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S. HRG. 110–201, PT. 3

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

S. 1547

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2008 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

PART 3
READINESS AND MANAGEMENT SUPPORT

APRIL 10 AND 24, 2007

Printed for the use of the Committee on Armed Services

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008—Part 3 READINESS AND MANAGEMENT SUPPORT

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DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, APRIL 10, 2007

U.S. SENATE,
SUBCOMMITTEE ON READINESS
AND MANAGEMENT SUPPORT,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

MILITARY INSTALLATION, ENVIRONMENTAL, AND BASE CLOSURE PROGRAMS

The subcommittee met, pursuant to notice, at 4:10 p.m. in room SR–232A, Russell Senate Office Building, Senator Daniel K. Akaka (chairman of the subcommittee) presiding.

Committee members present: Senators Akaka, Inhofe, Sessions, and Ensign.

Majority staff members present: Peter K. Levine, general counsel; and Michael J. McCord, professional staff member.

Minority staff members present: Gregory T. Kiley, professional staff member; David M. Morriss, minority counsel; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: David G. Collins and Benjamin L. Rubin.

Committee members' assistants present: David E. Bonine, assistant to Senator Byrd; Jeremy Shull, assistant to Senator Inhofe; and D'Arcy Grisier, assistant to Senator Ensign.

OPENING STATEMENT OF SENATOR DANIEL K. AKAKA, CHAIRMAN

Senator AKAKA. This hearing of the Subcommittee on Readiness and Management Support on the fiscal year 2008 budget request for the Department of Defense (DOD) installations and environmental programs will come to order.

We now reconvene this hearing in open session. I want to publicly welcome our witnesses: Philip Grone, Secretary Keith Eastin, Secretary B.J. Penn, and Secretary William Anderson. It is good to have all of you back with us again this year.

We meet this afternoon to discuss DOD's fiscal year 2008 military construction (MILCON), housing, and environmental programs, as well as the implementation of the 2005 base realignment and closure (BRAC) rounds. Much has happened since our hearing with all of you a year ago. The fiscal year 2007 MILCON appro-

priation bill got sidetracked by objections from a few members and ended up in a year-long continuing resolution. About $3 billion of funding requested to implement the 2005 BRAC round ended up being deferred from that bill to the pending supplemental.

Lost for good was an appropriation to match the authorization for dozens of projects my colleagues and I in the House and the Senate had worked to secure to help the military and civilian workers at installations in our States.

DOD now has a new Secretary of Defense and under the new leadership, DOD has reversed its opposition to increasing the size of the ground forces. This budget was submitted with placeholders, essentially seeking a blank check of over $2.5 billion for Army and Marine Corps facilities to support this proposal. Last week the Army started filling in the details of their proposal, but we have yet to receive similar details on the specific Marine Corps projects that you are requesting, and we will need more information from both Services if we are to properly address this important issue in our markup.

This "Grow the Force" proposal will be a challenge for all of us. It appears that the proposal before us would commit taxpayer funds to facilities to support the entire 5-year planned growth in end strength, not just the end strength increases through fiscal year 2008 that we will be acting on in the personnel section of the bill.

Due largely to those two factors, BRAC and the growing force, the fiscal year 2008 MILCON request is, I think, the largest any of us have ever seen, $21 billion, compared to $12 billion just 2 years ago. Yet, absent these two factors, the underlying program is still the same size that it was back in 2006, about $10 billion.

Because of the closed session that preceded this open session, we do not have as much time as we normally do. Therefore, without objection, all of your prepared statements will be made a part of the record, as will your responses to the advance questions sent to you by the committee. In addition, there will be questions for the record on topics we do not have time to address this afternoon.

[The prepared statement of Senator Akaka follows:]

PREPARED STATEMENT BY SENATOR DANIEL K. AKAKA

Good afternoon. We now reconvene this hearing in open session. I want to publicly welcome our witnesses: Mr. Grone, Secretary Eastin, Secretary Penn, and Secretary Anderson, it is good to have all of you back with us again this year. We meet this afternoon to discuss DOD's fiscal year 2008 military construction, housing, and environmental programs, as well as the implementation of the 2005 base closure round.

Much has happened since our hearing with all of you a year ago. The fiscal year 2007 military construction appropriation bill got sidetracked by objections from a few members and ended up in the year-long continuing resolution. About $3 billion of funding requested to implement the 2005 base closure round ended up being deferred from that bill to the pending supplemental. Lost for good was the appropriation to match the authorization for dozens of projects my colleagues and I in the House and the Senate had worked to secure to help the military and civilian workers at installations in our states.

In addition to this unfortunate delay in funding the implementation of this BRAC round, we now have, pending in conference on the supplemental, an attempt to reopen that BRAC round with respect to Walter Reed. Whatever one may think of the merits of any particular BRAC decision, if we start to reopen past BRAC decisions, that will greatly complicate our work on planning and building the infrastructure we need to support our troops.

The Department now has a new Secretary of Defense, and under that new leadership, the Department has reversed its opposition to increasing the size of the ground forces. This budget was submitted with placeholders essentially seeking a "blank check" of over $2.5 billion for Army and Marine Corps facilities to support this proposal. Last week the Army started filling in the details of their proposal, but we have yet to receive similar details on the specific Marine Corps projects that you are requesting. We will need more information from both Services if we are to properly address this important issue in our markup.

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Due largely to those two factors—base closure and growing the force—the fiscal year 2008 military construction request is the largest I think any of us have ever seen—$21 billion, compared to $12 billion just 2 years ago. Yet absent those two factors, the underlying program is still the same size as it was back in 2006, about $10 billion.

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Senator AKAKA. Senator Ensign?

STATEMENT OF SENATOR JOHN ENSIGN

Senator ENSIGN. Thank you, Mr. Chairman.

The 2008 budget request for MILCON and family housing programs supports the transformation of our forces around the world to more efficient bases and smarter alignments to address our Nation's most urgent national security needs. DOD is proposing to spend billions in 2008 for barracks and other unit facilities to support BRAC, global realignments, modularity, and most recently the need to grow the Army and Marine Corps end strength. These are absolutely critical projects that must be funded as soon as possible to ensure that permanent facilities are ready when the forces arrive at each installation.

