

MILITARY CONSTRUCTION AND VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2006

TUESDAY, JUNE 28, 2005

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

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

Present: Senators Hutchison, Allard, Feinstein, Johnson, and Landrieu.

OVERSEAS BASING COMMISSION

STATEMENT OF HONORABLE AL CORNELLA, CHAIRMAN, OVERSEAS BASING COMMISSION

ACCOMPANIED BY:

**MAJOR GENERAL LEW E. CURTIS, III, UNITED STATES AIR FORCE
(RET.)**

VICE ADMIRAL ANTHONY A. LESS, UNITED STATES NAVY (RET.)

BRIGADIER GENERAL KEITH MARTIN, PENNSYLVANIA ARMY NATIONAL GUARD (RET.)

LIEUTENANT GENERAL H.G. TAYLOR, UNITED STATES ARMY (RET.)

OPENING STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. The hearing will come to order. I apologize for being late, I thank all of you for being here and I'm very pleased that we now have our report and our hearing. The Commission has concluded that making the necessary changes in the report did not have a material affect on its conclusions and recommendations, thus the report has been edited in response to concerns of the Department, and we appreciate all of the cooperation by both the Department of Defense and the Overseas Basing Commission.

The Overseas Basing Commission was created in November of 2003 in the Military Construction Appropriations Act, Senator Feinstein and I were the authors of that legislation. We passed the legislation because we were concerned that the United States was pouring large amounts of money into overseas military facilities that were more appropriate to the Cold War than to the security environment of the 21st century. I also was concerned that the Department was not thinking boldly enough about the posture more appropriate to that new security environment, and creating the

Commission served a dual purpose—providing Congress with an independent view of our overseas basing needs, and working with the Department of Defense to tackle this effort vigorously.

We have before us a fresh look at these important questions, not necessarily does it have all the right answers, but it is another independent view of the subject. I believe we'll find that the Commission's very existence will prove to have been as important as any of the specific recommendations it has to make.

I'm pleased to note the Commission report overall is in support of the Global Basing Strategy of the Department of Defense, and while the Commission diverges from the Department on some of the specifics, its plan, in the words of the report says, "The Commission fully understands the need for change and endorses most of the initiatives undertaken in the Department of Defense's Integrated Global Posture and Basing Strategy."

I will not read the rest of my opening statement, but just to say that I think the goal of the Commission and our goal in passing the legislation authorizing the Commission has been met, and I think that in the main it is also in agreement with the Department of Defense Global Basing Initiative. There are some differences, and we will discuss those. We will certainly want to hear from the Department of Defense as well, but I think when we are looking at some of the problems that we had in transporting troops during the run up to the situation in Iraq, and the training constraints that we have at overseas bases, that certainly the move now to having more troops at home and deploying from here is something that is in the works, thanks to a lot of effort on the part of the Department.

So, with that, let me ask my ranking member, Senator Feinstein for her opening statement, and as the co-sponsor of the legislation to create the Commission, we're very pleased that we now have a report, and we believe it will add to the body of knowledge to make all of our bases better training facilities, and better places for our service men and women to live and work. Senator Feinstein.

STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Madame Chairman, and my thanks to the Commission, to its Chairman, Al Cornella, to the members, I really think you have done an excellent job. I had a chance at reading the classified version and have just received this new one now and look forward to looking through it.

I am very pleased you're working through the classification issues which have arisen in conjunction with the report, and we've reached the point where we can go forward with this hearing today. Senator Hutchison's and my goal in establishing the Commission was really to enable and obtain an objective, informed overview of the global basing plan from the perspective of experts outside of the Pentagon. Your report offers precisely the type of overview we were hoping to achieve and it raises a number of valid and very thought-provoking questions.

The timing of the report in conjunction with the ongoing BRAC process could not really be more propitious. I understand you've been invited to testify before the BRAC Commission, and I would

anticipate that your insight into the global basing plan will be a valuable asset to them in their deliberations.

I agree with both you and the Defense Department that it is time to re-think the stationing of the United States military forces around the world, but I also share your concerns that the Pentagon may be moving too fast, too soon without giving enough consideration to America's overarching foreign policy and national security objectives. This isn't just an exercise of moving pieces on a chessboard. When, how and where we reposition existing military forces overseas has a far-reaching impact, not only on our national security interest, but also on a whole host of economic and political interests. The movement of troops from Europe and Korea back to the United States will have a huge impact on the communities to which they are returning, as your report rightly points out, quality of life is a key element of the global re-basing strategy, so the Department needs to be very careful to avoid returning American troops and their families to bases in communities that are not ready to receive them, and this is a major concern, I think, of Senator Hutchison, and certainly of my own.

How the Pentagon expects to accomplish this in the midst of the wholesale realignment of domestic bases that will occur as a result of BRAC is a question that needs to be answered, and interestingly enough, I see where, in your report, you mentioned that costs, which are anticipated to be between \$9 and \$12 billion with only \$4 billion currently budgeted from fiscal year 2006 to 2011. You mentioned that these may be understated, and that an independent analysis conducted for your Commission put the tab at closer to \$20 billion. I think this is something that we need to come to grips with, I hope, Mr. Cornella, that you will talk about that in your remarks.

Secondly, timing and synchronization are central themes, but your report is a great first step, I really want to thank you for it, and I certainly look forward to your testimony. Thanks, Madame Chairman.

Senator HUTCHISON. Thank you. Senator Allard.

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Madame Chairman, I would like to make my full statement a part of the record.

But I would just like to just briefly make these comments.

In some respects the Commission was critical of the manner in which the Department of Defense put together its current Integrated Global Basing Posture and Basing Strategy, and some may even be tempted to argue that the Commission's recommendations indicate that we need to delay, or stop entirely, the BRAC process. Madame Chairman, I disagree with that assessment.

PREPARED STATEMENT

I note that the Overseas Basing Commission stating it fully, agrees with the Department's contention, that there's considerable need for a rebasing initiative, in fact, the Commission strongly endorses most of the rebasing initiatives undertaken by the Department of Defense, and I look forward to getting to the heart of the

recommendations offered by the Commission, and I believe that this hearing will further demonstrate how important it is that the BRAC process move forward, and that the Department's re-basing initiative is fully implemented, and I note with interest that there's one bullet in your conclusions and recommendations where you state that the overseas basing posture of the United States and domestic base closure and realignment are closely related. Although the Commission calls for an overarching review of the overseas basing posture, you state that we believe that the BRAC process should move forward as scheduled, thank you, Madame Chairman. [The statement follows:]

PREPARED STATEMENT OF SENATOR WAYNE ALLARD

Thank you, Madame Chairman for holding this important hearing.

The Commission on the Review of Overseas Military Facility Structure of the United States has performed a great service for our country. The Commission's report lays out several principles that should be considered when reviewing the Department of Defense's overseas rebasing initiative. These principles include among others:

- Ensuring that the rebasing initiative is tied to a master plan
- Coordinating with agencies outside the Department of Defense
- Assessing the impact of rebasing on intelligence, force protection, homeland security, and other important national priorities

In some respects, the Commission was critical of the manner in which the Department of Defense put together its current Integrated Global Posture and Basing Strategy. Some may even be tempted to argue that the Commission's recommendations indicate that we need to delay or stop entirely the BRAC process.

Madame Chairman, I disagree with that assessment. I note that the Overseas Basing Commission stated it fully agrees with the Department's contention that there is considerable need for a rebasing initiative. In fact, the Commission strongly endorsed most of the rebasing initiatives undertaken by the Department of Defense.

I look forward to getting to the heart of the recommendations offered by the Commission. I believe that this hearing will further demonstrate how important it is that the BRAC process move forward and that the Department's rebasing initiative is fully implemented.

Thank you for the opportunity to say a few words. I look forward to the testimony of our witnesses.

Senator HUTCHISON. Senator Landrieu.

STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Madame Chair, I have a full statement for the record.

I would just like to add, I think it's very important that our desires and needs as a Nation be brought into line with our budget and monies that we have to allocate, and I'm seeing, unfortunately, a pattern of setting out on a course underestimating the costs associated, and basically running up the debt. And so, I think we've got to be very practical in this approach, we have some strategic defense postures to keep in place, but we also have some very real budget constraints, and if the cost is going to be twice or three times as much as we had anticipated, then we're going to need to find the money somewhere, and just can't pretend that we can do this with minimal to no cost, and we've got to be able to be more realistic about that, and I'll say more about that in the statement that I submit. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

Madame Chairman, thank you for calling this hearing to review the Overseas Basing Commission recommendations.

Since the end of the Cold War, the United States has stood as the unrivaled military leader in the world. Our fighting men and women have preserved national security and served our foreign policy interests admirably since the collapse of the Soviet Union. However, the attacks of September 11, 2001 on the United States highlighted the need to transform our national defense strategy to address the terrorist and extremist threats which seek to destroy our country's influence in the world.

Admiral Nimitz, one of our foremost Naval heroes defined the task for us. He noted that "whoever gets there firstest with the mostest wins." That is our contemporary challenge which positions U.S. fighting men and women abroad. We must place them around the globe in such a way as to assure that U.S. forces are the first in the Theater, and that they can bring overwhelming force to bear.

