovation program. Protecting the force remains essential to operational readiness—I will not compromise the safety of our service members and their families. Although we continue to assess the terrorist threat as low, we remain vigilant and have taken critical steps to improve our security posture. Notable improvements this year have been increasing perimeter security forces, installation of closed circuit television monitors at key access points, fielding Portal Shield chemical and biological detection systems, and conducting intensive anti-terrorism and force protection training exercises.

Over the past year we completed a detailed vulnerability assessment of our installations. This assessment identified over 130 major tasks required to comply with anti-terrorism and force protection requirements. Key requirements to improve force protection focus on establishing adequate standoff protection around our key facilities and installations and upgrading structural integrity on mission essential and vulnerable buildings. The total value of these force protection projects is \$15 million. We appreciate your support to these programs that protect our service members and improve our warfighting facilities.

In addition to workspace improvements, we are also upgrading our family housing, dormitories and barracks. I firmly believe that safe, quality accommodations

⁸Current Sustainment, Restoration, and Modernization backlog in Korea is approximately \$1.1 billion: \$774 million Army, \$327 million Air Force, \$1.8 million Navy. 2003 Sustainment, Restoration, and modernization funding is \$171 million.

improves our members' quality of life, increases their satisfaction with military service, and ultimately leads to increased readiness and retention. With your support, we have continued our housing renovation program and service members across the peninsula are enthusiastic about the results. To continue this initiative in 2004, we will invest another \$8 million in family housing.

Korea currently has the worst unaccompanied housing in the Department of Defense. Overcrowding and inadequate facilities requires us to house 40 percent of our unaccompanied personnel outside of installations, causing significant force protection concerns. The Air Force Dormitory Master Plan and Army Barracks Upgrade and Buyout Plan allow us to use funds where they are most needed for renovation and construction. Last year we invested \$130 million to renovate fourteen barracks buildings across the peninsula. Our plan calls for us to replace the last Quonset hut with permanent facilities by the Department of Defense target of 2008. We need your continued commitment to a stable Military Construction budget to continue our renovation and force protection improvement programs.

Use Build-to-Lease

As we close facilities during consolidation under Land Partnership Plan, we will need additional facilities on our enduring installations. Build-to-lease is the most cost effective way to improve housing and facilities in Korea. We believe this program, modeled on successful Department of Defense programs in the United States and Europe, provides the answer to many of our quality of life concerns and reduces costs associated with new military construction. We are now exploring build-to-lease units at Camp Humphreys (1,500 families) and Camp Walker (500 families) to provide adequate housing for our military and certain key and essential civilian sponsored families. Build-to-Lease uses Korean private sector and Host Nation Funded construction where appropriate. These programs reduce both initial start-up costs and total cost of ownership. Build-to-Lease will enable use to rapidly replace our aging housing infrastructure and to increase our available family housing units.

To fully implement the Build-to-Lease plan, I need your help to change the legislative rules on Build-to-Lease. First, we need to increase the maximum family housing lease period from 10 to 15 years and extend the maximum lease duration for support facilities from 5 to 15 years. Build-to-Lease is a "win" for the American service members stationed in Korea because it will significantly raise their quality of life and it is a "win" for the American taxpayer because it reduces the cost of housing improvement for our service members with families.

With increasing numbers of married service members, we recognize that high operational tempo and unaccompanied tours are detrimental to overall readiness. We must act now to reduce the perennial problems of family separation and poor quality of life in Korea. We currently provide government owned and leased housing for less than 10 percent of our married service members (1,862 families) compared to more than 70 percent in Europe and Japan. Our goal is to provide quality command-sponsored housing for at least 25 percent of our accompanied service members and their families by 2010. If traditional military construction alone were used to meet this increased demand for housing, it would cost \$900 million.

Increasing our rate of command sponsorship is an important step to enhance readiness and improve quality of life. Replacing a portion of the current 12-month unaccompanied tours with longer accompanied tours reduces turbulence that affects readiness on and beyond the Korean peninsula. For example, a 24 to 36 month accompanied tour enhances readiness by allowing leaders to develop more enduring and stable working relationships with our Republic of Korea partners. Longer tours in Korea also reduce the turbulence throughout the Services, enhancing readiness in units beyond the peninsula. Accompanied tours, coupled with adequate housing, improve the service member's quality of life by reducing family separation. I urge you to support all efforts to increase and improve the family housing in Korea.

Build-to-Own

While "Build-to-Lease" is a promising option, there are some facilities that must be government owned. For example, Build-to-Own provides unaccompanied housing, administrative, operations, logistics, maintenance, and medical facilities that support our core operations requirements. These improvements are sorely needed to improve the efficiency of our enduring installations and the quality of life in Korea. As a key steward of Military Construction in Korea, I assure you that your appropriations will be prudently invested in the enduring installations that will support our service members long into the future.

We deeply appreciate your support to 2003 Military Construction (\$237 million), which has vastly improved readiness and quality of life. We were able to harden the theater Command Post Tango and to begin construction on 1,792 unaccom-

panied housing units, a new family housing development at Osan air base, and a multi-purpose center at Camp Castle. Even with the great assistance we received in fiscal year 2003 we continue to have substandard facilities throughout this command. Our fiscal year 2004 military construction projects are prioritized based on their impact on readiness, infrastructure, and quality of life. Table 1 summarizes the major military construction projects for the coming fiscal year. These projects have been re-validated in the Secretary of Defense fiscal year 2003–2004 Military Construction budget review as essential facilities.

TABLE 1.—SUMMARY OF FISCAL YEAR 2004 MILITARY CONSTRUCTION PROJECTS

[In millions of dollars]

Service	Category	Project	Cost
Air Force	Readiness	Upgrade Hardened Aircraft Shelters	7.0
Air Force	Housing	Dormitory (156 Room)	16.5
Air Force	Housing	Construct Family Housing Phase II	45.0
Army	Housing	Barracks Complex	40.0
Army	Housing	Barracks Complex	35.0
Army	Housing	Barracks Complex	30.0

In addition to the previously discussed projects to upgrade aircraft shelters at Kunsan, we have also asked for fiscal year 2004 Military Construction appropriations that include 111 new family housing units at Osan air base (\$45 million) and four new Unaccompanied Enlisted Housing projects (\$131.5 million), providing new housing for 888 service members. These projects will reduce the number of service members living in dense urban areas outside our installations, improve force protection and reduce the high out-of-pocket living expenses incurred by service members and their families. They will also allow us to move toward our goal of increasing the command sponsored housing for our accompanied service members and their families. Your continued support to Military Construction in the Future Years Defense Plan enables us to implement our comprehensive construction program that prudently uses resources to correct the significant infrastructure shortfalls on our enduring installations.

Achieve Environmental Standards

We have made significant strides in environmental custodianship. Caring for our environment is important to me personally and to the command. Our wastewater management has been a great success. Over the last 6 years, we invested approximately \$30 million in ten wastewater systems and we have programmed an additional \$12 million for three more systems. Your support to these improvements ensures safe water and a clean environment for all who serve in Korea. We have worked hard with the Republic of Korea-United States team to improve coordination on environmental protection measures and to share lessons learned to protect the environment.

In addition, we have implemented innovative procedures that have decreased the operational use of hazardous materials, reducing our storage and disposal requirements. Computer-assisted material management programs allow us to better manage inventory, shift to more environmentally friendly alternative products, and reduce disposal requirements. Other initiatives include recycling used oil and anti-freeze, and an effective battery recovery program that reconditions and returns batteries for use with minimum environmental impact.

The most immediate environmental concern is with aging and frequently leaking fuel storage tanks, a legacy of our obsolete infrastructure. We are committed to resolve this problem throughout United States Forces Korea. We have a \$100 million program through Defense Energy Support Center to upgrade fuel storage facilities throughout Korea to ensure that we meet environmental standards. To sustain our environmental improvements we need your continued support for environmental projects in 2004. These resources will be wisely invested in our enduring installations under the Land Partnership Plan, resulting in improved stewardship of the environment.