But I am concerned that this limited budget request does not allow the military Services to construct all required facilities ahead of incoming forces. We cannot afford to risk the safety and security of our personnel by relying on trailers and inadequate facilities to be used as interim living quarters for the next 5 years.

The unfortunate conditions at Walter Reed Army Medical Center have reaffirmed this committee's consistent concern over the past years on the relatively low priority placed within each military Service on maintaining facilities and the replacement of deteriorated infrastructure. This year's budget request for MILCON reinforces my concern that very little funding is being used to replace deteriorated facilities supporting current missions.

The budget goals established by DOD for funds to sustain and recapitalize facilities have been persistently overcome by higher priorities. While we support DOD's need to maintain flexibility in operations and maintenance expenditures, this flexibility must be accompanied by congressional confidence in DOD's ability to use that flexibility wisely. This confidence was shaken by leaders in the Army who did not act quickly and decisively to correct the deplorable living conditions at Walter Reed Army Medical Center.

I look forward to hearing from our witnesses about the initiatives under way by military leaders to ensure adequate, safe facilities are provided to our military personnel and their families. What are you doing today to identify and quickly get rid of all the other Building 18s in the military?

I also ask each of the witnesses to discuss the challenges they face in complying with environmental laws and regulations and the impact of encroachment on their ability to carry out force realignments, the introduction of new missions, and the conduct of realistic combat training.

I look forward to a discussion of any new problems or changes in the law the witnesses believe Congress should consider. Again, Senator Akaka, I thank you for this hearing and look forward to it.

[The prepared statement of Senator Ensign follows:]

PREPARED STATEMENT BY SENATOR JOHN ENSIGN

Thank you Mr. Chairman. I also want to thank our witnesses for testifying this afternoon, and for their dedicated service to our country. You have outlined in your written statements a tremendous amount of construction and environmental work in progress that will have a significant impact on our military for many years to come.

The 2008 budget request for military construction and family housing programs supports the transformation of our forces around the world to more efficient bases and smarter alignments to address our Nation's most urgent national security needs. The Department is proposing to spend billions in 2008 for barracks and other unit facilities to support base realignment and closure, global realignments, modularity, and most recently, the need to grow the Army and Marine Corps end strength. These are absolutely critical projects that must be funded as soon as possible to ensure that permanent facilities are ready when the forces arrive at each installation. But, I am concerned that this limited budget request does not allow the military Services to construct all required facilities ahead of the incoming forces. We cannot afford to risk the safety and security of our personnel by relying on trailers and inadequate facilities to be used as interim living quarters over the next 5 years.

The unfortunate conditions at Walter Reed Army Medical Center have reaffirmed this committee's consistent concern over past years on the relatively low priority placed within each military Service on maintaining facilities and the replacement of deteriorated infrastructure. This year's budget request for military construction reinforces my concern that very little funding is being used to replace deteriorated facilities supporting current missions. The budget goals established by the Department for funds to sustain and recapitalize facilities have been persistently overcome by higher priorities. While we support the Department's need to maintain flexibility in operations and maintenance expenditures, this flexibility must be accompanied by congressional confidence in the Department's ability to use that flexibility wisely. This confidence was shaken by leaders in the Army who did not act quickly and decisively to correct the deplorable living conditions at Walter Reed.

I look forward to hearing from our witnesses about initiatives under way by military leaders to ensure adequate, safe facilities are provided to our military personnel and their families. What are you doing today to identify and quickly get rid of all the other building 18s in the military?

I also ask each of the witnesses to discuss the challenges they face in complying with environmental laws and regulations and the impact of encroachment on their ability to carry out force realignments, the introduction of new missions, and the conduct of realistic combat training. I look forward to a discussion of any new problems or changes in the law the witnesses believe Congress should consider.

I again thank you, Senator Akaka, and look forward to an informative hearing.

Senator AKAKA. Thank you very much.

Mr. Grone.

STATEMENT OF HON. PHILIP W. GRONE, DEPUTY UNDER SECRETARY OF DEFENSE, INSTALLATIONS AND ENVIRONMENT

Mr. GRONE. Thank you, Mr. Chairman, and I will be brief so that we can get to the questions and the dialogue with you, Senator Ensign, and the other members of the subcommittee.

My colleagues and I are certainly pleased to appear before you today to discuss the budget request for the DOD for fiscal year 2008, particularly for those programs that support the management of installation assets. As you noted, sir, the MILCON budget for this coming year is the largest in recent memory. In support of the responsibilities of all of us, all of us as portfolio managers across DOD, the budget request, whether it is MILCON, military family housing, BRAC, installation support, or environmental programs, the entire management portfolio of DOD to support installations is $56 billion in this budget request.

The budget request supports a number of key elements of our comprehensive asset management strategy and I want to highlight just a few. The budget request supports a recapitalization rate of 67 years. That includes the investment we are making through BRAC as we reposition missions to provide more modern facilities, to recapitalize those assets at aging locations, from which we are to realign or close.

We have achieved our goal in this budget of a 67-year recapitalization cycle. In 2001 that rate stood at 192 years.

The budget request provides 88 percent of the funds needed to sustain our facilities. Last year's budget, as enacted, positioned DOD to fulfill our commitments to eliminate inadequate military family housing in the United States, and we remain on track to achieve the elimination of such units overseas by fiscal year 2009. Military housing privatization is central to our strategy. In the end state we expect 90 percent of DOD's then-existing military family housing inventory to have been privatized.

On the matter of encroachment, efforts such as the readiness and environmental protection initiative and our outreach to the States, local communities, private and nonprofit land trusts, and the environmental community are bearing fruit. DOD has requested $30 million in the fiscal year 2008 budget to support this important program.

We also continue our aggressive approach to energy conservation and the purchase and development of renewable sources of energy. In fiscal year 2006, military installations reduced their consumption by 5.5 percent, exceeding the energy conservation goal of 2 percent.

Certainly the largest portfolio of investment we have for the coming year is $8.2 billion in the request to support BRAC efforts all across the country, across the 800 locations all across America that will bear in one way or another closure, realignment, or an inbound mission. These moves are critically important to the future of the armed forces. The timely receipt of an authorization and appropriation to support these actions is critically important to keeping us on schedule to meet our legally mandated deadline of September 15, 2011, to conclude implementation of the BRAC.