Yet while our government contemplates a global strategy to keep our Nation more secure, we must also consider the personal impacts our decision-making will have. As we contemplate closing facilities in Germany and other places in Europe, we must keep a special focus on our military families. We are already asking them to make incredible sacrifices. We do not need to add the inevitable burdens of separation and worry by relocating our bases to places where it is unlikely or impossible for their families to follow.

Another consideration for this process is ensuring that our allies and friends recognize that we aim to strengthen our commitment to secure our common interests. We must explore ways in which we can together transform our partnership in order to enhance our collective defense capabilities. It is time for our allies to work toward this goal together. Gone are the days when the United States can be expected to foot the bill for every cause.

Madam Chairman, while I trust that all the members of the Overseas Basing Commission will provide valuable recommendations to strengthen the U.S. Global Defense Posture, I think it is important that this subcommittee keep in mind that managing this complex concept is a costly endeavor. While we have put much effort into the building blocks of posture changes which include the facilities that make up our overseas footprint. However, we also need a new approach to managing the force which includes our permanent and rotational presence overseas must include our allies and their own accountability for the goals which they can no longer expect to achieve without their own proportionate investment.

We must make certain that we keep our Nation's obligation to those who have served and sacrificed in its defense. I believe that the U.S. Global Defense Posture is important and necessary. I also believe that our commitment to this endeavor must be tempered by realistic expectations to be achieved and by appropriate and responsible contributions to be made by the United States as well as our Allies.

In its report, the Overseas Basing Commission expressed areas where the Department of Defense can provide for a more secure America. Suggestions in the report range from better communication and a wider spectrum of views by partners in the decision-making process to a more cohesive overall design which would be administered by a specific body that would be assigned responsibilities to both guide and monitor its implementation. Also, the Commission suggests Congress exercise its full authority in ensuring that plans and programs are appropriate to the task.

The Commission's recommendations are critical in the strategy of transformation which will change the face of national security for many years to come. It is essential we have an honest and open dialogue to insure America continues to preserve the lives of its citizens for generations to come.

Thank you all for your testimony. Also, I hope that in the future we will be able to discuss one of the most important issues which faces this committee, the shortfall in Veterans Health Care funding.

Madame Chairman, Senator Hutchison, thank you for your continued leadership on these issues. I look forward to the testimony of our witnesses.

Senator HUTCHISON. Senator Johnson.

STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Thank you, Madame Chairman. I want to in particular welcome a fellow South Dakotan, Al Cornella, Chairman of the Commission, to the panel today and express my appreciation and the Senate's appreciation for your leadership. Mr. Cornella is a

former BRAC Commissioner and has been willing to take on the very significant task of chairing the Overseas Basing Commission, and we're appreciative of that, Al, we are proud of your service to the country. I welcome our other panel members here, as well, who have each of them, undertaken a very large scale, but very important undertaking, and will serve the Senate well, I'm certain. I will submit a full statement, Madame Chairman.

I do, however, want to note that I believe that the Overseas Basing Commission recommendations and the ongoing quadrennial review are of such significance that it would have been my preference to have seen those issues resolved prior to going onto the BRAC Commission's deliberations about the closure and the Department of Defense's recommendations, frankly, for the closure of military bases around the country. I think that all of these interact with each other, and it is hard for me to imagine how the recommendation from the Department of Defense could be, well premised without in fact having prior access to the studies and reviews of the quadrennial review as well as the Overseas Basing Commission.

Nonetheless, here we are, and I look forward to the testimony of the Commission, and I want to tell the Commission that I was very supportive of this effort I think that your work is going to be a very constructive and positive contribution to our overall review of America's military posture in the world and domestically as well, thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TIM JOHNSON

Mr. Johnson. I would like to thank Chairwoman Hutchison and Ranking Member Feinstein for calling today's hearing to discuss the Overseas Basing Commission's interim report.

I would also like to thank Chairman Al Cornella for appearing before the Subcommittee today. The work performed by the Overseas Basing Commission is vitally important to our national security and the long-term viability of our military force.

Today the Military Construction and Veterans Affairs Subcommittee will hear testimony from Commission members about redeploying servicemembers from U.S. military facilities overseas. Their report could not come at a more important time.

The threats facing the United States today are vastly different from those during the Cold War. Much has changed since that conflict ended and we must shift our security posture to confront new and emerging enemies. In addition, Secretary Rumsfeld has released his list of proposed domestic base closures and realignments, and the Base Realignment and Closure (BRAC) Commission has begun their important work to review and revise the Secretary's list. Domestic base closures have a profound effect on our military force and the economic health of local communities. We should not close a single domestic base if it may unduly compromise our ability to defend our homeland.

Currently, the Department of Defense is undertaking a monumental shift in overseas deployments. The threats confronting the United States have changed dramatically following the collapse of communism and the terrorist attacks of September 11. In response, approximately 70,000 soldiers, as well as 100,000 family members and civilian employees, will be returning from overseas in the next decade. This shift in our military force abroad is long overdue.

However, the Overseas Basing Commission's interim report raises a number of important questions that must be addressed. For instance, the U.S. military plans to move troops stationed overseas back to American soil, but according to the Commission, if a crisis arises abroad, the military does not have enough sea and air transportation to rotate forces rapidly enough to respond. Just as troubling, the Bush Administration has projected it will cost \$12 billion to redeploy soldiers back to the United States, but has only budgeted \$4 billion for fiscal years 2006 through 2011. The Commission believes these costs are understated and according to their independent analysis the price tag is closer to \$20 billion.

Furthermore, if the Defense Department's proposed changes in overseas bases are enacted, it will result in additional troop rotations. The Commission's report argues that extended and more frequent rotations could strain U.S. military personnel and their families to the point where the United States is incapable of maintaining an all-volunteer force. I am extremely concerned with these conclusions. The military is already having trouble meeting recruitment and retention quotas. Creating more stress for our soldiers and their families will exacerbate this problem and irreparably damage our military.

In response to these concerns, the Commission cautions the Department of Defense and urges them to reduce the speed of returning soldiers from overseas bases, and I believe this idea has merit. At a time when we are fighting wars in Iraq and Afghanistan, we must ensure the redeployment of American service members is in accord with our long-term strategic defense goals and should be thoughtfully planned and executed.

Additionally, the Commission contends overseas redeployment should wait until the Department of Defense determines which domestic military bases will be shuttered during this round of base closures. If Secretary Rumsfeld and the Pentagon continue to move forward with their plan to bring troops back to the United States from overseas deployments, I believe we must consider postponing this current round of domestic base closures. Simultaneously closing domestic and overseas bases may irrevocably damage our ability to defend against threats at home and abroad.

I commend the Overseas Basing Commission for addressing the critical issues and concerns raised in preparation for shifting troops back to the United States. I strongly encourage Secretary Rumsfeld and the Department of Defense to seriously consider the Commission's recommendations. We must reorganize our military force in order to respond to the threats of the 21st century. The challenge is to do so in a manner that is not detrimental to our national security and the men and women who proudly serve our country.

Senator HUTCHISON. Thank you, Senator Johnson. I think that the Department in the next panel will discuss how it took into consideration the troops that were coming back during the BRAC process, so we will get a chance to question them on that.

Mr. Cornella, thank you for Chairing the Commission, I want to thank each Commissioner for all of the time and effort that you have put into doing this, you came to Washington many times, you went overseas, we appreciate the effort for this volunteer force that you gave us, and with that, let me ask you, Mr. Cornella, to give us the synopsis of the report, and whatever you would wish you say.

STATEMENT OF AL CORNELLA

Mr. CORNELLA. Madame Chairman, Senator Feinstein, staff members, distinguished guests, members of the general public, my name is Al Cornella. As I was introduced, I serve as the Chairman on the Commission of Overseas Military Facilities Structure of the United States, thankfully more commonly known as the Overseas Basing Commission.

I serve with five other Commissioners, four of whom are present today. From my far left, the Commission vice-Chairman Lou Curtis, Major General United States Air Force, Retired, Tony Less, United States Navy, Retired, Pete Taylor on my right, Lieutenant General, United States Army, Retired, and Keith Martin, Brigadier General, Pennsylvania Army National Guard, Retired. Dr. James Thompson, our sixth Commissioner and President of BRAC is out of the country and unable to be here with us today.

I would also like to introduce the Commission's Executive Director, Ms. Patricia Walker, seated behind me.

Madame Chairman, I would respectfully ask that the statements you received be entered into the record, and I be allowed to make a brief opening statement.

The Commission's talented staff included lead research analysts, a general counsel administrative staff, and analysts detailed from the Department of Defense and Government Accountability Office. The Commissioners and staff have worked diligently to prepare the May 2005 report. A final report will be provided to Congress and the President by August 15, 2005. We were asked to provide this early report so it might be used in conjunction with the domestic BRAC process.

OVERVIEW

The Overseas Basing Commission was established by public law in fiscal year 2004. The Commission's task is to independently assess whether the current overseas basing structure is adequate to execute current missions, and to assess the feasibility of closures, realignments or establishment of new installations overseas to meet emerging defense requirements.