In conclusion, I'd like to leave you with these thoughts:

Northeast Asia is a critical region for the United States and our partners. The Republic of Korea-United States Alliance and our continued presence in the region demonstrate our commitment to ensure peace and security in the region. Congressional support is vital to our future in Korea and Northeast Asia. We thank you for all that you've done.

Korea is a better place because of your efforts, and we thank you for all that you've done. We have made some significant improvements in quality of life and readiness—investments that increase our efficiency and will support our service members far into the future. However, substantial work remains to be done. To improve family housing and service member quality of life that is essential to morale and readiness, we need to increase Build-to Lease authorities in Korea. We also need stable military construction budgets that support to our critical projects. With your continued support we can implement our plan to make Korea an assignment of choice for all the Services.

Land Partnership Plan is an enduring commitment to achieve stable stationing for United States Forces Korea. The momentum provided by the Future of the Republic of Korea-United States Alliance Policy Initiative, ensures that we can establish a stable, enduring stationing plan that improves readiness and overall quality of life. Because the success of Land Partnership Plan depends on stable military construction projects, I assure you that your appropriations will be prudently invested in enduring installations.

You can be justifiably proud of all the Soldiers, Sailors, Airmen, Marines, and civilians that serve and sacrifice in Korea. Their daily dedication and performance reflect the trust and support that you've placed in them. They appreciate your efforts and continued support.

Senator HUTCHISON. Yes, Senator Stevens.

LEGAL CHANGES RELATED TO TRANSFORMATION

Senator STEVENS. Thank you very much, Madam Chairman.

Let me ask you just one general question for each one of you. Do you require any changes in basic law that govern your military forces in order to bring about these changes you have just described?

General JONES. Senator, I do not think, in terms of our national law, I am not aware of any changes in basic law that we might require.

Senator STEVENS. No treaty changes, no basic laws?

General JONES. We may need to re-look at some of the understandings with which we have entered into some of our agreements—for instance, notably with—if we should decide to put some bases in the eastern part of our EUCOM AOR, we may have to re-look at some of the understandings with Russia, for example. The agreement that allowed NATO expansion was that there would be no major military bases. That was not defined. The model that we are presenting, or that we will present, has smaller units more oriented on engagement as opposed to strategically in place warfighting capability.

So I think that as we look through all of these documents, we are looking at that as we go along to make sure we, number one, understand them all, find the ones that are still in existence. It is a work in progress. But, right now, I have not seen anything that is a show-stopper.

Senator STEVENS. General LaPorte.

General LAPORTE. Senator Stevens, the six tenets of the United States Republic of Korea Mutual Defense Treaty that was signed in 1953 are still valid today and will apply in the future. So I see no requirement for any national legislation or treaty reorganization with South Korea.

Senator STEVENS. One further. What is the time frame for each of you in the changes that you envision?

General JONES. Sir, we are operating under a near-, mid-, and long-term plan. Near-term is 2 to 3 years. Mid-term is 5 to 8, and long-term is 8 to 10 or 12.

General LAPORTE. The same time period that General Jones stated is what we are operating under.

Senator STEVENS. Thank you very much.

Thank you very much, Madam Chair.

NON-ENDURING INSTALLATIONS

Senator HUTCHISON. Thank you, Senator Stevens.

First, I want to ask—I think, General Jones, you mentioned this, but do either of you have any military construction projects ongoing in bases that you do not consider to be enduring?

General JONES. I am sorry, that we do not consider to be——

Senator HUTCHISON. Enduring.

General JONES. Oh, enduring. We probably have some projects that are in the defined Tier II and Tier III category, and we have decided, upon reexamination of both of those categories, that we should not continue to invest any funds in those particular installations. So whatever we have will be stopped.

Senator HUTCHISON. And, as I understand it, you are also re-evaluating your Tier I installations——

General JONES. That is correct.

Senator HUTCHISON [continuing]. With the thought that there would be no 2004 money going there, as well if——

General JONES. We will not invest, and will not request any money for any installation in Europe that is not of strategically enduring value.

Senator HUTCHISON. And what would be your—I am going to come to you, General LaPorte—but what would be your time table on the reevaluation of the Tier I?

General JONES. I would say that within the next 60 days we will have that completely done.

Senator HUTCHISON. Thank you. That will certainly meet with our time table, because we are trying to delay our——

General JONES. Yes, ma'am.

Senator HUTCHISON [continuing]. Report.

General LaPorte.

General LAPORTE. Senator, we have two projects from 2000 that are in the process of being implemented in the Yongsan relocation area. It was a medical warehouse and it was a modification/renovation of the hospital. Those are ongoing. They should be completed in the next 12 to 18 months. There is also one barracks from 2002 MILCON that is ongoing. Both of these facilities, we believe, we are going to be able to use into the future.

I talked about Yongsan relocation. There will be some U.S. forces that will remain in Seoul as part of the United Nations Command and Combined Forces Command. They will be able to make use of these facilities.

Senator HUTCHISON. Other than that, there would be none going——

General LAPORTE. No, ma'am.

Senator HUTCHISON [continuing]. Out.

TRAINING SITES FOR EUROM

I have been concerned, from my visits around the world, about encroachment on training space at many overseas locations. It could be airspace, it could be artillery range. I wanted to ask each of you to what extent this has posed a problem for you in your areas of responsibility. And are you looking at the potential of rearranging your training to perhaps do training elsewhere, perhaps even in the United States with rotations back in?

General Jones.

General JONES. Madam Chairman, as you know, post-war Europe has been a tremendously successful period. Entire Nations have been transformed into prosperous democracies, and urbanization has taken hold in Europe, just as it has in our own country. And the bases that were built 40 or 50 years ago in areas that were remote locations are no longer remote. And with that urban sprawl comes increased concern about the environment, the ecology, the noise, just things that are normally attendant to military bases.

And the second thing that has happened is that it becomes more costly. As Nations become more prosperous, the cost of training goes up. There is not any one thing that has changed the environment except that the development of the European theater has made it more difficult, particularly on land and in air space, to adequately train our units.

Sometimes the restrictions do not seem to be much; sometimes they say, "Well, we will impose ours on you"—sometimes they will impose limits on the size of the unit; sometimes they will impose limits on the types of weapons that you can use. But in the aggregate, it becomes harder. And like all militaries, we tend to look for areas where we can go and get the units trained for the important work that they do.

And training is extremely important, particularly as we go into a high-tech force in the 21st century. The transformed force requires training so that we can eliminate the problems that face us on the battlefield when we have to fight the Nation's battles.

So we are always looking for ways to train better, and some of those bases might be back here at home, some might be elsewhere in our own theater, and we pledge to you that we are going to do a continued examination to try to find where we can train most efficiently and in accord with the environment that we happen to be in.

Senator HUTCHISON. Well, one of the reasons that we have introduced our legislation to evaluate our overseas bases is to try to have all of the information on training constraints and other problems as we go into the 2005 BRAC. Because if significant units are going to be brought back, of course, we want to make sure we do not close a base that we are going to need, particularly a big training area. So that certainly will be part of the overall 2005 BRAC.

General JONES. Absolutely.

Senator HUTCHISON. General LaPorte.

General LAPORTE. Senator, we have over 90 camps and stations; and at the end of the war, we basically went aground where the units were and established these camps. They used to be at the end of dusty trails. Today, most of these camps have been engulfed by

significant development. The prosperity of South Korea has caused a boom in the construction arena.

So encroachment is an area that I am very concerned with and we work very hard on. Unfortunately, last year we had an accident as a result of encroachment because of the congestion associated with moving to and from a training area. So we are very concerned about this.