Sir, thank you for your attention and certainly to the members of the subcommittee for all the support you have provided to DOD

over many years. We look forward to your questions. Thank you, sir.

[The prepared statement of Mr. Grone follows:]

PREPARED STATEMENT BY HON. PHILIP W. GRONE

Chairman Akaka, Senator Ensign, and distinguished members of the subcommittee, I appreciate the opportunity to appear before you today to address the President's budget request for fiscal year 2008 and to provide an overview of the approach of the Department of Defense (DOD) to the management of the Nation's military installation assets.

OVERVIEW

As our Nation's security challenges become more complex, the military must become an increasingly agile joint force that is dominant across the full spectrum of operations. Installations are a critical component to this Nation's force capabilities. DOD is vigorously managing its facilities and infrastructure to ensure that it delivers cost effective, safe, and environmentally sound capabilities and capacities to support the National Defense Mission.

Not only is the Department incorporating best business practices but it is also expanding these practices into new, previously unexplored areas. For example, DOD's infrastructure investment strategy uses key metrics to provide quality facilities that directly support mission and readiness and also developed advanced business processes that align more closely to warfighter mission area requirements. Implementation of the Real Property Inventory Requirements document provides the basis for a more accurate and current asset inventory database which will maximize asset management and provide senior leaders with an improved decisionmaking tool to measure performance. With the development of a net-centric data warehouse for the Department's real property infrastructure and utilization information, timely and accurate real property data will be readily available to support key facilities metrics. The rigor provided by these practices in planning, managing, and maintaining DOD installations improves overall efficiency while improving investment decisionmaking.

GLOBAL DEFENSE POSTURE

The Department continues its efforts to realign its permanent base structure at home and abroad to effectively enable military transformation and to better deal with 21st century security challenges. The Department has begun the process of realigning or closing a number of large permanent bases overseas in favor of small and more scalable installations better suited for rapid deployments. The Global Defense Posture realignment effort identified an overall set of plans for returning overseas forces back to military installations in the U.S. These plans were integrated with the base realignment and closure (BRAC) process regarding relocations from overseas to domestic bases during the prescribed BRAC time period. All Services factored requirements of returning forces into their domestic infrastructure requirements and this resulted in recommendations to accommodate forces at U.S. installations.

Some overseas changes have already been implemented in accordance with ongoing Service transformation efforts and within the framework of negotiations with host nations. In many cases, the changes involve units that are inactivating or transforming with no significant BRAC impact. As we begin implementing the BRAC recommendations there are overseas posture changes still being developed or being phased to be implemented after the BRAC implementation period. DOD will continue to consult with Congress on its plan and will seek your support as we implement these far-reaching and enduring changes to strengthen America's global defense posture.

IMPLEMENTING BASE REALIGNMENT AND CLOSURE 2005

The President approved and forwarded the commission's recommendations to Congress on September 15, 2005. Congress expressed its support of these recommendations by not enacting a joint resolution of disapproval and on November 9, 2005, the Department became legally obligated to close and realign all installations so recommended by the Commission in its report. BRAC 2005 affects over 800 locations across the Nation through 25 major closures, 24 major realignments, and 765 lesser actions. The significant transformation to the Total Force and its operational capa-

bility, the Departments business operations, and to the savings ultimately derived from BRAC require resources to meet adequately the challenges of implementation.

Congress provided $1.5 billion to the Department in fiscal year 2006 ($1.9 billion was requested in the fiscal year 2006 President's budget) to begin implementing the BRAC recommendations. This initial funding was used to begin planning, design and construction, program management, and the environmental studies that serve as the foundation for constructing and renovating facilities to accommodate missions at receiving sites. Notable examples include the Brigade Combat Team complexes at Fort Carson, CO; Fort Knox, KY; and Fort Bliss, TX; and a Division Headquarters and Sustainment Brigade Headquarters at Fort Riley, KS.

The fiscal year 2007 President's budget requested $5.6 billion to continue implementation. Previous continuing resolutions for fiscal year 2007 provided $542M to the Department for this purpose. However, the recently passed Joint Resolution limits fiscal year 2007 funding to $2.5 billion, a $3.1 billion (55 percent) reduction from the President's budget. This seriously affects construction timelines because over 80 percent of the BRAC budget in fiscal year 2007 directly supports military construction. This 55 percent reduction will significantly jeopardize our ability to execute BRAC 2005 by the statutory deadline of September 15, 2011, thereby sacrificing savings that could have been achieved during the delayed timeframe, and delay achievement of operational mission requirements. The magnitude of the reduction requires careful evaluation to support allocating the reduced funding within the Department so that only those projects with the highest priority, determined by their operational and/or business case effects, go forward on the schedule previously provided to Congress. While operational impacts are self-explanatory, business case considerations are worthy of note. These include cases where incrementally funded projects started last year must continue, and/or where projects support follow-on actions, produce significant savings, or lead to expeditious asset disposal. This evaluation formed the basis for the BRAC portion of the expenditure report required by the Joint Resolution that was provided to the appropriations committees on March 16, 2007. Implementing BRAC 2005 actions represents a significant financial commitment by the Department. In the fiscal year 2007 budget justification material provided to Congress, the Department indicated that, in some cases, the out-year program did not fully reflect expected costs for the remainder of the BRAC implementation period (fiscal years 2008–2011). The Department of Army anticipated a shortfall as much as $5.7 billion and the Air Force estimated its shortfall at approximately $1.8 billion over the program.

The fiscal year 2008 President's budget request is approximately $3.0 billion more than the fiscal year 2007 President's Budget request and the $8.2 billion requested, as well as the outyear program, represents full funding for BRAC 2005 implementation assuming funding is restored for fiscal year 2007. In previous BRAC rounds, the third year of implementation was generally the peak of the "bell shaped" investment curve. For BRAC 2005, the fiscal year 2008 budget request represents the critical year of execution in the 6-year statutory implementation period and includes $6.4 billion for military construction, $1.2 billion for operations and maintenance (O&M) to relocate personnel and equipment, $112 million for environmental studies and remediation, and $453 million for "other" costs primarily associated with installation communications, automation, and information management system equipment in support of construction projects.