However, the Commission's work is not intended to preclude the Department of Defense's effort toward developing an integrated global presence and basing strategy, or IGPBS, and you'll probably hear me use that acronym several times. Rather, the Commission report should assist Congressional Committees in performing their oversight responsibilities for DOD's basing strategy military construction appropriations, and the 2005 base re-alignment and closure determinations.

But one thing I would like to add as I note from your opening statements, that there are views about criticism of the Department. I do not believe that our report is offered as criticism of the Department, it's offered as ways to strengthen the IGPBS plan, but we feel these are constructive thoughts that we're sending forth.

The Commission has been active since May 2004 and began with a thorough analysis of national security, defense and military strategies. The Commission completed a careful review, the Foundation for Global Reposturing, the 2004 Department of Defense, again IGPBS. It is important to note, at this point, the Department on several occasions has advised us that we are entitled to and have received all of the information that has been provided to Congress relative to overseas basing.

Second, based on the Commission's interview, interviews of key officials in the office of the Secretary of Defense, the Joint Staff, the Combatant Commanders and the State Department, the Commission developed evaluation criteria to assess how effectively the current and future overseas basing posture support current and future national security and military operations. In addition, the Commission consulted with former senior military leaders, and other national security experts. We conducted four public hearings where we received testimony from former experts, military experts, defense analysts and experts on military family issues. At the final hearing, we had representatives from the Department of Defense and the State Department. We have engaged in briefings from the Department of Defense, the State Department, the Congressional Budget Office, Congressional research service, and other entities.

We visited military installations in many countries, meeting with U.S. forces, embassy representatives, foreign military officers and local officials. We have met with the majority of combatant commands, and in most cases, with the commanders and their staffs. We have made two trips to the Pacific Command, three to the European Command, and one to the Central Command. We spent about 2 months overseas traveling, the Commissioners also received briefings from U.S. Southern Commands, Special Operations Command, and Transportation Command. We have interacted with several thousand people over the past year, the vast majority from within the Department of Defense. All of the Commissioners and I have learned a great deal from these discussions, both here and abroad.

Based on this review and analysis, the Commission has identified six major areas of concern—geopolitical considerations, timing and synchronization, operational requirements, mobility, quality of life and costs, and I will touch on a few of these briefly, and then we are prepared to address all of them in your questions.

TIMING AND SYNCHRONIZATION

The Commission would like to make note that decisions have been made in regard to locations and force levels before the 2005 Quadrennial Defense Review, QDR, and the 2005 Mobility Capability Study had been completed. The simultaneous activities of Service Transformation Army Modularity Operation Enduring Freedom, Operation Iraqi Freedom and the Global War on Terrorism, IGPBS, BRAC, resetting the forces and rebuilding, of pre-positioned equipment—have all competed for funding within a limited budget, not to mention the stress that's created on the forces, the current schedule of IGPBS moves will adversely impact the service's ability to adequately fund modernization and readiness.

In regard to mobility, strategic and infra-theater, lift and sea lift capabilities must be significantly upgraded. We have yet to meet the lift capabilities identified by the mobility requirement study of 2005, which was conducted in the year 2000. In addition, announcements of global reposturing are being made before the presently ongoing Mobility Capability Study is concluded. Again, it would seem prudent to wait for the results of that study. It is clear that the mobility of our military forces being stressed by the current strain on strategic infra-theater lift and sea lift capabilities, the stress on strategic lift capabilities is being caused in large part by ongoing military operations in Afghanistan and Iraq. Strategic mobility is the key to our ability to respond to events worldwide, plans for sea and air lift capabilities as well as pre-positioned equipment sets must take into account the additional demands that IGPBS could place on an increasingly continental United States-based force. Surging forces from the continental United States will be problematic if strategic and tactical life capabilities and pre-positioned stocks are not in place.

QUALITY OF LIFE

Next, I'll briefly turn to quality of life issues. These issues are complex, but are also key concerns of the global positioning strategy, primarily because the United States relies on an all-volunteer

force. In order to sustain the military force both in numbers and in strength, the expectations of military personnel and their families with regard to active and reserve duty as well as redeployments must be met. If these expectations are not adequately met, then the U.S. military risks being severely compromised. Needless to say, this has enormous consequences politically, and in terms of maintaining national security. We have a moral obligation to our men and women in uniform and to their families to provide the quality of life support that they deserve. Returning forces and families should have housing, schools for their children and adequate medical facilities in place before they return, and the same should be maintained abroad until the last service member departs.

The Commission calls this the “last day-first day” approach; not only does this have moral implications, but it will also be reflected in retention rates. The Commission notes with concern that the impact in recruiting and retention by IGPBS rotational forces has not been adequately evaluated, nor have associated risks to sustaining the voluntary force been assessed. We strongly recommend that this be given priority, and that necessary assessments be completed as quickly as possible.

GEOPOLITICAL CONSIDERATIONS

In the present era of the global War on Terror and the indisputable global competition in defense, intelligence, diplomacy, commerce and energy matters, the Commission feels it would be wise to broaden the underlying assumptions, scope and participation in the IGPBS process to include vital players involved in other areas of national security. The inter-agency process, for example, might include the Departments of Defense, State, Energy, Homeland Security, Justice, Commerce and Treasury, the National Intelligence Director and others. After completing the interim report, we were advised that have a fourth Commission, but we of the fourth Commission have come to a similar conclusion—the others are in the 9/11 Intelligence Commission—while moving troops back to the United States may be a political priority, force projection demands can only be met by developing a rebasing strategy and coordination with strategic U.S. alliances abroad, both existing and future.

Many of our overseas basing capabilities rest on contingencies such as future political relations with bilateral partners involving fully negotiated and ratified legal agreements that support those relations. In many cases the status of forces agreements, Article 98 agreements and other legal agreements are not in place at the proposed new locations.

TROOP LEVELS

I will mention one specific recommendation, as it is the only one that has potential to change the number of returning troops, and we estimate this recommended change to affect roughly 4,000 troops. In order to hedge against uncertainty in regard to near-term threats, demonstrate aid and continued and enduring commitment to NATO, and allow for heavy force military-to-military contact with our NATO allies, at least one of the heavy brigade combat teams scheduled for return to the United States should remain in Europe, fully manned, until one, the Balkans support mission is

lifted to a ground-based defensive tank killing system is stationed in Europe and Operation Iraqi Freedom is mitigated. Additionally, heavy brigade combat teams' equipment should be repositioned to float in the region. These recommendations are in addition to the Department's plan for a Stryker Brigade in Germany, and the 173rd Airborne Brigade in Italy, and again, we offer these suggestions only to strengthen the Department's plan, not as a criticism.

PREPARED STATEMENT

As a final note, I wish to thank the members of the committee for inviting the Commission to appear today. It's been my privilege to briefly describe the Commission work to date. Of course, the report has not been finalized and it is my hope that this will be the beginning of dialogue in this matter, so that the Commission can strengthen its analysis, conclusions and recommendations before submitting the final report on August 15. Please be assured that the Commission and staff are open to the views and concerns of Congress.

Thank you for giving us this opportunity to serve your needs and those of the Nation, and we will be happy to answer any questions you may have at this time.

[The statement follows:]

PREPARED STATEMENT OF AL CORNELLA

My name is Al Cornella, and I serve as the Chairman of the Commission on the Review of Overseas Military Facility Structure of the United States, more commonly known as the Overseas Basing Commission (OSBC).

I serve with five other Commissioners four of whom are present today—the Commission Vice Chairman, Lewis Curtis, Major General United States Air Force (Retired); Anthony Less, Vice Admiral, United States Navy (retired); Pete Taylor, Lieutenant General, United States Army (Retired); Keith Martin, Brigadier General, Pennsylvania Army National Guard (Retired). Dr. James Thomson, our sixth Commissioner and the CEO and president of RAND is out of the country and could not be here today. I would also like to introduce the Commission's Executive Director, Ms. Patricia Walker.

The Commission's talented staff included lead research analysts, a general counsel, administrative staff, and analysts detailed from the Department of Defense and the Government Accountability Office. The Commissioners and staff have worked diligently to prepare this May 2005 report. A final report will be provided to Congress and the President by August 15, 2005. We were asked to provide this early report so it might be used in conjunction with the domestic BRAC process.

The Overseas Basing Commission was established by public law in fiscal year 2004. The Commission's task is to independently assess whether the current overseas basing structure is adequate to execute current missions and to assess the feasibility of closures, realignments, or establishment of new installations overseas to meet emerging defense requirements.

However, the Commission's work is not intended to preclude the Department of Defense's efforts toward developing an integrated global presence and basing strategy. Rather, the Commission report should assist Congressional committees in performing their oversight responsibilities for DOD's basing strategy, military construction appropriations, and the 2005 Base Realignment and Closure Commission determinations.

This Commission has been active since May 2004, and has conducted four hearings where we received testimony from former military experts, defense analysts, and experts on military family issues. We have engaged in briefings from the Department of Defense, the State Department, the Congressional Budget Office, Congressional Research Service, and other entities. The Commission has met with commanders and received extensive briefings on the transformation plan for the European Command, Pacific Command, and Central Command. The Commission has also met with the Transportation Command, Special Operations Command, and

Southern Command. The majority of our time was dedicated to the areas of greatest change.