One of the main tenets of the Land Partnership Plan is to address this, to move away from the crowded residential urban areas, such as Seoul and some of the other very congested areas, and move our assets to areas where we are able to conduct our training. We are able, with the Land Partnership Plan, to use training areas that, in the past, have been just for the ROK military; but part of the agreement was to give them back land and to get training time on those training areas.

As we look to the future, the force we have will have more of a regional role, in terms of regional stability, so there will be training opportunities off the peninsula to look at. We are examining those now. Encroachment is a concern. At this point in time, we are able to meet all our training objectives, and we are just going to have to continue to work this.

Senator HUTCHISON. Thank you, General LaPorte.

I am going to come back with other questions, but I did want to pass it down.

Senator Feinstein.

COST FACTORS IN EUCOM TRANSFORMATION

Senator FEINSTEIN. Thanks very much, Madam Chairman.

Let me begin with, if I might, General Jones. As you were speaking, General, I was reading your written statement, and it is really a very solid statement. I think you point out that your area of responsibility includes 93 sovereign Nations and stretches from the southern tip of Norway to the southern tip of South Africa, from Greenland to the west, to Russia's eastern coastline. You are right, it really is a misnomer to say it is the European Command, because it is such a vast area.

As mentioned in your statement, on page 4, you point out the crossroads of two centuries, departing from territorial defense and shedding the limitations of 20th century warfare to a very different—from symmetrical to asymmetrical responses. And you go on and make the case for a major reevaluation. And in the study that was just concluded, you determined that 80 percent, or 402, of the existing 499 installations in theater were judged to be of enduring value.

This morning, the Washington Post discussed your plan to develop new, quote, "bare bones," end quote, training bases throughout Europe, and the article mentions "relatively modest construction costs."

I do not see how they can be relatively modest if you have 402 of 499 installations in theater of enduring value and yet knowing what you have to do to reposition and redeploy. Can you make further comment on the "relatively modest" figures?

General JONES. Yes, ma'am, I think I can.

The first point I would like to make is that the Tier I strategically enduring value judgments were made in 2002. I mentioned in my opening statement that we are reevaluating those, as well, and it is work in progress. I am not convinced that all of those are absolutely of strategically enduring value.

So my commitment to you is that we will complete that reevaluation. We have already done Tier II and Tier III, and that is beyond us, but we are re-looking of Tier I, as well.

Now, I also suggest that an installation, by DOD definition, can be as small as an antenna surrounded by a fence, and you may have a base with 14 installations on them. So when we say 499 installations, we should not confuse that with bases, because that is not the case.

With regard to the future and the term “modest investment,” I use that term in terms of the size of the investment to be required. If, for some reason, we decided to shift one of our very strategically enduring locations, and I publicly used the example of Ramstein Air Base, and the huge cost—huge cost—it would take to simply move that facility somewhere else in our theater simply because we would judge it to be more useful elsewhere, I would think that we would not want to assume that kind of a burden.

CATEGORIZING INSTALLATIONS

The proposal that we are working on is to identify truly bare-bones facilities, truly lighter footprints that can accommodate rotational forces, that are there for limited periods of time, that can practice the strategy of engagement along with a strategy of strategic response to a crisis, that can be built at comparatively very modest costs and can be easily contractible from being an active base to not-so-active base to a cold base, where we could use our strategic flexibility using forces that emanate both from the theater and from the continental United States or, frankly, anywhere else in the world if we wish to do so, as opposed to the 20th century model where we built what I call “Small City, USA,” with families and schools and basing infrastructure and PXs and commissaries and everything else that goes with the traditional mindset of an American base in the 20th century.

I believe that we can identify the few strategically enduring installations that we would not want to pay the kind of money we would have to pay—i.e., a Ramstein Air Force Base—and use the strategic enduring installations as springboards to these smaller, more remote locations, that would, by comparison, be very, very modest, in terms of an investment.

So it is a comparison between a 20th century model of a base, that was very useful to us, and the fact that the world has gotten smaller and we can project power coming from different parts of the world to do those things that we wish to do at a significantly—at a fraction of the cost that it would take to rebuild a 20th century base.

ROTATIONAL FORCES

Senator FEINSTEIN. Would that envision, then, a different rotation system? You would not bring families, for example? It would

be, I guess, a base similar to that which was built in Kosovo, for example?

General JONES. Camp Bondsteel would be a good example of what I would term a forward-operating base. I also would envision a family of forward-operating locations which would be much more modest than the forward-operating base. And the units that would visit those bases and operate from those bases would be generally rotational, whether they come from the theater or from the United States, and they would be there for temporary periods of time to do a specific mission, and then they would leave.

And we are working with the services, principally the United States Army, because this is the service that has the most transformation, the most difficult time with this concept. But we are making good progress, and I think we will be able to, in time, provide a force-basing construct that will support a much more flexible basing strategy.

AFRICA

Senator FEINSTEIN. Is there anything you could tell us at this time about Africa and what your plans would be in that area?

General JONES. Thank you for that question, Senator. I appreciate that, because I think Africa is a continent that is going to be of very, very significant interest in the 21st century, and I think it is only a matter of time. It is assigned, with the exception of several countries around the horn of Africa, to the European Command. And, as you have correctly stated, it is a little bit of a misnomer to think of the European Command as simply in Europe. It is not.

We have had an engagement strategy in Africa that has been largely reactive, reactive to crisis. Where we have had a proactive strategy, it is generally been confined to special operating forces, very small, focused efforts that have been important. But, in my estimation, we will have to do more in the future.

I am concerned about the large, ungoverned areas of Africa that are possibly "melting pots for the disenfranchised of the world," so to speak, the terrorist breeding grounds, criminality, people who are being recruited as we speak to rise up against the developed world and the democracies that enjoy a peaceful and prosperous way of life. And I believe that we are going to have to engage more in that theater.

And part of the basing realignment and proposals that we are coming up with will establish some footprints at a very low cost, and very low manpower cost, as well, but we will hopefully see more visits and more presence by our American forces, and maybe even coalition forces, coming from the European theater to begin to stem the tide of what is going to be, I think, an extremely difficult story with regard to the developments of not only the southern rim of the Mediterranean, but sub-Saharan Africa, as well.

Senator FEINSTEIN. Thank you very much because, you know, many of us think that we have really ignored Africa, at great peril for the future, for exactly the reasons you are saying and actually looked away when huge atrocities were committed involving literally the destruction of millions of people. And I think once we let that get started, America's credibility is diminished, so, at the very

least, we can say that there is going to be additional attention, and I think that is very welcome. So thank you.

General LaPorte, you mentioned, in your opening comments, about something that we well know, and that is the extraordinary value of Yongsan in won or dollars, and the plans you have for the future of the Alliance Policy Initiative and the impact of that on the Land Partnership Program.

I would like to know the extent to which this has been discussed with the Government of South Korea, the extent to which the South Korean Government looks favorably upon this, and the degree to which they will help in its implementation.

General LAPORTE. Senator, the meeting in December, which was held here in Washington, the Security Consultative meeting between Secretary Rumsfeld and the Minister of National Defense, directed this Future of the Alliance Study.

Senator FEINSTEIN. Could I ask you to speak a little more loudly? I have a cold, and both of my ears are plugged, so I am kind of straining to hear.

General LAPORTE. The SEM directed us to do a Future of the Alliance Policy Initiative. We have started those negotiations. Department of Defense policy is working with Ministry of National Defense policy. The first series of talks have been conducted. They were conducted at the end of April. They will have future talks in May. So the discussions on the roles, the missions, the force alignments, is ongoing.

The first decision that has come out, of significance, is the Yongsan Relocation, where the Republic of Korea Government has endorsed the relocating of forces in Seoul south to Camp Humphreys, which will be an enduring installation. As part of the agreement, the South Korean Government will defer all costs associated with the procurement of land and the movement of facilities to that area.