The Department has embarked on assessing the domino impact the $3.1 billion reduction will have on the fiscal years 2008–2011 implementation program should it not be restored. The complexity and duration of many implementation actions required fiscal year 2007 funding. Military construction projects and other expenditures related to the movements of missions contained in the fiscal year 2008 President's budget will need to be re-baselined.

ASSISTING COMMUNITIES

The Department, through the Office of Economic Adjustment (OEA) and the Defense Economic Adjustment Program, continues to work with States and communities across the country as they respond to the effects of broad changes in Defense infrastructure, including efforts resulted from BRAC, Global Defense Posture Realignment, and modularity. In the context of BRAC, to date, the Department has recognized 121 Local Redevelopment Authorities (LRAs) that are responsible for creating a redevelopment plan for property made available for civilian reuse as a result of BRAC and to directing implementation of the plan. The majority of these communities, with assistance from OEA, are presently working to develop a consensus for redevelopment that reflects the specific market forces, public facility and service needs, and private sector circumstances found at each location and to gauge local

homeless and community economic development interests in these properties. At the same time, efforts are being made between these LRAs and the military departments to link local civilian redevelopment activities with the Department's environmental and property disposal efforts, including any necessary environmental remediation.

At the same time, DOD is working with several communities where mission growth is projected to impact the surrounding region. Across these locations, resources are being applied to assist communities to understand and respond to anticipated impacts on local housing, schools, water and sewer, and transportation. Additionally, spousal employment, health care, public services, and child care are of some concern. A primary concern for all is how to develop and apply local, State, and private resources to address local need. Through this process, possible gaps in these civilian sources are also being recognized as opportunities for third party and Federal assistance. Presently, these communities are in close dialogue with the local installations to understand the timing and scope of these growth actions.

The ability to capably assist these communities, regardless of whether there is downsizing or mission growth, must include our Federal agency partners. On behalf of the Secretary of Defense, I chair the President's Economic Adjustment Committee (EAC) at the sub-cabinet level to coordinate efforts across 22 Federal agencies to assist these communities. Under the auspices of the EAC, team visits will likely be undertaken to locations to better understand the local adjustment challenge and more capably address potential needs for other Federal assistance. A report documenting the efforts of the EAC to date will be submitted shortly for your review.

MANAGING INFRASTRUCTURE

The President's budget request for fiscal year 2008 will permit the Department to continue its efforts to manage installation assets comprehensively and efficiently. Along with continued improvement in business practices and a focus on environmental sustainability, the Department is focused on improving the quality of military installations as evidenced by the emphasis on more accurate Quality Ratings that are currently being collected by the military departments. Managing DOD real property assets is an integral part of comprehensive asset management. The Department currently manages over 533,000 buildings and structures, which reside on over 51,400 square miles of real estate.

The President's Management Agenda Real Property Asset Management initiative focuses on improved asset management planning, inventory and performance measure data, and the disposal of unneeded assets. DOD has implemented an asset management plan and provides inventory and performance data to the Federal Real Property Profile annually. DOD's Real Property Inventory Requirements implementation continues to refine the quality of data collected and reported to the government-wide database. We continue to improve our progress on the Real Property Scorecard.

The quality of infrastructure directly affects training and readiness. To that end, the Department is incorporating installations assessments more fully into the Defense Readiness Reporting System. DOD has made significant progress in integrating its installations into this Department-wide program. There is currently an operational system in the Navy, Defense Readiness Reporting System-Navy, which is based on the contribution of installations to the achievement of mission essential tasks. To better manage infrastructure investments, the Department continues to develop models and metrics to predict funding needs. The Facilities Program Requirements Suite, a Web-based suite of real property inventory data models and fact sheets, continues to be refined and further expanded to more accurately determine requirements, predict funding needs, and better manage infrastructure investments.

Sustainment

Facilities sustainment provides funds for maintenance and major repairs or replacement of facility components that are expected to occur periodically throughout the life cycle. Sustainment prevents deterioration, maintains safety, and preserves performance over the life of a facility. To forecast funding requirements, DOD developed the Facilities Sustainment Model using standard benchmarks for sustainment unit costs by facility type (such as cost per square foot of barracks) drawn from the private and public sectors. This model has been used to develop the Service budgets since fiscal year 2002 and for several Defense Agencies since fiscal year 2004. Full funding of facilities sustainment has been and continues to be the foundation and first element of the Department's long-term facilities strategy and goals. In fiscal year 2007, the Department-wide sustainment was budgeted at 90 percent. In balancing risk across the Department's program, the fiscal year 2008 budget request reflects a slight decrease in the department-wide sustainment funding rate to 88

percent, although the total amount of funds requested for the program represent an increase of $466 million. The Department-wide long term goal remains full funding for sustainment to optimize the investment in our facilities and ensure their readiness.

SUSTAINMENT AND RECAPITALIZATION REQUEST

(President's Budget in Millions of Dollars)

	Fiscal Year Request	
	2007	2008
Sustainment (O&M-like) *	6,276	6,733
Restoration and Modernization (O&M-like plus) *	992	1,353
Restoration and Modernization (MilCon)	6,093	6,736
Total SRM	13,352	14,822

* Includes O&M as well as related military personnel, host nation, and working capital funds and other appropriations such as RDT&E.

Recapitalization

Recapitalization includes restoration and modernization, provides resources for improving facilities, and is the second element of our facilities strategy. Recapitalization is funded primarily with either O&M or military construction appropriations. Restoration includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years.

The current DOD goal remains a recapitalization rate of 67 years. In fiscal year 2001, the Department's recapitalization rate was 192 years. This budget request supports a recapitalization rate of 67 years, an improvement over last year's budgeted rate of 72 years. The improvement in the rate is largely due to investments associated with BRAC construction investments and the Global Defense Posture realignment. Currently, DOD is in the process of developing and fielding a new recapitalization model for assessing the replacement cycle that will improve upon the existing recapitalization metric through the inclusion of depreciation schedules and other benchmark improvements that are derived from private and public sector standards.