Main Testimony

Congress created the Overseas Basing Commission as an independent, unbiased entity to produce a report that advises Congress on the current and future overseas basing structure of U.S. military forces. This is truly a daunting task. In order to explain the preliminary conclusions and recommendations that the Commission is prepared to offer to this committee today, let me begin by explaining the analytic approach we took examining and thoroughly studying various important aspects of the overseas basing structure.

Analytic Approach

First, the Commission began with a thorough analysis of national security, defense, and military strategies. The Commission completed a careful review of the foundation document for global reposturing, the 2004 Department of Defense Integrated Global Presence and Basing Strategy (IGPBS).

Second, based on the Commission's interviews of key officials in the Office of the Secretary of Defense, the Joint Staff, the COCOMs, U.S. Transportation Command, and the State Department, the Commission developed evaluation criteria to assess how effectively the current and future overseas basing postures support current and future national security and military operations.

In addition, the commission consulted with former senior military leaders and other national security experts. Commissioners and staff participated in six overseas trips to various commands. We conducted four public hearings where we received testimony from former military experts, defense analysts, and experts on military family issues. At the final hearing we had Mr. Doug Feith and Vice Admiral Robert F. Willard from the Department of Defense and Ambassador Rose Likens as a representative of the State Department. We have engaged in briefings from the Department of Defense, the State Department, the Congressional Budget Office, Congressional Research Service, and other entities.

We visited military installations in many countries, meeting with U.S. Forces, embassy representatives, foreign military officers, and local officials. We have met with the majority of Combatant Commands and in most cases with the commanders and their staffs. The Commissioners have received briefings from U.S. Central Command, U.S. Southern Command, U.S. Special Operations Command and U.S. Transportation Command. We have made two trips to the Pacific Command, three to the European Command, and one to the Central Command. All the Commissioners, and I, have learned a great deal from these discussions, both here and abroad.

Finally, based on its review and analysis, the Commission identified six major areas of concern:

- Geopolitical Considerations;
- Timing and Synchronization;
- Operational Requirements;
- Mobility;
- Quality of Life; and
- Costs.

I will briefly address each area of concern, and explain the findings and conclusions of the Commission on each issue.

Geopolitical Considerations

The Commission has determined that the DOD's IGPBS does not adequately address current and future geopolitical and strategic needs in response to existing and emerging security threats for two reasons. First, it is the view of the Commission that the IGPBS is too narrowly based on military concerns. While the Commission wishes to commend the Department of Defense on the design of IGPBS—which is a strategy that is directly aimed at addressing the matrix of existing and emerging threats—it is clear that the IGPBS has been almost exclusively designed by and for the military.

In the present era of a global war on terror and the indisputable global competition in defense, intelligence, diplomacy, commerce and energy matters, the Commission feels that it would be wise to broaden the underlying assumptions, scope and participation in the IGPBS process to include vital players involved in other areas of our national security. The interagency process might, for example, include the Departments of Defense, State, Energy, Homeland Security (especially Immigration and Customs and Border Patrol), Justice (especially the Federal Bureau of Investigation), Commerce, and Treasury, the National Intelligence Director, and others. After completing the interim report, we were advised that we are the fourth com-

mission to come to this conclusion. (Others are 9–11, Intelligence, and Roles and Missions Commissions)

The basic concept of the IGPBS—as established by DOD—is fundamentally strong, and can be further refined to include issues related to homeland security, law enforcement, energy, non-proliferation, and other pressing national needs and priorities. Information sharing and inter-agency coordination among government agencies is a top priority of this Administration, and we feel that IGPBS can support this goal by broadening and diversifying its approach and implementation.

Indeed, many of our overseas basing capabilities rest on contingencies such as future political relations with bilateral partners fully negotiated and ratified legal agreements that support those bilateral relations. In many cases, the Status of Forces Agreements (SOFA), access agreements, Article 98 agreements, and other legal agreements are not in place in proposed new locations.

Timing and Synchronization

Another reason the Commission feels that the IGPBS should be modified relates to more particular matters of the proposed timing and synchronization of IGPBS. The Commission has concluded that while the IGPBS is an ambitious plan to restructure our global posture, it does so without fully taking into account other dynamic, ongoing and, in some cases, unpredictable changes.

If the IGPBS is based on the 2001 Quadrennial Defense Review (QDR), why would you not wait for the results of the current 2005 QDR—scheduled to be completed this fall—or the 2005 Mobility Capabilities Study (MCS) to be completed in August before announcing movements of forces?

The simultaneous activities of service transformation, Army modularity, Operation Enduring Freedom, Operation Iraqi Freedom, the Global War on Terrorism, IGPBS, BRAC, resetting the forces, and rebuilding of pre-positioned equipment sets all compete for funding within a limited budget. Not to mention the stress on forces. The current schedule of IGPBS moves will adversely impact the Services ability to adequately fund modernization and readiness.

Operational Requirements

The commission is concerned that heavy forces in Europe are being removed from the mix. We also note the strategic importance of Okinawa. Diminishing our capabilities on the island would pose risk to our allies and our national interests in the region. At the same time, we feel it is important to move from Futenma Marine Corps Air Station.

Moreover, not enough attention has been given to our ability to train and exercise the force in the formulation of the overseas basing plan. Infrastructure is sparse in some regions and, capabilities for integrated training across services and with allies remain sketchy.

The Commission notes with concern that the impact on recruiting and retention by IGPBS rotational forces has not been adequately evaluated, nor have associated risks to sustaining the volunteer force been assessed. We strongly recommend that this be given priority, and that the necessary assessments be completed as quickly as possible.

Mobility

It is clear that the mobility of our military forces is being compromised by the current strains on strategic lift, intra-theater lift, and sealift capabilities. The stress on strategic lift capabilities is being caused, in large part, by our on-going military operations in Afghanistan and Iraq. However, other tactical lift demands in terms of responding to political crises such as in Haiti and Sudan, as well as unanticipated natural disasters necessitating military intervention such as in the recent December 2004 tsunami event, also play a factor in challenging DOD's mobility capabilities.

While moving troops back to the United States may be a political priority, force projection demands can only be met by developing a rebasing strategy in coordination with strategic U.S. alliances abroad (both existing and future).

Strategic and Intra-theater air and sealift mobility capabilities must be significantly upgraded. We have yet to meet the lift capabilities identified by the Mobility Requirements Study 2005 (conducted in the year 2000). In addition, announcements of global reposturing are being made before the presently ongoing Mobility Capabilities Study (MCS) is concluded. It would seem prudent to wait for the results of that study.

Strategic mobility is the key to our ability to respond to events worldwide. Plans for sea and airlift capabilities, as well as prepositioned equipment sets, must take into account the additional demands that IGPBS could place on an increasingly continental United States (CONUS)-based force. Surging forces from CONUS will be

problematic if strategic and tactical lift capabilities and prepositioned stocks are not in place.

Quality of Life

Next, I would like to turn to quality of life issues. These issues are complex but are also key concerns of the global positioning strategy, primarily because the United States relies on an all-volunteer force. In order to sustain the military force (both in numbers and in strength), the expectations of military personnel and their families with regard to active and reserve duty as well as redeployments must be met. If these expectations are not adequately met, then the U.S. military risks being severely compromised. Needless to say, this has enormous consequences politically and in terms of maintaining national security.

We have a moral obligation to our men and women in uniform—and to their families—to provide the quality of life support they deserve. Returning forces and families should have housing, schools for their children, and adequate medical facilities in place before they return and the same should be maintained abroad until the last service member departs. The commission calls this a “last-day, first-day” approach. Not only does this have moral implications, but will also be reflected in retention rates.

Costs

Now, with regard to the cost of changing the overseas basing structure and the realignment and closure of bases in general, the Commission recognizes that the costs are significant. In many cases, it is not even possible to predict the true costs of certain strategic changes.

The cost of IGPBS is estimated at \$8 to \$12 billion. An independent analysis for the commission put the figure closer to \$20 billion. Many costs are sunk into projected host nation support that may not come to fruition. In other cases, the services are expected to pay from within their service budgets.

For example, costs need to be estimated and planned for troop and base relocations. Significant upgrades of main operating bases, forward operating sites, cooperative security locations, and pre-positioned combat support sites need to be planned. Let us also not lose sight of the fact that significant financial investments in new weapons systems, strategic lift capabilities, training, and integrated systems need to be made in order to keep the U.S. military as the premier fighting force in the world.

Finally, these changes need to keep abreast of making Quality of Life expenditures in order to attract and keep a dedicated military force. Investing in the training of our military force is also a vital component of maintaining strategic capability, and requires the expenditure of enormous funds.

In light of this, the Commission recognizes that Congress should be informed of realistic costs as to coordinate strategic and operational requirements with budgetary needs and constraints. The Congress needs accurate estimates to determine what is prudent, and must be prepared to support IGPBS if it is to succeed.