Minister of Defense Cho has given us a letter of commitment, through the Secretary of Defense, to purchase the needed land, and they will purchase that in their fiscal year 2004 budget. So the discussions have really gone well up to this point, and the commitment from the South Korean Government has been exceptional. So I am very confident, as we continue these discussions and address the other issues on the table, we will get similar results.

Senator FEINSTEIN. When I was there in December with you, there was some concern about South Korean acceptance of our military. Could you update us on that? And could you also tell us, very briefly, what you have done to try to intermesh with the community on a greater basis?

General LAPORTE. Following the tragic accident that we had, there was some anti-American sentiment expressed, primarily through demonstrations. And that continued throughout the month of December. Following the national elections, the demonstrations just dropped off almost totally.

Recently, I have been asked several times, "Is there a crisis in South Korea?" And my answer is adamantly, "No, there is no crisis in South Korea." There would be a crisis in South Korea if they did not hold free and democratic elections. There would be a crisis in South Korea if the people of South Korea could not gather and

speak their mind. There would be a crisis in South Korea if the civilian leadership did not control the military. Or there would be a crisis in South Korea if the people were unable to worship the way they want.

Senator, last week, my wife and I went to a Korean church. There were 10,000 people present. And as I walked in, the minister said, "They are praying for you and the United States Forces Korea." So we are getting tremendous support from the Korean people.

We have developed a Good Neighbor Program. This is designed to increase our interaction with the media, with the universities, with the surrounding communities, with the other military units. It is an outreach program. It is working very well. This month, we will have a—May is Good Neighbor Month for U.S. forces in Korea. We have tremendous programs where we are teaching English in schools. We have adopted orphanages. We are working with the military units on better ways to move on the roads, to coordinate with the local authorities. So we are putting a great deal of effort at every level to ensure that we have good relationships, and I think we are seeing the benefits of that. The South Korean people are fully in support of the United States Forces Korea being on the peninsula.

Senator FEINSTEIN. Thanks very much, General LaPorte, General Jones.

Thank you, Madam Chair.

Senator HUTCHISON. Senator Landrieu.

Senator LANDRIEU. Thank you, Madam Chair, and I thank the Ranking Member, as well, for their attention to this very important subject. And I wanted to just stop by today briefly. I am not going to be able to stay for the entirety of the meeting.

But I did want to, General Jones, just commend you for your work in this area as you outline your vision for the direction for our transformational force. As you know, I had the opportunity over the break to be in Romania for two purposes, one of which was military purpose—and had a chance to visit the—I do not even want to use the word "base," but the footprint, the hole that we have near Constantza for the operations in Iraq, which was extremely helpful. And the morale was very high, and what I witnessed and saw there was just a good partnership between the Romanian Government and our forces, in terms of our current operations. In looking at the map, having a location so close to the Black Sea, if it would be in Romania or Bulgaria, I think, is just crucial to our, you know, transformational-force concept of being able to launch with as little restriction and complication as possible to parts of the world that may need our attention.

So I just wanted to commend you and to, again, say that, at least from my brief visit, and it was brief, I feel that the Romanian leadership would be very open to work with us, you know, in the appropriate ways if that would be what we would have in mind.

Secondly, to say that realigning our bases in Europe in our current position, I think, makes a lot of sense, to sort of minimize our footprint where we are not so much needed, and try to be more strategically placed.

I also want to support Senator Feinstein's note about Africa. I do think it has been a continent that has not received the kind of attention that it should and most certainly deserves, not just because of its largeness and not just because of its future economic opportunities, but also because of the complicated politics of a Nation that is, in some ways, still very underdeveloped in certain areas—there are some very developed areas—and the potential for fundamentalism to creep into a situation where there is some hopelessness, and for us to be able to be there, if possible—we cannot be everywhere, but I want to just support that concept.

Thirdly, I wanted to say I read in the paper somewhere, or maybe heard somewhere on the news, maybe it was a commentator, that said something like we need to be careful, Madam Chair, to not go where we are not welcomed.

I would just want to say that we need to be where we are needed. And it would be nice if we were welcomed everywhere, but I am one that wants to be where we are needed; to be with our partners, to be where we are needed, to kind of carry out this new transformation vision. So I would hope that we would be guided by that fact and not just necessarily where we are welcomed.

Now, that is not to say that you can bust your way in through every door, but I want us to be, you know, forward thinking and fairly aggressive in this strategy, would be, you know, my thinking about it.

And, finally, I just want to commend both of you all. My experience now—it is just a few years, on the Armed Services Committee—Madam Chair, I have had the chance to visit a few of our installation bases around the world and, of course, through our country. And I want to say I do not think the military gets enough credit for the diplomats that you are, for the work that you do in terms of improving relations between countries, between the way—soldiers to soldiers. You may have on a different uniform, but fighting sometimes for the same cause. And I find that to be very, very helpful in America's efforts to get out our message, to express our values, to give an example of what our values are—not just talk, but actions.

And I wanted to come to this Committee just to compliment you all and to say that I want to be a stronger voice in complimenting what the military does, because serving in orphanages and teaching English in school and helping the local people—people in Louisiana appreciate the military presence in Louisiana. We appreciate what the military does. And I think—and I have witnessed and seen, other countries appreciate the communities, the military presence, and the good job that you all do as good neighbors.

So that is just really why I wanted to come by today and wait my turn to speak. I have some questions, Madam Chair, to submit to the record, and I look forward to working with you and the Ranking Member, because this is a very important realignment, and I think this work is extremely important, that it get done correctly.

Senator HUTCHISON. Thank you, Senator.

HOST NATION SUPPORT

I would like to ask a couple of other questions, and then I will see if there are others from Senator Feinstein.

I would like to know, in your two areas—now, your area is so big, I am really talking about Europe here—what the host-Nation support is. And then, in Korea, what is the host-Nation support? Because one of the criteria we will be using in looking at the overseas basing is, What are the host Nations doing in support of our troops, and, therefore, what kind of efficiencies do we have?

General Jones.

General JONES. Thank you, Madam Chair.

The European model does not lend itself quite to an easy answer in this regard, because it was not established at the same time as, for example, the model that—what we have in Japan, which I am very familiar with. And that proportion of host-Nation support, otherwise known as burden sharing, is a difficult one to grasp in Europe.

But while we do not have the similar type of agreements that we have in the Asia Pacific theater, we do have agreements that focus on access and use of host-Nation infrastructure, for example, that may come to us at no cost, or special agreements on construction with regard to who builds it and when it returns back to the host Nation. With Turkey, for example, we have the Turkish Construction Circular. And we have an agreement called the Shell Agreement with Italy. These agreements address the way we will do construction with those Nations.

The closest thing we have to infrastructure burden sharing is the NATO infrastructure program, and we are studying the 2,907 agreements for burden sharing to see if we cannot provide a better analysis. And if I could come back to you with a more complete answer on that, I would appreciate it, because it is extremely complex.

But what I would say, by way of a contemporary answer, is that, over the last 6 months, an equivalent of \$127 million has been contributed to the United States by 27 Nations within the European theater for primarily force protection and use of their fields and ports which have facilitated our mission—Germany, \$33.75 million; the United Kingdom, \$24 million; Greece, \$16 million; Turkey \$11 million; Spain, \$9 million; Hungary, \$7 million; Romania, \$7 million; and Italy, \$4 million.

So I would like to respond to the question for the record with the details that you deserve, but it is not quite as self-evident as it is in Asia.

Senator HUTCHISON. Well, it could be that as we go down the road and we are making decisions on bases, that we could be more specific—

General JONES. Clearly.

Senator HUTCHISON [continuing]. Because it will be part of the commission that we hope to set up. Part of their evaluation would include—

General JONES. Clearly.

Senator HUTCHISON [continuing]. Host-Nation support.

General LaPorte.