The Department remains committed to maintaining a rate of investment in facilities recapitalization that will improve, modernize, and restore existing facilities while at the same time replacing facilities in support of efforts to reshape and realign infrastructure. However, as the Department consolidates and reshapes its infrastructure, it will also experience localized growth in the size of the facilities footprint. This is necessary to provide the quality and quantity of facilities and assets necessary to support military personnel and their families. These efforts include facilities to support Army Transformation, Navy and Marine Corps barracks, and facilities for the beddown of new weapons systems such as Predator, F–22, and the Joint Strike Fighter.

On January 24, 2006, DOD joined 16 other Federal agencies in signing a Memorandum of Understanding (MOU) for Federal Leadership in High Performance and Sustainable Buildings. The MOU indicates a commitment to incorporate sustainable design principles through a comprehensive approach to infrastructure management.

The Department continues to emphasize the elimination of excess and obsolete facilities, and to encourage the aggressive pursuit of demolition to avoid unnecessary facilities sustainment and support costs. This effort to eliminate facilities that are no longer needed is separate and distinct from the BRAC process. With approximately 48 million square feet of infrastructure identified for elimination, the military Services and selected defense agencies are in the process of refining their annual targets for disposal and consolidation of excess capacity.

The Department established a common definition for Facilities Operation, formerly referred to as "Real Property Services." The budget request includes $7.15 billion for this program, to address utilities, leases, custodial services, grounds maintenance, and other related functions. The Facilities Operation Model was fielded to develop standard requirements, and the Department is continuing to refine the model with particular emphasis on Fire and Emergency Services, and Real Property and Engineering Management.

Installations Support

The Defense Installations Strategic Plan articulates the need to define common standards and performance metrics for managing installation support, and the Department has made considerable progress in this area. DOD's objective is to introduce capabilities-based programming and budgeting within a framework for the Common Delivery of Installations Support which will link installation support capabilities to warfighter requirements. The Common Delivery of Installations Support also will play a large role in implementation of Joint Basing required by BRAC 2005. Guidance for implementing Joint Basing was developed in coordination with the Military Components and is currently in the review process.

During the past year, DOD made significant progress toward developing Common Output Level Standards for all other functions of Installations Support to include Environment, Family Housing Operations and Services (formerly known as Base Operations Support). This effort is yielding common definitions and tiered performance output levels. These metrics are currently being further refined and a costing model initiative will soon be underway.

The military construction appropriation is a significant source of facilities investment funding. The fiscal year 2008 Defense Military Construction and Family Housing Appropriation request totals $21.2 billion. This funding will enable the Department to rapidly respond to warfighter requirements, enhance mission readiness, and provide for its people. This is done, in part, by restoring and modernizing enduring facilities, acquiring new facilities where needed, and eliminating those that are excess or obsolete.

COMPARISON OF MILITARY CONSTRUCTION AND FAMILY HOUSING REQUESTS

(President's Budget in Millions of Dollars—Budget Authority)

	Fiscal Year Request	
	2007	2008
Military Construction	6,390	9,480
NATO Security Investment Program	221	201
Base Realignment and Closure IV	191	220
Base Realignment and Closure 2005	5,626	8,174
Family Housing Construction/Improvements	2,092	1,080
Family Housing Operations and Maintenance	1,989	1,851
Chemical Demilitarization	131	86
Family Housing Improvement Fund	3	0.5
Energy Conservation Investment Program	55	70
Total	16,698	21,165

IMPROVING QUALITY OF LIFE

A principal priority of the Department is to support military personnel and their families and improve their quality of life by ensuring access to suitable, affordable housing. Servicemembers are engaged in the frontlines of protecting our National security and they deserve the best possible living and working conditions. Sustaining the quality of life of our people is crucial to recruitment, retention, readiness, and morale. At the outset of this administration, the President and the Department's leadership identified revitalizing housing, largely through privatization, as a central priority for the Department. An aggressive target of 2007 was established to meet that goal. By late fiscal year 2007, DOD will effectively complete all procedures to eliminate nearly all inadequate domestic family housing. More than 90 percent of our inadequate housing will be turned over to the private sector for replacement or renovation and the remainder will be in the final stages of solicitation for award. As of February 2007, over 110,000 housing units determined to be inadequate have been privatized. Inadequate units are considered to be eliminated when they are conveyed to the private owner, who then revitalizes the housing.

The Department continues to rely on three pillars to improve housing thereby, enhancing the quality of life for our servicemembers: (1) Provide the basic allowance for housing (BAH) at zero-out-of-pocket expense for the average servicemember living in private sector housing (achieved in 2005, now maintaining); (2) Privatization of family housing, where feasible; and, (3) Military Construction funding for all other domestic and all overseas locations.

The Department relies on a "community first" (private sector) approach to provide quality housing to its members and their families. Only when the private market

demonstrates that it cannot supply sufficient levels of quality, affordable housing does the Department provide housing to our military families; first through the use of privatization, and where that is not feasible through government-owned and leased housing. For example, in the absence of privatization authorities overseas, we address our housing needs there through military construction and leasing.

To ensure the Department is making the best investment decisions when determining the appropriate level of housing, the government provides a single and consistent methodology for calculating its housing requirement. This methodology was introduced in January 2003 and is being utilized extensively by the Services. Currently, 75 percent of military families living in the continental United States, Alaska, and Hawaii receive BAH (with 60 percent living in the local community, and 15 percent in privatized housing). An additional 22 percent of our military families are provided government-owned housing and 3 percent live in leased housing. DOD projects that by the end of fiscal year 2008 over 90 percent of military families will be receiving BAH, thus allowing families the opportunity to make housing choices according to their individual preferences.

As of February 2007, the Department has awarded 71 privatization projects, which includes over 147,000 total military family housing units privatized. The private sector's cumulative contribution to the 71 awarded deals awarded thus far totals over $20 billion (or 90 percent) of total project development costs. The Services have contributed $1.5 billion in development costs primarily through equity investment or government direct loans.

For fiscal year 2008, the Department requests $2.93 billion, a decrease of $1.2 billion from the fiscal year 2007 President's budget request. The decrease reflects cost savings realized by the Department achieving its respective goal to eliminate inadequate housing and to privatize the inventory on a cost-effective basis. The Department's privatization plans in the fiscal year 2008 budget will ultimately result in the privatization of over 90 percent of its domestic family housing inventory, or roughly 194,000 units privatized by the end of fiscal year 2008.