Therefore, in light of the previously mentioned concerns, the Commission makes the following recommendations:

- The detailed synchronization required by so massive a realignment of forces requires that the pace of events be slowed and reordered. We know of no nation asking us to leave. These moves should be conducted at a pace that does not place additional stress on our armed forces.
- That the entire effort of overseas basing be integrated into one overarching design that is coordinated and synchronized with all ongoing initiatives. Furthermore, an interagency review process is put in place to periodically consider the impacts of the global force posture and to ensure that outcomes are consistent with overall national interests.
- The Commission believes strongly that Congressional oversight of the global posture review is truly necessary. The Congress, including the Armed Services and Foreign Relations Committees, should provide more rigorous oversight (to include hearings) of the global basing process given the scope and cost of the DOD rebasing plans, their impacts on the individual services, the men and women of our armed services and their families, and to the political and trade alliances of the United States. Particular attention should also be paid to the timing and synchronization and cost of all the related efforts.
- DOD must ensure that all necessary infrastructure and quality of life programs (such as housing, medical, schools, etc.) are retained at overseas bases until the last day the service members and their families depart. At the same time, Congress must ensure that the necessary infrastructure and quality of life programs

are already in place by the first day the first troops and families arrive from their overseas locations.

- Moreover, the Commission strongly urges that the planned overseas basing structure be coordinated with strategic lift considerations, especially with regard to troop and equipment mobilization. We feel that this planning is necessary in terms of adequately meeting the demands of the overall global pre-positioning strategy.

Additionally, the Commission recommends that:

- Marine Corps air assets assigned to Futenma Marine Corps Air Station on Okinawa should relocate to Kadena Air Base and/or Iwakuni Marine Corps Air Station; all other Marine Corps assets should remain on Okinawa.
- In order to hedge against uncertainty in regard to near term threats, demonstrate a continued and enduring commitment to NATO, and allow for heavy force military to military contacts with our NATO allies, at least one of the heavy brigade combat teams scheduled for return to the United States should remain in Europe fully manned until: (1) The Balkan's support mission is lifted; (2) a ground-based offensive tank killing system is stationed in Europe; and (3) Operation Iraqi Freedom is mitigated. Additionally, a heavy brigade combat team equipment set should be pre-positioned afloat in the region. These recommendations are in addition to the current DOD plan for a Stryker Brigade in Germany and the 173rd Airborne Brigade in Vicenza, Italy.
- Further, there should be a commitment to support continuous rotational deployments to Eastern Europe and provide U.S. military-to-military presence in the new NATO countries.
- The U.S. should review its treaty with Iceland, and update it to reflect the post-Cold War security environment.
- Greater depth is needed in Africa to secure long term United States interests against potential competitors. The Horn of Africa initiative should be replicated in those locations elsewhere on the African Continent that may prove to be of increasing importance to future strategic concerns. To some extent, similar initiatives are needed in Latin America.

Final Remarks

As a final note, I wish to thank the members of this committee for inviting the commission to appear today. It has been my privilege to describe the work of the Commission to date, and to express its preliminary recommendations.

Of course, the report has not been finalized, and it is my hope that this will be the beginning of a dialogue in this matter so that the Commission can strengthen its analysis, conclusions and recommendations before submitting its final report on August 15, 2005. Please be assured that the Commission and staff are open to the views and concerns of Congress. Thank you for giving us this opportunity to serve the needs of the Congress and of the Nation, and we will be happy to answer any questions that you may have at this time.

Senator HUTCHISON. Thank you very much, Mr. Cornella, and we will do 5 minute rounds so that everyone will have a chance, and then we'll go back through for a second round.

TIMING OF IMPLEMENTATION

Let me start with the slowing of the plan, and that is the area that concerns me the most in your recommendations. I certainly agree that in a perfect world we would have everything right up to the last day overseas for a family, and then the first day they arrive everything would be in place, but I don't know that that is realistic, nor do I think it is necessarily in the best interest of the families or the military, and here's why.

General Schoomacker has made modularity a priority for our forces to be trained for the kind of combat that they are seeing today, and I just wondered, if you are looking at the military capability, did you consider that moving the troops home, and having the modular brigades begin to train together so that they could go back into Iraq and Afghanistan, what impact slowing the process down, as you have suggested, would have on that capability?

Mr. CORNELLA. Well, I'm going to let some others answer as well, but I will start with your question, Senator. I think you point out exactly what may be the problem, in the sense that for modularity to occur, the timing is sensitive. And as forces are moved back from overseas for all of this to take place, it is intermeshed and it has to happen, but that is one of our concerns, that in order for that to happen on the schedule that has been put forth, we are very concerned that that infrastructure, as you indicate, will not be in place at those receiving locations, and we think that's critical, both in regard to the moral obligation to our forces that I indicated, and to quality of life for those folks, and for retention. I'm going to see if any of the other Commissioners would like to respond; I do have a little more to follow up on.

Senator HUTCHISON. I'd be happy to hear from anyone else on that, but just if you could also direct your attention to the capabilities to do that overseas, versus on our own bases.

Mr. CORNELLA. I'm not sure I understand your question, Senator.

Senator HUTCHISON. Well, if they're trying to get these brigades trained and ready to go, and they designated the bases to do that, we don't have that kind of capacity in Europe and Germany right now.

Mr. CORNELLA. I would turn to General Taylor.

General TAYLOR. Madame Chairman, I appreciate the opportunity to respond to that.

TROOP MOVEMENT

I think there may be a little bit of misunderstanding about what we have recommended. We're not saying that the forces should not come back except in that one case, and we explained why we felt that was necessary, or suggested that the Department should consider leaving one heavy brigade there, but the majority of the forces, large majority of them, we're in agreement, they should come back. All we're saying is that, don't do it until we have both the quality of life and the training capability at our bases here in the United States to receive these. The bases here in the United States are fairly well occupied right now, and it's going to take some infrastructure, in both quality of life resources as well as training capability, new ranges—just a piece of desert is not necessarily enough to train forces, we've got to build the modern digistat ranges, we've got to make sure there's adequate infrastructure there to receive them.

Our forces in Germany are being trained right now, yes, and I've served there many years, and yes, there are some challenges, but we have been able to train some forces over there, our forces have given a good account of themselves in Iraq and Afghanistan that have been moved from Europe, but again, I emphasize that we're not suggesting that they shouldn't come back, we just want to synchronize with the preparation of the infrastructure here, at the receiving bases here in the United States before we do that. And maybe that's going to happen, but based on the information that we were able to obtain through the conduct of our assessments, we didn't see that the right resources had been allocated, or the right plans had been made for that.

Senator HUTCHISON. Well, it just seems to me that building permanent facilities at a foreign base that you know you're closing is certainly not a wise use of funds, and you cannot train the number of brigades that we're talking about in Germany, which I'm not telling you anything that you don't know, it just seems that maybe the focus should be more on getting the facilities ready in the bases that are going to take them here, and that would certainly be the more permanent use of the dollars that are going into this, because if you delay too long, you may be really affecting the capabilities to transform the military, which certainly, the Department is trying to do right now, and I think General Schoomacker's whole theory is based on having them here and getting them trained so that they can deploy directly from domestic bases.

General TAYLOR. Madame Chairman, I think we're saying exactly the same thing, it's just a matter of timing, and we encourage the Congress to put the right amount of resources into it to do it as quickly as we can, and as soon as that's done, I think we'd be totally supportive of what you've said.

Senator HUTCHISON. Well, the other thing is, pouring money into overseas bases that we know we're going to abandon has to be looked at very carefully in this big picture, and the longer we wait the more things can happen that cause us to lose that focus. So, I think we are headed for the same goals, but I do think we have a difference in emphasis for what should happen when. From my standpoint, I know that others disagree with me, so we will certainly want to hear from them as well, and also the Department. My time is up, so I'm going to stop and go to Senator Feinstein.

MOBILITY

Senator FEINSTEIN. Thanks very much, Madame Chairman. I wanted to ask you about your comments on mobility. The reason I do this is because virtually wherever I go, and I talk particularly to Navy commanders, the question always comes down to strategic lift and our inabilities and deficiencies there, and you write that adequate strategic sea lift, airlift and pre-positioned equipment and stocks do not exist, and that current Intra-theater airlift is overstressed. Aside from the lift capability, the Commission is also concerned that the air and sea ports, inter-nodal connectivities and other mobility-enabling systems are not adequate to meet potential contingencies. Nor is there a budgetary plan to do so. And I've had this told to me by CINCs, by others, and I watch the budgets and we never seem to come to grips with it.

Can you add, in any way, to what you've said, anybody who'd like to comment?

Mr. CORNELLA. General Curtis, would you like to comment?

General CURTIS. Senator Feinstein—

Senator FEINSTEIN. Don't be shy, say what you think.

General CURTIS. Senator Feinstein, I've watched the airlift mobility issues since I was a Captain at headquarters back when the C-5 was first introduced. It is always tough to find the space within the budget for the adequate procurement of lift, and every time we go through the mobility capability study, and the associated budget requirements, fitting everything in, our unconstrained requirement is difficult, and in my experience, there are trade-offs made.

But clearly, as we become a more CONUS-based force, and we re-do the Army, both up armor and more air mobile vehicles, like the Stryker, we need to balance those things very carefully with lift capability versus our other requirements for modernization. And there are no easy answers to that, nobody will be satisfied in the end, because there are never enough dollars to go around, but everybody within the equation that reaches a solution needs to understand that's a very critical balance, and I'm sure you do.