General LAPORTE. Senator, we receive both direct and indirect support from the Republic of Korea. Indirectly, we receive support in terms of use of their ranges, use of their facilities.

Force protection is provided by the Korean National Police at all our installations. An example would be within 24 hours after 9/11, South Korea put 5,000 Korean National Police as a force-protection force around all our installations in Korea. Today, they still have the Korean National Police serving as a force-protection element. That saves us significant dollars and also service-members' time.

Direct investments, I will just give you some examples. In 2001, South Korea provided \$425 million; in 2002, \$490 million—

Senator HUTCHISON. Put that in percentages of the total.

General LAPORTE. It is probably about 40—somewhere about 40 percent, Senator.

And then, this year we are scheduled to receive \$540 million; and in 2004, it is estimated to be approximately \$595 million.

Senator HUTCHISON. You are in the 40 percent range?

General LAPORTE. Yes, ma'am.

Senator HUTCHISON. I want to ask about the concept of unit rotations. The Army is looking at more unit rotations. The GAO took a look at the issue in 1994 and identified nearly a half-dozen times over the years where the Army has tried and halted various efforts to employ the unit-rotation concept overseas. And, General Jones, unit rotations are very much a part of your concept, but not so much yours, General LaPorte.

I wanted to ask you if it is something that could be done in Korea as a way to once again assure the training capabilities, or is it not as appropriate? And is it possible for the Army to have a unit-rotation system in Europe, but not in Korea?

I would start with you, General LaPorte.

General LAPORTE. Senator, when I went to Korea last year, I talked to all the service chiefs of staff, and one of the topics we discussed was the potential for unit rotations. And I told them I had a very open mind and would be willing to look at where this would be an appropriate strategy.

As you are well aware, we have a threat, a North Korean threat, that we must address each and every day. That does not mean that everyone has to be on a 1-year assignment. We are looking at it, we are talking, especially to the United States Army, the possibility of unit rotations—for instance, the Patriot batteries that are securing the air fields at Osan and Suwon. That is a similar task to what takes place in Kuwait and what used to take place in Saudi Arabia. So, theoretically, you could have those battery-sized locations. A battery would be about, say, 100 or 115 people. They could come to Korea on a rotational basis. So we are looking at that.

It becomes challenging when you get into the headquarters elements and you get into the combat brigades that are up in the 2nd Infantry Division. But I will tell you, we have, the Army has, a significant study looking at this. I have talked to General Jumper about this, in terms of Air Force assets. So we are going to continue to aggressively look at this.

Senator HUTCHISON. Anything that you would add to what you have already said?

UNIT ROTATION IN U.S. EUCOM

General JONES. Yes, ma'am.

We have, actually, a success story in unit rotation in Europe right now with the Army. All of the forces in KFOR in Kosovo and in Bosnia are National Guard units. The one in Bosnia is from Minnesota, and the one in Kosovo is from Pennsylvania. And these units come over on a 6-month rotation. They are among the most motivated National Guardsmen I have ever seen. They love what they do. They come into the theater, they make a tremendous difference, and then they go home to their home base.

I want to emphasize something that General LaPorte said, because I think we have to be careful of what unit rotation is and what it is not. What it is, is that you can rotate combat forces, particularly light combat forces, to make a tremendous presence felt over a much wider area within our area of operation.

I do not face the symmetrical threat that General LaPorte faces, and his calculus on the type of force he needs in place ready to respond is different from mine, because mine is more asymmetric. Since the disappearance of the Soviet Union as a threat, we are an asymmetric-based organization.

But we can, through the proper disposition of equipment and combat support and combat service support that would be pre-staged and pre-based, rotate the combat forces that would be lighter, more agile, more deployable that would come into the theater, train, operate, train, influence, shape, engage, whatever the case may be, and then return home to their home bases, whether they be in Europe or whether they be in the United States or sometimes, if the Korean were—or Korean theater is peaceful, maybe General LaPorte will send us some of his units, as well.

Senator HUTCHISON. I was not really thinking of Guard and Reserve. I was thinking more of active duty, if that could be part of the—

General JONES. I wanted to give you an example of a success, and—

ACTIVE DUTY UNIT ROTATION

Senator HUTCHISON. Yeah. I have to say, with all due respect, that the leader in the effort of command and control by a Guard unit was the Texas unit that went to Bosnia. And I think that was the test, and they passed, and I think that really led the way. I happened to know, because I visited them when they were there, and it was just a wonderful experience, and it was something that a Guard unit could do that kept you from having to use active duty. But I was really thinking—in the active-duty terms, can you also do the rotations effectively and still stay up to speed and trained?

General JONES. This is an issue that we are currently working on with General Shinseki and the U.S. Army, because they will have to respond to the input from other commanders, like myself, who make demands on types of units.

But I think one point that I would like to make is that as we adjust our footprint, as opposed to the last time, 10 years ago, or 11 years ago, where we did a force drawdown in Europe, that force

disappeared from the active structure. The 7th Corps disappeared from the active structure. This time, I have to emphasize that no one is talking about end-strength reductions. This is a very important distinction.

And for a theater commander, such as myself, if we achieve a different basing modality from the standpoint of permanent infrastructure, large number of families, huge infrastructure costs, it will be because we can do a different—we can solve the problem differently with these rotational forces. But if we send forces home from Europe, it will be with the expectation that the Army, the Navy, the Air Force, and the Marine Corps will be able to replace in kind on a rotational basis the forces that we still need. So it is not a zero-sum game.

And so I think, with regard to the Army, that is a more difficult challenge, and we all know, because—we all know why. But I think we are going to work our way through it.

Senator HUTCHISON. Thank you.

Senator FEINSTEIN.

Senator FEINSTEIN. Thank you very much.

FORWARD OPERATING BASES

A technical question, General Jones. We could not identify, in the budget document, the funding for the planning and design for the forward-operating bases in Eastern Europe. My understanding is you may want to plan and design for that, and perhaps in Bulgaria and Romania. How much money do you need for planning and design in 2004? Is it six or seven?

General JONES. I requested, I think, \$6.8 million—\$6.85 million.

Senator FEINSTEIN. So it is \$6.5 million. That takes care of that.

General JONES. And that would be to do the surveys and all of the studies and the—because some of these areas are still relatively unknown to us.

EFFICIENT BASING SOUTH

Senator FEINSTEIN. One of the things that I got involved in was the Efficient Basings South, when General Meigs was in command. And I had an opportunity to visit—I think I mentioned this to you—Camp Ederle in Vicenza, which, as you know, is an urban base in the middle of the city. And to move troops out, you have to drive them 2½ hours to Aviano. And we have not had any requests that I could see for any additional MILCON at Aviano.

You added, I gather, a second airborne battalion to the 173rd Airborne Brigade, and I think 22,000 of those dropped actually in Iraq—

General JONES. Uh-huh.

Senator FEINSTEIN [continuing]. If my memory serves me correctly.

General JONES. Correct.

Senator FEINSTEIN. My question is, What lessons have you learned from that? And do you think that Ederle is going to be adequate for these needs? And Aviano, as well?

General JONES. I think the utility and the wisdom of the investments that we have made in that particular region and that particular unit are really an example of the kind of forces that we

need in Europe for the future. They are expeditionary by nature. They did participate in a combat drop into Northern Iraq.

As you know, when the discussions with the Turkish Government did not materialize with an agreement to be able to introduce the 4th Infantry Division by land, we had to come up with another scheme, and we successfully introduced almost 6,000 soldiers, sailors, marines, airmen, into Northern Iraq by air. And the first regular unit that was in there, conventional unit, was the unit from SETAF stationed in Vicenza, the 173rd. And I think this kind of unit is extremely useful for the theater because of their agility and their mobility and their proximity to Aviano. I would favor considering still another battalion to round out the unit. If it were left up to me, I would probably grow that unit even by one more battalion, because—

Senator FEINSTEIN. In Camp Ederle?