- Fiscal year 2008 funding provides for the continuation of the privatization program to reduce costs to the government and provide quality housing to service members and their families. The fiscal year 2008 request will privatize 4,261 family housing.
- Fiscal year 2008 request provides $353 million for the Army and Navy "Grow the Force" initiative, which will provide housing support for end-strength increases.
- 1.9 billion to operate and maintain approximately 80,000 government-owned family housing units, and lease 38,000 units worldwide.

In fiscal year 2008 and beyond, DOD will monitor the military housing privatization projects over the next 40+ years and conduct oversight of their financial performance. DOD will protect the government's interest while acknowledging that it is the responsibility of the private sector to take the lead on operating these projects. Current project highlights include:

- The majority of the awarded privatization projects initial development plans for renovation/construction are on schedule.
- Thirteen projects have completed their construction/renovation schedules.
- The privatization projects are achieving 90 percent occupancy across all projects.
- There have been no defaults for the awarded projects.
- Awarded projects are receiving high tenant satisfaction ratings.

Finally, in fiscal year 2008 DOD will continue to push expansion of the privatization authorities for unaccompanied housing and lodging. In fiscal year 2007, the Navy executed the first Unaccompanied Housing pilot project in San Diego in December 2006, with two additional projects planned—Hampton Roads, VA (award April 2007), and Mayport, FL (future date to be determined). The Army anticipates award of the first Lodging Privatization project in September 2007.

COMPETITIVE SOURCING

The DOD continues to strongly support the President's Management Agenda Initiative for Competitive Sourcing. Introducing private sector competition into commercial functions performed by the Department improves business efficiency and reduces cost to the taxpayer. Public/private competitions using the procedures of OMB Circular A–76 have demonstrated substantial savings whether the in-house or private sector wins the competition. During Fiscal Years 2000 through 2006, the Department completed 870 such competitions encompassing about 91,000 positions. These competitions will have resulted in over $9 billion in savings (cost avoidance)

over the life of the resulting performance periods, normally about 5 years. The Department has an additional 7,969 positions currently undergoing competitions, plans to compete 10,000 positions in fiscal year 2007, and expects to maintain the same level of competitions in fiscal year 2008.

These new competitions use the procedures of OMB Circular A–76 which evaluate public and private proposals concurrently using the Federal Acquisition Regulations. As the Department's designated Competitive Sourcing Official, my office is working continuously to improve the competition process. For example, competitions that used to take up to 48 months to complete can now be completed in as little as 12 months. Such improvements will reduce stress on our workforce and will make savings available earlier to reinvest in the Department's operation.

ENERGY MANAGEMENT

The Department continues to aggressively attempt to reduce its energy consumption and associated costs, while improving utility system reliability and safety. To that end, DOD developed a comprehensive energy strategy and issued updated policy guidance incorporating the provisions and goals of the Energy Policy Act (EPAct) of 2005 and is implementing the recent enactment of the new chapter 173 of title 10, U.S.C. The Department is also in the early stages of implementation of Executive Order 13423, recently issued by the President to strengthen Federal environmental, energy, and transportation management. This strategy will continue to optimize utility management by conserving energy and water usage, improving energy flexibility by taking advantage of restructured energy commodity markets when opportunities present themselves.

DOD, as the largest single energy consumer in the Nation, consumed $3.5 billion of facility energy in fiscal year 2006. Though overall cost continues to increase due to commodity costs, consumption has decreased from the 2003 baseline. Our program includes investments in cost-effective renewable energy sources or energy efficient construction designs, and aggregating bargaining power among regions and the Services to achieve more effective buying power.

The Department's efforts to conserve energy are paying off. In fiscal year 2006, military installations reduced consumption by 5.5 percent, exceeding the energy conservation goal of 2 percent. Energy conservation projects accomplished through Energy Savings Performance Contracts (ESPC) typically account for more than half of all facility energy savings. Lapse of ESPC authority in 2004 negatively affected the Department's ability to reach the 30 percent reduction goal under Executive Order 13123. However, with ESPC authority reauthorized in the National Defense Authorization Act for Fiscal Year 2005 and extended for an additional 10 years in the EPAct of 2005, DOD has launched an aggressive awareness campaign and is well on its way to meeting the new goals established in the EPAct of 2005. Use of ESPC for 2006 increased 316 percent, reaching an award value over $586 million.

DOD has significantly increased its focus on purchasing renewable energy and developing resources on military installations. Renewable energy projects are consistently more expensive than similar conventional energy sources, resulting in limited opportunities but that are life cycle cost effective. The Department has increased the use of Energy Conservation Investment Program (ECIP) funds for renewable energy projects from $5 million in fiscal year 2003 to $17 million planned in fiscal year 2007, and to $24 million budgeted for fiscal year 2008 out of a $70 million ECIP request. The fiscal year 2007 program for ECIP also contains $2.6 million in hydrogen fuel cell projects. The Department easily exceeded the EPAct 2005 renewable energy goal of 2.5 percent in fiscal year 2006. The Department's total renewable energy purchases and generation accounted for 9.5 percent of all electricity use. Also, while EPAct 2005 did not articulate a specific water reduction goal, the new Executive Order 13423 does have a goal of a 2 percent water reduction per year. The Department has reduced water usage by an impressive 29.6 percent from the fiscal year 2003 baseline year.

ENVIRONMENTAL MANAGEMENT

Managing Cleanup

The Department is committed to cleaning up property that, as the result of past military activities, is contaminated with hazardous substances and military munitions. DOD has achieved "remedy in place" or "restoration complete" status at 85 percent (16,833 out of 19,796) of its environmental restoration sites on active installations. As of the end of fiscal year 2006, 85 percent (4,275 out of 5,010) of the environmental restoration sites at BRAC locations closed or realigned by the first four rounds of BRAC or closed in BRAC 2005 have a cleanup remedy constructed and in place and operating successfully, or have had all necessary cleanup actions com-

pleted in accordance with Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) standards. Hazardous substance cleanup at Formerly Used Defense Sites (FUDS) has achieved "remedy in place" or "restoration complete" status at 53 percent (2,487 out of the 4,654) of known sites.