COST

Senator FEINSTEIN. Thank you. Could you expand on your comments on funding, that the cost may be understated, and tell us a little bit about the independent analysis that was conducted for you that put the tab at \$20 billion?

Mr. CORNELLA. Thank you, I will take that question.

I left that out of the shortened version of the statement, and there's not necessarily a great deal of explanation in the other statement we presented to you. There is in our long report, quite a bit of information in regard to the cost, but that assessment was done by a detailee from the Government Accountability Office, and estimated at \$20 billion, and I think that information was validated on May 10th by a senior member of the Department when they said they did agree with our figures, but we had cast a wider net to draw those figures in. And so we were looking at areas other than what they were stating in the \$10 to \$20 billion, pardon me, the \$9 to \$11 billion. We also did have several—two to be exact—members of the Department say that the cost could be closer to \$25 billion, so we feel the \$20 billion number is defensible.

STRYKER BRIGADE

Senator FEINSTEIN. I understand your European concern, that replacing our heavy forces with a Stryker Brigade before we've developed the organic tank killing weapon system necessary. What kind of response has there been to that recommendation so far?

Mr. CORNELLA. Response from the Department?

Senator FEINSTEIN. Right.

Mr. CORNELLA. Well, we've not discussed that specific recommendation at length with the Department, we have had conversations in our travels with Commanders that made that suggestion to us, that they thought that that was a good idea that that take place, and General Taylor, do you have anything you want to add?

General TAYLOR. There is an initiative on the part of the Army to have an offensive tank killing capability with the Stryker variant, but so far it has not come to fruition, and so our basic premise is that we definitely need to have an offensive ground tank killing capability there as well as the other issues that we mentioned, and we're not saying that that Brigade should necessarily stay there forever, but until the criteria that we mentioned are realized.

Senator FEINSTEIN. In terms of deployment of bases, and transitioning the military, what lessons do you think were learned in Iraq and Afghanistan?

General TAYLOR. I would first state an opinion, primarily about Iraq that, while initially we felt that we could do this with much

lighter forces, we're finding out more and more that heavy forces, even in a city environment is very necessary. I know of some people who fight in that area very well, and some of them are parts of my family, and they would clearly rather fight out of a tank as even an up-armored Humvee, and I think the reports coming back from some of the recent efforts in Iraq have been, and Baghdad, have shown that there is a place for heavy force, although the Stryker variant up in Mosul has been very valuable as well. So, I think we're still learning, I think the decision on all of this is still out, but we haven't lost the need for some of our heavy forces.

Senator FEINSTEIN. Thank you, my time is up, Madame Chairman.

Senator HUTCHISON. Senator Allard.

OVERSEAS SAVINGS

Senator ALLARD. Thank you, Madame Chairman.

I noticed in your summary here that you hadn't talked in detail as did Senator Feinstein, as to some of the costs. I wonder if you could give us just some bottom line figures, if possible, has the Department of Defense conducted an estimate as to how much money would be saved by reducing their basing overseas?

Mr. CORNELLA. I'm not sure if we were provided with that number. Now it's logical to assume that if bases are reduced overseas, there will be some savings, and they may be significant. At the same time, those facilities may have to be replicated within the United States; and also, I'm not sure that those figures that are being put forth include any mobility that might be required in order to surge out of the continental United States. And I can't address that—those will be good questions for the Department in the next panel.

Senator ALLARD. Did you try and conduct any kind of estimate?

Mr. CORNELLA. I would have to ask staff about that; we will provide you with that information.

Senator ALLARD. Okay. Is it correct to say that you do not recommend the Department of Defense go back and do its re-basing strategy?

Mr. CORNELLA. I think that I would turn to my other Commissioners, but I don't think that we mean to indicate that they do that.

General TAYLOR. Again, Senator, it's a timing issue, and a synchronization issue, not the fact that they shouldn't do it. Unfortunately, it's not 100 percent clear, at least up to the point when we completed most of our reports, exactly what the timing was, that was still a developing process. Remember, this was prior to the release of the BRAC report, so exactly where they were going, or that the Department was recommending they were going was not available to us at that time. Now, some of that at least portions of that information is available to us, and that will help as we complete our report and look at where they might be going here in the United States.

FORWARD OPERATING SITES

Senator ALLARD. It seems to me like in one of the hearings on the Armed Services Committee, they talked about forward basing,

maybe in the Balkan states where we don't have now, that you would end up basically with an air field with utilities, and if you put in temporary tents, they would be basically two by fours in tent structure, and then when your mission was done, you would move out, does that seem like a reasonable approach to you?

General TAYLOR. You're talking about both the security locations and the forward operating sites? Yes, and our only question about those is whether or not we have consummated the agreements with the host countries that we should have in place before we go too much farther, and that's being worked by both the Department and others, but the concept is valid and we have no problem with that.

Senator ALLARD. And do you have any reason to believe that those host countries wouldn't cooperate with us? The last time I talked to most of them they were thrilled to death to be part of NATO, and even be part of the forward deployment effort.

General TAYLOR. I would suggest that would be a question to ask the next panel. I'm sure they can enlighten you. We did not have verifiable information that these agreements have been consummated, but I'm sure the next panel can respond to that better.

BRAC

Senator ALLARD. Okay. To what extent do you believe the Department of Defense used its IGPBS to formulate its recommendations for base closure and realignment? The Secretary of Defense admitted his recommendations for base closures and realignments to Congress and BRAC and it was in May, and the question is, to what extent do you believe that the Department of Defense used the IGPBS to formulate its recommendations for base closure and realignments, did you look at that?

Mr. CORNELLA. Yes, and I think it had a great deal to do with the recommendations to the BRAC Commission. The numbers of returning troops from overseas impacted Army bases most significantly.

Senator ALLARD. And the follow up, then, do you see any reason why the BRAC process should not go forward?

Mr. CORNELLA. Or as we say in our report, we see no reason why that should not go forward. I just would like to add one thing to your previous question about the Nations where we might have lily pads, or CSLs or whatever you might like to call them. We have seen instances most recently, without mentioning the names of any countries, one where access to an Air Force base was either restricted or denied within the last few months. We also have seen instances during the Iraq War where certain Nations did not allow access. These are the types of things that we're talking about in regard to making sure that those agreements are in place before you establish those locations in those countries.

Senator ALLARD. Thank you, Madame Chairman, I see my time has expired.

COST

Senator HUTCHISON. Thank you, Senator Landrieu?

Senator LANDRIEU. Thank you. Let me just see if I can summarize a couple of these questions, because I think the work you have done is extremely important, and we appreciate how difficult it can

be sometimes to really give an independent view, and we want to be sure that we have our ears open and are willing to hear the independent view, so let me just ask again—one of the bottom lines of your report, which is all documented here, Mr. Cornella, is that the cost associated with moving our troops back could be twice as much as what is currently estimated? Is that correct?

Mr. CORNELLA. Yes, Senator.

TIMING

Senator LANDRIEU. Is it also correct that you are suggesting that the time frame that is being adopted as we speak is probably too aggressive to accomplish the goal?

Mr. CORNELLA. Well, I think again, it's a timing issue. If all of this could be timed properly, and we had, maybe, an infinite pot of money, there probably would not be a problem, but there are a lot of things that are taking place, and I cited many of those in my opening statement.

Senator LANDRIEU. But in your estimation of the summary of your report, there is a time frame that has been proposed, and you reviewed it and in your professional judgment, you all are saying that it is unlikely that the time frame can be met?

Mr. CORNELLA. We have addressed it, we have talked to commanders in the field, and we feel it's probably ambitious.

Senator LANDRIEU. Would it be fair to say, then, that you have some serious concerns about meeting that time frame?

Mr. CORNELLA. Well, I think we do in the sense that a lot of the moves are already taking place, and have started in regard to the Pacific, probably, without mentioning names of countries, more than have taken place in Europe, but I would agree with your statement, Senator.

Senator LANDRIEU. Again, I'm not trying to put words in anybody's mouth, I'm just trying to clarify for the record what I think. The goal of this hearing is, is to really hear what you are saying about your view, and if it is that we've underestimated the cost, we need to hear.

Mr. CORNELLA. Two thousand eleven sounds like a long way off, it's really not that far, and I guess my point was that a lot of the moves are already taking place as we rotate forces through Iraq and Afghanistan, and I think the plan is to bring the forces back from those rotations after they pick up their families in Germany and other locations, so the bulk of the moves may take place sooner rather than later, they may take place sooner, rather than towards the end of that 2011 time frame.

Senator LANDRIEU. General Curtis, then I think Mr. Martin had something to add.

General CURTIS. Yes, Senator, there are three numbers down here in the report, and they really measure three different things, as our numbers often do in government. And, the \$4 billion is the number specifically tailored to this move within the palm through 2011. The \$9 to \$12 billion, as I understand it from the material being given by the DOD is an estimate which includes other things of the total cost of this move, and some of this money, I'm given to understand, would come out of the general O&M accounts within the services, not specifically be identified within the POM itself.