General JONES. In the area, in the vicinity. Perhaps not quite specifically there, because, as you said, space is very tight. But it is, geostrategically, very well located, in terms of the theater and in terms of the potential threats in the east and the south, and can be deployed very quickly, as we saw in the Iraqi Freedom Operation. So it is a very, very important, strategically important, area for us and a very modern capability that we will need in the 21st century.

Senator FEINSTEIN. But is there anything in this budget having to do either with expansion at Aviano or Ederle?

General JONES. For Efficient Basing South, deployment facility phase one at Aviano, \$15.5 million. For deployment facility phase two at Aviano—

Senator FEINSTEIN. Excuse me. For a deployment facility?

General JONES. Uh-huh.

Senator FEINSTEIN. Which would be exactly what?

General JONES. Essentially to facilitate the throughput of deploying forces from that region and facilitating the difficulties that you—including the modalities and basing arrangements to facilitate the rapid departure of troops and also the reentry of troops.

And then we have \$16.4 million earmarked for Vicenza, as well.

Senator FEINSTEIN. That is about a total of \$30 million, then, to improve—

General JONES. \$34.9 million, to be exact.

Senator FEINSTEIN. 34—

General JONES. Yes, ma'am.

Senator FEINSTEIN [continuing]. To improve deployment and basing—

General JONES [continuing]. Environmental support—

Senator FEINSTEIN. [continuing]. At Ederle and—

General JONES. Vicenza.

Senator FEINSTEIN [continuing]. Aviano Air Base.

General JONES. Yes, ma'am.

Senator FEINSTEIN. Okay, that is what I wanted to know. Thank you very much.

General JONES. If I could just add another remark to that. The Joint Deployment Training Facility provides the heavy drop-rigging facility for the SETAF of the 173rd Brigade to deploy from Aviano during contingency operations, will provide space to support 1,000

deploying soldiers, 20-ton overhead lift for heavy drop-rigging, parachutes shakeout, drying tower, rollarized floor for heavy drop-rigging, and air/land palletization, a wash bay for preparation of vehicles for air/land—quite a bit of capability there.

RELATIONSHIP WITH NATO

Senator FEINSTEIN. Thank you very much.

As the SACEUR, would you care to comment on your role in revitalizing the United States and NATO relationship?

General JONES. Well, I am privileged, Senator Feinstein, to have my second assignment to be the commander of the Allied Command in Europe. This is also a transformational period for the alliance. As you know, the traditional role of the Supreme Allied Commander Atlantic will change very shortly to be the Allied Commander for Transformation, and that is why the European theater—I am sorry, the NATO theater—the European theater has expanded by air and sea, because I have been assigned the previous operational area that SACLANT used to have.

The military portion of the alliance is very strong, very robust. Senator Landrieu pointed out that the engagement yields have tremendous dividends. And after the many years of the alliance, we have formed lifelong friendships and partnerships across the 19 member Nations. And the military portion of the alliance is very robust and very strong, and it survives all kinds of strains and pushes and tugs as the diplomatic and political debates rage on around us.

We are in the business of transforming NATO. NATO, as a political alliance, has signaled the strong message that members desire to expand the alliance. And as the leader of the military portion of that alliance, we are working hard to develop the NATO Response Force, which will be the engine of transformation for the 21st century military alliance capability. And this is very exciting and very promising work.

And it provides, really, the framework for what the U.S. European Command is doing. As NATO expands, so, too, must we reevaluate the U.S.'s contribution to the alliance. But being able to do both of those things simultaneously is a real privilege and something that I—

Senator FEINSTEIN. Just let me tell you where I am going, and you might not want to comment. But when you told me the sheer size of the NATO military force, I found it just unbelievably large, at well over 2 million. And yet the basic inability, at least apparently, to really participate efficiently and quickly in any military action that might take place, it made me—last evening, I was thinking about whether the NATO people are aware of that and the fact that by their very bulk in size there is an obsolescence that tends to set in because they cannot be relevant in what you describe as the new asymmetrical world.

General JONES. This is why I use the term “NATO at the crossroads,” because NATO is what it is today because of a very—the most successful military alliance in history. It has served its purpose as a defensive alliance. We built it a certain way. America was privileged to lead. That threat went away as a symmetric threat, and now we are in the business of reshaping the military arm that

undergirds the alliance in such a way that it will be more useful in the future.

On the one hand, it is extremely large, with 19 sovereign Nations, each of which have to decide for themselves what they want in their own individual militaries. My job is, I believe, to signal to those 19 Nations what we think, in NATO, is militarily relevant to the future challenges of NATO, and the instrument of that change will be the NATO Response Force.

Nations will have to decide for themselves how big they wish their forces to be and, more importantly, how they wish to shape those forces. And it is a fascinating dialogue, to be able to go from one country to the other to present the concept of NATO transformation through the NATO Response Force and to engage in the dialogue that goes through as to how do Nations contribute to that NATO Response Force.

My feeling is that, as we go down this trail together, that we will produce something that will be very relevant, but it will be different than the large monolithic threat-based symmetrical response force that we have had, and that NATO will kind of go through something that the United States went through in the last 10 years of gradually shrinking and collapsing the capabilities that are not terribly useful in the 21st century and hopefully generating some resources from within to transform the force into a capable NATO Response Force that we all seek and the United States would absolutely welcome in the 21st century.

And so I am extremely optimistic about our direction, and I find it very exciting to be able to participate in this process. It will take a little time. It will take some focus. But to give you a sense of how quickly things are moving, it is hoped that at the June ministerial that the NATO Response Force, which was stipulated at the Prague summit as something that the Nations wished to do, will receive the endorsement of the Ministers as saying that we endorse the concept. And by October of this year, we hope to be able to have available for other Nations to see a sample of the most expeditionary piece of the NATO Response Force with, say, something between 2- to 5,000 integrated air, land, and sea forces that will be presented as an example of how NATO can go if it wishes to do so in the future. And I think this is very exciting.

Senator FEINSTEIN. I just want to say at least this Senator thinks you are really on the right track. And I think, in terms of really satisfying a basic need, that this is really the way to go. And I really very much hope that you have the cooperation of all those Nations that are a part of NATO.

And I know that politically the mass means something, but strategically I do not really think it does. And so I think you are absolutely right in the direction in which you are going, and——

General JONES. Thank you.

Senator FEINSTEIN [continuing]. To have a really leaner, more mobile, more modern, more transformed force would be much more effective in the future, and I think this is really very smart thinking. I just want to say that.

General JONES. Thank you, ma'am.

Senator FEINSTEIN. Thank you.

General JONES. And may I say that I am receiving—we are receiving, those of us who are doing this work—we are receiving enthusiastic support by all member Nations who, one at a time, have told me that they consider the NATO Response Force to be extremely important, and they are all looking at ways in which they can make a contribution, and I find that very uplifting.

Senator FEINSTEIN. Thank you very much.

General JONES. Thank you.

Senator FEINSTEIN. I appreciate that. And thank you, General LaPorte.

That concludes my questions.

ADDITIONAL COMMITTEE QUESTIONS

Senator HUTCHISON. Well, thank you. This has been very helpful. I appreciate so much—you both came a very long way to be here, and I am so pleased that we really were able to work before this. I think you have started on a path that is going to transform the military and certainly start the thinking process for assuring that we are spending our dollars on the strategic needs that our country has. And I appreciate both of your service very much and look forward to continuing to work with you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL JAMES L. JONES, JR.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

BASING CONCEPT

Question. You envision a basing concept that employs semi-permanent bases that do not have full support facilities. Can you elaborate on that concept and describe in more detail what such a base would look like and how it would differ from a traditional European base? In general terms, how many such bases would be required?