As of the end of fiscal year 2006, DOD fulfilled its cleanup obligations at over 122 of the approximately 373 identified Military Munitions Response Plan (MMRP) sites at BRAC installations, and has cleanup actions underway at 251 sites. A similar situation can be found at FUDS, where 29 percent of the MMRP sites identified have had all cleanup actions completed. Over 473 of the 1,633 FUDS with currently identified Unexploded Ordnance (UXO) contamination have been addressed, and another 1,160 are undergoing cleanup actions or study.

Environmental Management Systems

DOD implemented environmental management systems (EMS) as required by Executive Order 13148 at all appropriate facilities. This transformation embeds environmental management as a systematic process, fully integrated with mission planning and sustainment and is essential for continued successful operations at home and abroad. Implementing EMS helps preserve range and operational capabilities by creating long-term, specific and measurable targets in comprehensive programs to sustain capability while maintaining healthy ecosystems. Benefits accrued to date are an increased awareness of environmental issues and how they can impact operations, increased communication and cooperation between departments, new initiatives to mitigate environmental impact and risk, and strengthened relationships with communities and regulators.

Pollution Prevention

Maintaining compliance with environmental laws is an integral part of sustaining DOD operations. From fiscal year 2000 through fiscal year 2006 the Department reduced the number of new Federal and State enforcement actions received by 18 percent while the number of regulatory inspections increased by 6 percent during the same time period. In 2005, DOD installations reached a 95 percent compliance rate with wastewater treatment permits. For the 3.4 million customers served by DOD drinking water systems, in 2005, less than 7 percent of the population received notice that their water exceeded a drinking water standard (most "exceedences" were not immediate health concerns and both interim and long-term solutions are either completed or underway). The Department continues to demonstrate a commitment to reduce solid and hazardous waste. From 2000 through 2005, the Department reduced hazardous waste over 15 percent by using various pollution prevention opportunities. In 2006, over 3.7 million tons of solid waste was diverted from landfills which avoided approximately $153 million in landfill costs. This 59 percent diversion rate exceeds the Department's diversion goal of 40 percent in 2005. Integrating a strong compliance program into installation environmental management systems will strengthen this program.

SUSTAINING THE WARFIGHTER

Our Nation's warfighters require the best training and the best equipment available. This means sustaining our vital range and installation infrastructure, both here and abroad, where we test equipment and conduct training. Development in the vicinity of DOD installations and ranges continues to challenge sustainability. The unintended consequences of this encroachment upon our ranges and installations are varied, and include such issues as more noise complaints from new neighbors; diminished usable airspace due to new structures or increased civil aviation; a compromised ability to test and train with the frequency needed in time of war; and a loss of habitat for endangered species.

History and experience gained over decades demonstrate that proper training of U.S. troops will result in victory. Assured access to operational ranges is the only way to continue that training. In 2001 the Department undertook the Readiness and Range Preservation Initiative to achieve a balance between national defense and environmental policies. As a result, DOD has successfully balanced the statutory requirements of the Migratory Bird Treaty Act, the Marine Mammal Protection Act, and the Endangered Species Act with our National defense mission requirements. However, the Department continues to seek legislative clarification under the Clean Air Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and the Resource Conservation and Recovery Act.

Congress provided statutory authority to use O&M funds to create buffers around our ranges and installations. Using this authority the Department established the Readiness and Environmental Protection Initiative (REPI) and has worked with willing partners to cost-share land conservation solutions that benefit military read-

iness and preserve natural habitat. In fiscal year 2005, REPI leveraged $12.5 million of O&M funding to secure $48.2 million worth of buffer land and easements, encompassing 10,238 acres at 7 installations. The 2006 and 2007 projects will continue to leverage REPI funds against partner contributions. REPI and partner funding has allowed DOD to protect the Navy's one-of-a-kind La Posta Mountain Warfare Training Facility in California; to keep training areas open at Marine Corps Base Camp Lejeune, NC; and buffer live-fire training ranges at Fort Carson, CO. Overall in fiscal year 2006, REPI initiated 23 projects in 17 States, and for fiscal year 2007 an additional 32 projects have been identified for funding. The Department has requested $30 million in the fiscal year 2008 budget to support REPI.

Partnerships are essential to success and the Department continues to work with State governments and other Federal agencies in the Southeast Regional Partnership for Planning and Sustainability (SERPPAS). In 2006, the State of Alabama joined North Carolina, Florida, Georgia, and South Carolina as SERPPAS State members. Through this process, the partners hope to promote better planning related to growth, preservation of open space and protection of the region's military installations. The regional approach to facilitate dialogue and to address issues of mutual concern is proving successful, and in 2006, the Department took the initial steps to establish a regional partnership in the western States.

In 2006, DOD worked closely with other Federal agencies to sustain military readiness. At Fort Riley, KS, the Department of Agriculture's Natural Resource Conservation Service and DOD signed a MOU to work together on conservation efforts that sustain agricultural productivity on private lands that will buffer military lands. On energy issues, the DOD is working with other Federal agencies to ensure that wind farm projects and energy transmission corridors are compatible with military readiness activities. The Department is also working with the Department of Homeland Security to ensure that our military readiness activities and infrastructure in border regions are not impacted by new security measures. Outreach to non-Federal and non-governmental organizations continues to be a significant part of the Department's sustainability program, and today we are working with State, county, and local governments, Indian tribal, and environmental groups on issues of mutual concern to seek win-win solutions. Overseas, DOD is developing mission sustainment procedures to work with our host nations Global Defense Posture partners. To sustain today's warfighters, and our Nation's future warfighters, DOD will continue its engagement and partnering efforts.

INTEGRATING BUSINESS ENTERPRISES

The Department as a whole has made significant strides in breaking down the cultural and information technology (IT) systems barriers that hinder business agility. There is an increased need for tighter alignment of end-to-end business functions, better management visibility into operations, and a definitive focus on execution excellence. The current climate of making measurable business improvements every 6 months, tied to releases of the DOD Business Enterprise Transition Plan, has succeeded in driving progress. Changing the cultural mindset has meant redefining Defense business in terms of functions performed and the customers served, rather than who performs them. Breaking down IT systems barriers has meant, among other things, using common standards to integrate the business data owned by the components.