Finally, the \$20 billion number is a life cycle number beyond the POM, so it isn't directly comparable to either one of the two previous numbers. The concerns I have after watching the process, how we execute our financial processes is that the moves with either be slipped because of an insufficiency of funding to do it right, we will move without doing it right, or we will take money out of the O&M accounts to pay for the move, and not know what we didn't buy, what we gave up in terms of readiness or something else by forcing the Services to fund parts of the move internally. They're three different numbers that all mean the same thing, but they could drive unforeseen consequences if we insist on meeting the schedule without fully funding it with identifiable funds, and that's one of our big concerns.

Senator LANDRIEU. Mr. Martin.

Mr. MARTIN. Thank you very much, Senator, Madame Chairman. In perspective, this is the most sweeping transformation and repositioning of U.S. forces since the late 1940's, the Defense Reorganization Act of 1947. United States forces, the repositioning thereof, it should be positive for our national security and our national defense. The Department's plan is a good plan, if fully coordinated, synchronized, it can and will enhance the Nation's security and defense interests. But it should be and must be positive for our service men and women to the maximum extent possible. The bottom line of what we said on the quality of life is we shouldn't be moving soldiers, sailors, airmen and Marines any faster than we can build the new housing, the new medical facilities, new schools and training facilities as General Taylor pointed out, and certainly no faster than we can provide the air lift, sea lift and pre-positioned stockage to move them from their United States, now CONUS-based homes, to potential points of influence and engagement. We have an opportunity right now because of the Secretary's vision to do the right thing, we need to do it the right way. It is an opportunity, and we believe, a responsibility, because if we don't take care of the force we have now, we could face a future, and the enemies and threats of tomorrow with forces we won't have, and options we don't like.

Senator LANDRIEU. Thank you.

Senator HUTCHISON. Are there any other questions of this panel? If not, thank you very much for all of the effort that you made. We appreciate it and look forward to looking at it further, and now I would like to call the second panel from the Department of Defense forward. Thank you very much.

Mr. CORNELLA. Thank you, Senator.

DEPARTMENT OF DEFENSE

**STATEMENT OF HONORABLE RYAN HENRY, PRINCIPAL DEPUTY
UNDER SECRETARY OF DEFENSE FOR INSTALLATIONS AND EN-
VIRONMENT**

ACCOMPANIED BY:

**PHILLIP GRONE, DEPUTY UNDER SECRETARY OF DEFENSE FOR
INSTALLATION AND ENVIRONMENT**

**ROSE LIKINS, ACTING ASSISTANT SECRETARY OF STATE, BUREAU
OF POLITICAL-MILITARY AFFAIRS**

Senator HUTCHISON. The next panel is Mr. Phillip Grone, Deputy Under Secretary of Defense for Installations and Environment, the Honorable Ryan Henry, Principal Deputy Under Secretary of Defense for Policy, and Ambassador Rose Likins, Acting Assistant Secretary of State, in the Bureau of Political and Military Affairs.

STATEMENT OF RYAN HENRY

Mr. HENRY. Thank you, Madame Chairman, Senator Feinstein, members of the subcommittee, thank you for the opportunity for appearing before you today, along with the Overseas Basing Commission and Chairman Cornella. Joining me today as you mentioned are Acting Assistant Secretary of State, Rose Likins, and Deputy Under Secretary, Phil Grone. And I want to say I appreciate the insightfulness of your opening remarks today. I would like now, if I may, to submit my full statement for the record, and make just a few brief remarks at this time.

GLOBAL DEFENSE STRATEGY AND PROCESS

Madame Chairman, the Administration's plan to strengthen America's Global Defense Posture will result in the most profound re-ordering of military forces overseas since the end of World War II. The September 11 attacks clarified our understanding of the key security issues that we will face during the beginning of the 21st century. Simultaneously, we realize that much of our in-place force posture still reflected a Cold War structure. We had forward garrison forces configured to fight near and where they were based. Unlike the past century, today we no longer can predict where, when, or in what manner our forces may be called on to fight, therefore our forces need to be able to rapidly project power into theatres far from where they may be based. Through our Global Defense Posture Realignment, we have aimed to strengthen our ability, fulfill our international commitments to ensure that our future alliances are capable, affordable, sustainable and relevant.

Then to focus on capabilities, and not just numbers. The Defense Department conducted our Global Defense Posture Review thoroughly and deliberately. We've collaborated with our inter-agency partners through broad and sustained deliberations. We've also consulted extensively with our allies and our partners to incor-

porate their views. The Department of Defense and the Department of State have held joint consultations with relevant international partners, in over 20 foreign capitals, beginning in December 2003, and continuing on a sustained basis since then. We also have communicated with Congress, and personal and Committee staff members throughout the review. We've provided a detailed report to Congress in September of 2004, followed by the submission of detailed overseas master plans from each of the regional Combatant Commanders in February 2005. And over 40 times the Secretary of Defense, the Combatant Commanders, the members of the Joint Staff, and the Office of the Secretary of Defense have traveled here to Capitol Hill to consult with Congressional Committees and Members.

Finally, as mentioned by Chairman Cornella, we have worked closely with the Overseas Basing Commission in its efforts to provide Congress with an assessment of a global presence, basing and infrastructure needs.

A COMPLEX UNDERTAKING

Madame Chairman, as members of the Overseas Basing Commission have expressed, the United States Global Defense Posture is incredibly complex. It is a multidimensional field involving numerous areas; strategic analysis of geopolitical and military factors, facilities and infrastructure analysis, diplomatic and legal negotiations and arrangements, acquisition policies and transportation issues, operational plans and synchronization with the Base Realignment Commission, the QDR, the Army Modularity Transformation, the Mobility Capabilities Study, and the Navy's Fleet Response Plan. We, in the Department, have thousands of people working on this complex endeavor, full-time in the military services and the combatant command, on the joint staff, in the acquisition community and other areas, all overseen by senior military and civilian officials and managed by Secretary Rumsfeld.

Madame Chairman, we stressed in our discussions with the Commission that posture is more than just our footprint of facilities, it also includes the presence, force management, our surge capability and the pre-positioning of stocks among these building blocks of global posture. Quality of life concerns related to force management merit particular attention. Changing the way in which we posture our forces was driven in large part by the President and the Secretary's desire to relieve stress on our military forces and their families by providing more security at home, with fewer overseas moves and less disruptions. Specifically, posture changes will help reduce double separations, those caused when accompanying dependents are separated from both the service member and the their loved ones in the United States.

Additionally, our posture changes are phased over several years to help ensure quality of life is sustained. Equally important, the plan changes to our posture directly support service initiatives aimed at keeping pace with our military personnel, such as the Army's Modularity and Unit Location concepts, the Navy's Fleet Response concept, and the Air Force's ongoing Force Management Improvement.

Madame Chairman, of particular importance in this complex undertaking has been our sustained effort to inject the Global Defense Posture into other ongoing defense transformation initiatives, specifically, the BRAC and the 2005 QDR. I welcome the Commission's statement of support for the U.S. Global Defense Posture as important and necessary. The Commission's report reflects their earnest effort to assess military facilities, and structure of the U.S. overseas facilities. The Commission fundamentally agrees with many of the aspects of the President's posture plan, and it recognizes the importance of changing of posture to meet the 21st century's security challenges.

Madame Chairman, thank you for this opportunity to speak to you, and I look forward to answering your questions. And, if we may, Ambassador Likins would also like to have an opening statement.

Senator HUTCHISON. Madame Ambassador.

STATEMENT OF AMBASSADOR ROSE LIKINS

Ambassador LIKINS. Thank you, Madame Chairman, and Senator Feinstein. I appreciate the opportunity to be here and to offer a few brief remarks.

Since late 2003, the Department of State has been working closely with the Department of Defense and the National Security Council on reviewing and strengthening the U.S. Global Defense Posture. The Department has played an active role in the shaping and implementation of our future defense posture. We have been both participants in the inter-agency process, and have been spearheading the diplomatic talks and initiatives necessary to obtain the understanding and agreement of our friends and allies for this important initiative. The Department has and will continue to provide its frank assessment of these proposals, and to provide our views as to the best way forward. We've had a very good working relationship with our DOD colleagues on this issue, conducting all consultations together and jointly briefing Congress on several occasions.

While the initial planning for the IGPBS was undertaken by the combatant commanders in the individual services, these plans were presented to the inter-agency for a full and thorough examination before their submission to the President. The Department has made its foreign policy views known on many occasions and will continue to do so. We firmly believe that we are taking the appropriate time to get this right, we continue to rigorously review proposals with our DOD colleagues, thoroughly examine the many facets of these plans, including the necessary legal arrangements, and have conducted numerous consultations with friends and allies around the world.

While consultations in some parts of the world are quite advanced, others have not even begun, indicative of the fact that we will take whatever time is necessary to ensure that our plans are logical, workable, and that our engagement strategy makes sense. Consultations are proceeding carefully and deliberately to ensure that the arrangements put in place to host our forces are enduring and beneficial to a wide range of United States interests. Through the consultation process, we've received valuable feedback that has

enabled us to adjust proposals and calibrate our expectations. We have gained valuable insights throughout the process, and in many ways, the consultation process is one of the many mechanisms for re-thinking, and adjusting our defense posture plans.