Answer. Our concept involves a network of Joint Main Operating Bases, Joint Forward Operating Bases, Joint Forward Operating Locations and Joint Pre-positioned Sites. This network will transform United States European Command's (USEUCOM's) operational flexibility to better prosecute the war on terrorism, respond to crisis, conduct security cooperation, increase stability in the region and maintain operational readiness through enhanced training and exercises. Our concept includes a reduction of permanently assigned forces to USEUCOM thereby allowing us to reduce the number of large main operating bases required to support the families and services associated with permanently assigned forces. An essential element of our concept is the increased reliance and use of forces that are rotated from the United States to Europe in order to conduct training exercises and other security cooperation activities in order to maintain a United States presence. These rotations would be for a short duration, perhaps 3 to 6 months, and the troops would use Joint Forward Operating Bases and Joint Forward Operating Locations as their logistical hubs.

The following characteristics of Joint Main Operating Bases, Joint Forward Operating Bases, Joint Forward Operating Locations and Joint Pre-positioned Sites helps to explain the concept and shows how they differ.

—*Joint Main Operations Base (JMOB).*—Strategically enduring asset established in friendly territory to provide sustained command and control, administration, and logistical support in designated areas. Ramstein Air Base, Germany, is an example of a JMOB.

—*Joint Forward Operating Base (JFOB).*—Semi-permanent asset used to support tactical operations without establishing full support facilities. Can be scalable, and may be used for an extended time period. May contain pre-positioned equipment. Backup support by a JMOB may be required. Camp McGovern, Kosovo, is an example of a JFOB.

—*Joint Forward Operating Location (JFOL)*.—Expeditionary asset similar to a Forwarding Operating Base, but with limited in-place infrastructure. May contain pre-positioned equipment.

—*Joint Preposition Site (JPS)*.—Sites that contain pre-positioned war reserve materiel (Combat, Combat Support, Combat Service Support), usually maintained by contractor support.

The exact number of sites is yet to be determined, however, our concept envisions a reduction in the number of JMOBs in EUCOM. We will maintain those required and consolidate or reduce the rest. We will build a small number of new JFOBs in Eastern Europe and in Northern Africa. In order to extend our reach into Eastern Europe and Africa, we will develop a series of JFOLs, although total number has yet to be determined.

NEW ENDURING BASES

Question. To what extent do you envision having to reestablish new “enduring” bases elsewhere in your command’s area of operations?

Answer. Our proposed strategic transformation concept does not establish or build new infrastructure on the level of existing full support facilities we have traditionally operated in Western Europe. Our vision is to optimize existing installations through consolidation and, in some cases, closure, and establish a network of joint forward operating bases and locations that provides employment of a rotational deployment concept. This structure will ensure increased operational capability to prosecute the global war on terrorism, respond to crises throughout our area of responsibility, and conduct security cooperation, as well as provide increased stability and enhanced training and readiness.

NEW TRAINING AREAS

Question. Do you envision establishing significant new training areas further East in Europe? If so, what would be the scope of any such facilities?

Answer. Although our forces may not initially enjoy the same level of training range capability they have traditionally had at Western Europe locations, we anticipate full cooperation of our future host nation partners in exercising our military capability to the greatest extent possible. Over time, as our joint forward operating base infrastructure matures, we envision building up instrumented ranges and facilities that will provide fully joint coordinated training between our services and allies. Realistic and demanding training has been the asymmetric edge of United States forces over the past decade. Our success in combat, whether ground, air or sea, has been solidly based in our training. We believe that new training areas in Eastern Europe and North Africa will provide us the opportunity to keep that asymmetric edge well into the future.

RESIDUAL VALUE

Question. Has the United States European Command completed negotiations for residual value for all of the more than 560 installations returned during the last decade? If not, how many installations are still in negotiation? When will these negotiations be completed?

Answer. No, United States European Command has not completed negotiations for residual value for the more than 560 installations returned during the last decade.

There have been 566 installations returned in the last decade. Of these 566 installations, only 26 percent, or 149 installations, are currently under negotiation and 417 have been completed.

The host nations significantly impact the negotiation process for residual value. Our goal is to conclude these negotiations as quickly as possible where no residual value is anticipated. For the remaining installations, the goal is by the end of 2004.

Question. What stumbling blocks have United States negotiators encountered during more than a decade of residual value negotiations? How might our strategy be adjusted should we return additional installations?

Answer. There have been no stumbling blocks to date. With the Federal Republic of Germany, in particular, United States European Command has negotiated many technical arrangements over the years that have now resulted in a predictable and stable Residual Value negotiation environment and fair market returns are being realized. In 1994, the General Accounting Office validated our Residual Value strategy and the Office of Management and Budget has reviewed and approved all of our yearly Residual Value packages. Additionally, the United States policy in some countries is not to seek Residual Value due to overarching United States political goals.

In compliance with the Commander of United States European Command's intent for more forward operating bases and forward operation locations in countries where we now have little or no presence, the requirement for new construction in our traditional host nations will be less. We will be less likely to pursue payment-in-kind as a means of Residual Value with our traditional host nations due to the lessened requirement for new construction. In accordance with Article 48 of the Supplementary Agreement to the North Atlantic Treaty Organization (NATO) Status of Forces Agreement, whenever we do not have a need for facilities anymore, we must return those facilities as quickly as possible.

ENVIRONMENTAL DAMAGE

Question. According to a 1994 GAO report, the extent of United States improvement and damages to the facilities in Germany figures prominently into the negotiated value. The Status of Forces Agreement with Germany explicitly cites environmental damage caused by United States forces as an offset of the facility's value. In the past, what has been the cost of environmental damage on United States facilities that we have returned to Germany and other European countries? In the future, will United States facilities that will be returned to Germany be evaluated for environmental damage? What are the criteria for assessing environmental damages?

Answer. With regard to the return of property, there has been no cost for environmental damage in any host nation other than Germany. The cost to date for environmental remediation in Germany occurred during the period between 1992 and 1997 for a total of \$23.8 million. Ongoing negotiations are considering environmental costs as part of the final settlement.

United States facilities returned to Germany in the future will be evaluated for environmental damage. Before United States facilities are returned, an environmental summary report will be completed. This document characterizes the environmental condition of a site being returned. The purpose of preparing this report, among others, is to establish the environmental condition of the site to assist in determining the validity of any claim for environmental damages that may be asserted by the host nation following return.

In Germany, the 1993 Supplementary Agreement to the North Atlantic Treaty Organization (NATO) Status of Forces Agreement states that German law applies within an accommodation, e.g., a United States installation. The appropriate criteria for environmental remediation shall be guided by German Federal and Lander (state) laws that serve as a framework for soil and groundwater remediation in German states containing United States Forces installations.

As part of Residual Value negotiations, each installation identified for realignment is evaluated for environmental damages on a site-specific basis, employing a risk-based approach. Neither the NATO Status of Forces Agreement nor the Supplementary Agreement specifically obligates the United States Forces to accomplish environmental cleanup before return. Under Department of Defense Instruction 4715.8, the United States Forces are not authorized to expend funds to remediate environmental damages after an installation has been announced for return unless it is determined that remediation is necessary to avoid an imminent danger to life or health or necessary to sustain current operations in light of the projected return date. The result of failure to clean up the environmental damage before return is that a monetary claim may be asserted under Article VIII of the NATO Status of Forces Agreement, Article 41 of the Supplementary Agreement or may be set off against Residual Value under Article 52 of the Supplementary Agreement. The treaty obligation for the United States Forces to bear costs arising in connection with the assessment, evaluation, and remedying of hazardous substance contamination caused by the United States Forces is set forth in paragraph 8bis(b) of the Protocol of Signature Re Article 63, Supplementary Agreement.