To use just one example, during the consultation process, we learned that the government of Germany was undertaking its own base realignment and closure process. This prompted us to accelerate the sharing of details with German officials related to our proposed posture changes in Germany and to undertake some additional coordination on our two initiatives. I want to assure you that we will not rush into a location where there are not adequate legal protections and guarantees for our forces, and for their freedom of action. We believe that proper legal arrangements are a fundamental requirement for any defense posture changes. The State Department believes these negotiations and DOD have substantially been involved in all talks. We have dedicated legal experts and a special negotiator working to ensure that the best legal arrangements are secure. We support the OBS's view that their long-term strategic national objectives, beyond simply military objectives, somewhat to reassure you that our efforts on this issue are focused on results that make sense from both the defense and strategic foreign policy perspective. Thank you very much.

Senator HUTCHISON. Thank you, Madame Ambassador. We're going to just have about 10 minutes of questions because we have two votes called, and I don't want to keep you waiting any longer.

Let me say, first of all, I'm very pleased that both the Department of State and the Department of Defense are represented on this panel because I wanted to make sure, and I think it is very important, that the Department of State is a part of this process as we are looking at closing of bases, or forward deploying somewhere else, that we have both Defense and State involved.

Mr. Henry, one of the Commission report findings says, "If unforeseen threats arise in either the near term or the mid-term, we could be caught in mid-stride, unable to meet them." This is part of the reason they wanted to delay some of these moves. My understanding is that the entire reason for transforming our posture is because we're not currently positioned to meet unforeseen threats, and we need to have the capability to meet them as soon as possible. I would just like to ask your comments on that part of the report, and if you think speeding up the process will cause transformation to occur better, or slowing it down would.

Mr. HENRY. Yes, Madame Chairman, I would agree with your statement, and as I mentioned in my opening statement, uncertainty is part of the strategic landscape which we have in a post-9/11 world. We no longer have the comfort or the certainty that we had during the Cold War when we had a single enemy and we could predict where we would probably have to meet him. In a world we live in today, we might need to use our forces through large expanses of the Earth's globe, therefore, in the places we have our forces, we have to be able to move them quickly to where they might be needed to be employed. That's a fundamental feature of the transformation, and our capability to meet it. We just can't predict how we will have to fight with our forces, where or when.

As far as your question regarding transformation, this is a part of an integrated approach to transformation. The Secretary of Defense has published his National Defense Strategy which supports National Security Strategy, and from which the Base Realignment Commission, the Global Defense Posture, the Quadrennial Defense Review, all of the major movements that we're making in the Defense Department stem from. This is key to transformation, all of these things supported simultaneously to move forward in a networked fashion.

Senator HUTCHISON. Mr. Henry, in the previous panel there was concern raised, and also in the report, about our lift capacity. Do you think that we have a better capability for lift where we need to go by basing more of our troops in the United States, or do you think we have a lift problem that requires troops to stay in Germany and Korea?

Mr. HENRY. One of the analyses we did post-the Iraqi major combat operations, was to look at the amount of lift that was needed to move forces from Europe and around to where they had to go, and to try to determine the amount of lift and the speed of lift with which to get into the theatre, and if it would make a difference coming from Europe or from the continental United States, and depending on how we might position ourselves as a part of the Base Realignment Commission, in some instances, we could actually move quicker from the United States. That was one of the considerations that drove the Global Defense Posture, as was spoken by the previous panel, combatant commanders and operators will never have as much lift as they would like to, to feel comfortable, it is a matter of adjudicating the risk overall of the contingencies that we might have to face. As was mentioned by the panel, we are also in the process of a Mobility Capabilities Study, something we do approximately every 5 years to look at the total lift requirements, and how we're going to meet them. As this has been dovetailed into the Base Realignment work that we have been doing, they have first done one using the old structure and analysis. Now they're looking and finishing up their analysis, using as a baseline the Global Defense Posture. As we presented the committee in our report back in September of 2004, and it looks like the impact will not be significant in roughly, in the same area that we would have had with the other structure. The details are still to be concluded on that, and we await the conclusion of the study, which will be integrated in the QDR.

Senator HUTCHISON. Thank you. Senator Feinstein.

Senator FEINSTEIN. When troops are moved back to the United States, will they be accommodated in permanent or temporary facilities.

Mr. GRONE. Depending upon the unit and depending upon the location and depending upon the time, there will be a mix of permanent or temporary, in the main it will be permanent. The discussion about whether or not facilities would be available for returning forces is a phased plan over a 4-year period, 5 years if you count the troops coming back from Korea this summer to Fort Carson between fiscal year 2005 and fiscal year 2009. We are working, particularly with the Army, on standardizing our facilities design so that they can be sited to any location to use commercial construc-

tion standards, all of which is designed to make permanent facilities more quickly and more readily available to returning forces.

Senator FEINSTEIN. So, you will not be coming to this subcommittee or any other subcommittee to look for additional dollars for temporary housing?

Mr. GRONE. There may be occasions where, depending upon the unit, there may be some temporary billeting for single enlisted personnel that is required, but in the main we are planning to move out aggressively to provide permanent facilities as quickly as we can.

Senator FEINSTEIN. If you do that, then what type of coordination is being done with local school districts to mitigate the impact of thousands of soldiers coming back with many children?

Mr. GRONE. Well, we have, the Army in particular, since the bulk of the returning forces are Army, are engaged in a series of intensive consultations with local school districts and State and local government on transportation, schools and other issues that might be affected by forces returning from abroad. Certainly, with regard to housing, our preference is to rely, as is our standard housing policy, on the community first, and based on what we know, particularly for the three locations, whether we have the bulk of the forces returning from abroad, Fort Carson, Fort Riley and Fort Bliss, based on that 5 year window between 2005 and 2009 that we have people coming back, based on our assessment of the market's ability, the local market's ability to adapt based on our existing housing privatization efforts at all three of those locations. We believe that there is sufficient market availability there to accommodate returning forces, and a phase-in for families as we have laid it out over the course of that 5 year period, so we are intentionally engaged with school systems, and with local governments. We'll continue that consultation through the summer, so that when we get to the school year, 2006, next year, that we will be as integrated as we can be. That is not to say there won't be challenges, there will. But we believe that we will have a quality of life piece well in hand, and we look forward to continuing to consult with the subcommittee as we move forward to make sure that you're comfortable with the plans as we lay them out.

Senator FEINSTEIN. I would really appreciate that, because I know in California, we have schools that are really overcrowded at present, and I think there needs to be some real planning done in that regard, but thank you. Let me ask you, Mr. Henry, because I'm really concerned with what I see as lift deficiencies, and everything I've heard from the field doesn't jive with what you say. Would you be willing to share with our subcommittee your projected plans for specific lift—in other words, how many C-17s, new C-17s, et cetera, that kind of thing—because everything I read is that the lift capability of our country is severely stressed.

Mr. HENRY. Yes, we would be glad to share that, one thing it will be part of the QDR that we'll be reporting to the Congress, but we'll be glad to come up here in the interim as the data becomes available and then as decisions are made as to how we're going to proceed, we'd be glad to share that with the committee.

Senator FEINSTEIN. I would certainly appreciate knowing what you're planning is. I mean, in the next 10 years, how many C-17s will there be, for example?

Mr. HENRY. Yes, Senator, and as those decisions are still awaiting the final report out of the Mobility Capabilities Study, as mentioned earlier, and so specific decisions still await the final analysis and data.

Senator FEINSTEIN. Thank you very much, Madame Chairman, I think that does it for me. I would just like to conclude by saying, I know DOD doesn't like helpful suggestions, or any suggestion, but I really think this is a good report, and I really ask you to review it with an open mind. I think they've raised some very good points, and these are all people who have served, who have been there, done that, I think they know what they're talking about, period.

Senator HUTCHISON. Thank you, I think they acknowledged that they will.

Senator FEINSTEIN. Not quite, but it was a nod, which is the best DOD ever does.

Mr. HENRY. Senator, we've read the report with great interest and we look forward, hopefully, to being able to discuss with the Commission their conclusions prior, and we think that we can help them with information and analysis and insights that would make the final report even better. Perhaps correct inaccuracies and some assumptions that we think that we could help them with.

Senator HUTCHISON. I would just say that the biggest concern I have about the report is the slowing it down. I really believe that when you make a decision like this, that in order to be the most efficient, to use our taxpayer's dollars wisely and to bring people home where they know it's going to be permanent, it should be done quickly and not drug out. Now, obviously we do want to have the accommodations, we want the housing, and I think the public/private partnerships make that much more able to be done than if we were just building them through MILCON. Certainly coordination with the school districts and health care facilities in a community will be very important, and I think that is valid, but I would rather see us gear up to do it quickly, than to slow down and have buildings in Germany and buildings in America that are duplicative.

Mr. GRONE. In that regard, Madame Chairman, the most important potential impediment we have to implementation is not full authorization and appropriation of the budget requests to support the round, so if we had the resources available, we could certainly accelerate, and we will move out as expeditiously as you desire to ensure we have facilities in place for our people.

CONCLUSION OF HEARINGS

Senator HUTCHISON. We'll work with you on that. Thank you very much, we're going to go to our vote now. Thank you.

[Whereupon, at 5:30 p.m., Tuesday, June 28, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]