QUESTION SUBMITTED BY SENATOR MARY L. LANDRIEU

FUTURE BASING ROLE OF EASTERN EUROPEAN COUNTRIES

Question. General Jones, I recently returned from a trip to Romania, where I visited with the 5,000 Marines stationed there. Romania is a North Atlantic Treaty Organization (NATO) aspirant, and I hope the Senate will soon approve NATO's expansion and membership for Romania, Bulgaria, Latvia, Lithuania, Estonia, Slovenia, and Slovakia. These aspirants have been members of the Coalition of the Willing, and we should be grateful to these burgeoning democracies for supporting America's efforts to oust a dictator. In particular, I want to commend Romania for

housing United States troops, opening its airspace, and committing its own forces to the operations in Afghanistan and Iraq.

Regrettably, our traditional allies Germany and France were reluctant to support America's efforts bring freedom to the Iraqi people. Additionally, Germany's reluctance to allow United States over flight and Austria's refusal to do so complicated the United State's ability use its airfields in Germany. United States planes flying over Europe en route to the Middle East or United States also had to change their routes to avoid flying over Austrian airspace. There is also a growing sentiment in Germany against America's military presence in Germany. This could potentially create force protection problems for our 68,000 troops in Germany.

Given the change in strategic threats to the United States, the lack of support faced by United States forces in Germany and Central Europe, and the support found for United States foreign policy and the military in Eastern European countries such as Romania, Hungary, Bulgaria, and Poland, what role can these countries have in basing United States troops? Do you foresee permanent basing of United States forces in these countries? Is the United States evaluating whether to increase, decrease, or keep constant its troop strength in Europe? Has the Department conducted studies to determine the costs associated with the construction of new bases in Eastern Europe? If so, what are the anticipated costs? If not, please make them available once formulated.

Answer. Eastern European countries such as Romania, Hungary, Bulgaria, and Poland will play a very important role as we transform United States European Command (USEUCOM). These countries have the potential for hosting new and improved training facilities as well as Joint Forward Operating Bases and Joint Forward Operating Locations that will support our concept for the use of rotational forces. Overall, our concept does not envision creating new large main operating bases that have been the tradition in Europe. We envision a very small and limited number of permanently based United States forces in the new areas we move to. Only those absolutely required will be permanent—the vast majority will be rotational forces brought over for specific training and security cooperation objectives.

We are evaluating what the troop strength in Europe needs to be. We have yet to determine the exact number but we have determined that we will reduce the number of permanently assigned forces and rely more on the use of rotational forces.

We are just now beginning the process to estimate costs associated with our Transformation. We must conduct detailed site surveys as well as negotiations with the host nations in order to determine costs. Once we have cost estimates developed, we will provide them.

QUESTIONS SUBMITTED TO GENERAL LEON J. LAPORTE

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

KOREA

Question. Are you giving up training areas under the Land Partnership Plan and if so, how will you make up for the loss of those facilities?

Answer. Under the Land Partnership Plan, we are returning many heavily encroached training areas that are of very limited use to USFK. In return, we have gained guaranteed time on Korean military training facilities, at no cost to USFK, to meet our requirements. We have kept our primary training areas and the Korean government has agreed to remove the encroachments to increase the safety and effectiveness of our training. This agreement has already provided great improvements in the quality of training and ultimately our readiness.

Question. You have stated that you would like to increase the number of accompanied tours in Korea. What are the military construction implications of increasing accompanied tours? Even if housing is privatized, won't this require additional infrastructure to support more families?

Answer. Increasing the number of accompanied tours is an important part of our overall strategy to enhance, shape, and align our forces in Korea. We currently have less than 2,000 family units in Korea. My goal is to provide 5,500 family housing units on enduring facilities south of Seoul and outside of North Korean artillery range. With the increase of accompanied tours there will be a need to increase the supporting infrastructure. We plan to fund the overwhelming majority of this increase using Build-to-Lease and Military Family Housing Privatization Initiatives. The build-to-lease projects will include the needed facilities and infrastructure (roads, power, water, waste and recreation facilities) improvements associated with

the increase in accompanied tours. Other requirements not covered by Build-to-lease will be met through Land Partnership Plan, Yongsan Relocation and Host nation funded construction as USFK consolidates units on enduring locations.

Question. Following recent negotiations between Defense Department and ministry of National Defense officials, the press reported that Yongsan Army Garrison would be moved to Osan by the end of the year. How long do you expect the relocation to take?

Answer. We have an agreement with the Korean government to relocate United States forces out of the capital of Seoul, with all expenses paid by the Korean government. The Yongsan facilities will be moved to Camp Humphries/Pyongtaek and not Osan Air Base as indicated in the question. Once the ROK Government processes the land and funds the facility construction, the Yongsan relocation will take approximately 3 years to complete.

Question. The Defense Department has submitted a budget amendment requesting that several barracks projects scheduled for fiscal year 2004 be shifted from Camps Casey and Hovey to Camp Humphreys. This approach depends on the Korean government fulfilling a promise to provide the land for these facilities, which it has not yet acquired. Would you describe the steps that have to take place before we are ready to begin fiscal year 2004 construction projects on this land?

Answer. The Status of Forces Agreement establishes the Facilities and Areas Subcommittee under a SOFA Joint Committee to consult, make recommendations, and execute decisions land and facility decisions. The United States Forces Korea Engineer and the ROK Ministry of National Defense (MND) Chief of Real Estate are the subcommittee co-chairmen.

The Steps in the Land Grant Process in the Republic of Korea

- The Facilities and Area Subcommittee (FASC) conducts a joint survey of the proposed area to define boundaries.
- The FASC develops, negotiates and forwards an “Agreed Recommendation” to the SOFA Joint Committee, stating the size, location, and any proposed land grant conditions.
- ROK MND acquires the land for USFK as per the 25 April 2003 letter from Minister of Defense to the Secretary of Defense. This letter pledges to purchase all the land required to meet USFK alignment need within United States government timelines.
- ROK MND acquires the land and establishes a property vacate date.
- ROK MND coordinates with local government officials to make any required changes to local zoning restrictions for the land.
- ROK MND completes land acquisition
- The grant is then approved by the SOFA Joint Committee.
- ROK MND and USFK exchange real estate documents recording the grant of the property to the United States.

ROK MND has just completed the purchase and grant of new land to USFK for the construction of the fiscal year 2003 Family Housing project at Osan Air Base following this procedure. We are confident ROK MND will meet our land requirements again next year.

Question. What concerns have South Korean officials voiced concerning environmental clean-up of facilities to be returned to them under the Land Partnership Plan? Have environmental concerns halted or delayed any land transfers under the Land Partnership Plan? Will the Korean government pursue environmental testing of land returned to them by the United States Government?

Answer. Under the Status of Forces Agreement (SOFA) and Department of Defense policy, USFK will remedy any contamination that poses an imminent and substantial endangerment to human health and safety. The Republic of Korea is then responsible to remediate by Korean law prior to returning the land to public use. The Land Partnership Plan (LPP) was negotiated under this premise and ratified by the National Assembly. As part of our transfer process we have worked together to establish a system of joint surveys and consultations with the Korean government prior to any transfer of land. This process will ensure a full understanding of the conditions of the property, and any remedial actions to be performed. The joint surveys and consultations fulfill all ROK and United States requirements under the SOFA and LPP. This process has resulted in the delay of 2 small properties to perform our initial surveys and to work through any lessons learned on these new procedures. It is our intent to refine this process before we begin the sizable land returns planned for the near future. Currently are also establishing new guidelines and environmental standards to be met for the land that will be acquired under the LPP for caretaking and possible long range turnover back to the Korean government.

CONCLUSION OF HEARINGS

Senator HUTCHISON. As I told both of you earlier, we are going to try to delay Military Construction because of the changes that are very clearly being made right now, and we would like to wait as long as we can. So we will wait for your final review of your Tier I installations. We will certainly work with you, as I know a lot is happening right now with Korea, and try to have our final bill as late as possible in the year.

Thank you so very much.

[Whereupon, at 6 p.m., Tuesday, April 29, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]