The Real Property and Installation Lifecycle Management (RP&ILM) Core Business Mission area has had tremendous success with business transformation because it has been driven by the top leadership and supported across all components and all levels. Over the past few years, RP&ILM has developed enterprise wide capabilities for real property accountability and visibility, environmental liability accountability and valuation, and hazardous materials operational controls. These capabilities are founded on requirements for standard business processes, data elements, and business rules. The military departments and agencies, in coordination with the DUSD (I&E), have begun implementation efforts for these capabilities.

I&E community leadership actively oversees IT system investments to ensure that IT systems are being modernized to support the new business enterprise capabilities. I&E has become a leader in implementing DOD's net-centric vision and has already stood up a site unique identifier registry, that will allow all IT systems (and communities) with a need for location information to easily get authoritative source information. All of this foundational and transformational work has been achieved because of the established RP&ILM governance processes. These governance processes support federated management because the business owners themselves drive business modernization and the associated support IT. This work has also been completely integrated into the activities of the Business Transformation Agency, ensur-

ing that RP&ILM capabilities support the broader DOD enterprise business transformation efforts.

During the past year, the Department expanded its efforts beyond defining transformation requirements to actual implementation of business transformation. Each military Service has either completed and is implementing, or is developing implementation plans, to deliver these reengineered capabilities. Some of our recent successes include:

- Ability to assign unique identifiers to all DOD's sites. For the first time in our history, the warfighter and business mission areas will have the ability to obtain access to real property site information at the push-of-a-button, with assurance that the data is authoritative and consistent from Service to Service.
- Development of Real Property Inventory Requirements (RPIR) compliance assessment tools and procedures. These tools assure that the Services will implement and maintain consistent, accurate, and complete information on our vast and geographically diverse real property asset portfolio.
- Update of antiquated policies. Policy change promotes behavioral change. Building on this best practice, DOD is in the process of updating policies to include modernized processes for construction in progress, real property acceptance, and workplace hazard communication.
- Completion of standardized requirements for the management of regulatory and chemical hazardous materials information. This success allows the Defense Logistics Agency to serve the entire Department with standardized regulatory information on hazardous materials from a central repository of authoritative data. As the Services use this information in their business processes, DOD will realize cost savings, and more importantly, improve operational control of mission activities involving hazardous materials.
- The funding of a pilot to utilize geospatial information systems and RPIR processes to determine official DOD boundaries for land parcels. The pilot also supports mapping any known environmental liabilities as outlined in the new Environmental Liabilities requirements. This pilot will enable DOD to reap many benefits as accurate geospatial information will be easily available and no longer isolated in the real property community.
- The development of Spatial Data Standards for Facilities, Infrastructure, and Environment (SDSFIE). Precision and speed are no longer unique qualifiers of the operational community alone. DOD is applying these drivers to core business mission areas as well. Fundamental to total asset management is knowing exactly where an asset is geographically located. The SDSFIE will ensure a level of accuracy and consistency never before seen as the Department geospatially enables its business areas.

CONCLUSION

In closing, Mr. Chairman, I sincerely thank you for this opportunity to highlight the Department's successes and outline its plans for the future. I appreciate your continued support of our installations and environment portfolio, and I look forward to working with you as we transform these plans into actions.

Senator AKAKA. Thank you very much, Mr. Grone, for keeping it brief.

Secretary Eastin.

STATEMENT OF HON. KEITH E. EASTIN, ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS AND ENVIRONMENT

Mr. EASTIN. Thank you. I will try to be even briefer.

The Army brings to you this year a rather ambitious program and it is ambitious only because we have a lot going on there. We are in the midst of transforming our Army from a division-centric to a brigade-centric force that can be more reactive to world situations. We are involved in the BRAC procedures. We are involved in bringing back some of our soldiers from Korea and bringing back some likely from Germany. Then on top of that, the President has asked us to try to grow the Army, both the Active, Reserve, and Guard components.

So we have a lot going on. In the BRAC realignment itself we are looking at something like 45,000 people moving about installations, here and there, between military and civilians. Global Defense Posture Review (GDPR), you may recall, brings back people from Korea and Germany, is another 50,000. All these people need places to stay, need places to train, and need places to raise their families.

Add to that the growth of the Army, give or take 74,000 (65,000 Active, 8,200 Guard, and 1,000 Reserve) here in the next 5 years. They too need places to stay, places to train, places to deploy from, and the installations to go along with it.

We are under no illusions that this is not just a heck of a lot of money, but it also is a heck of a lot of jobs that we have in front of us to make this all work. So we look forward to answering your questions today.

[The prepared statement of Mr. Eastin follows:]

PREPARED STATEMENT BY HON. KEITH E. EASTIN

INTRODUCTION

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the Army's military construction budget request for fiscal year 2008. We have a robust budget that is crucial to the success of the Army's new initiatives and sustains vital, ongoing programs of critical importance to the Army. We appreciate the opportunity to report on them to you. We would like to start by thanking you for your unwavering support to our soldiers and their families serving our Nation around the world. They are and will continue to be the centerpiece of our Army, and they could not perform their missions so successfully without your steadfast support.

OVERVIEW—TRANSFORMING INSTALLATIONS WHILE THE ARMY IS AT WAR

Installations are the home of combat power—a critical component of the Nation's force capabilities. Your Army is working hard to ensure that we deliver cost-effective, safe, and environmentally sound capabilities and capacities to support the National defense mission.

The tremendous changes in our National security environment since the terrorist attacks on our Nation clearly underscore the need for a joint, integrated military force ready to defeat all threats to U.S. interests. To meet these security challenges, we require interrelated strategies centered on people, forces, quality of life, and infrastructure. Regarding infrastructure, we need a global framework of Army installations, facilities, ranges, airfields, and other critical assets that are properly distributed, efficient, and capable of ensuring that we can successfully carry out our assigned roles, missions, and tasks that safeguard our security at home and abroad.

Army infrastructure must enable the force to fulfill its strategic roles and missions to generate and sustain combat power. As we transform our operational forces, so too must we transform the institutional Army and our installation infrastructure to ensure this combat power remains relevant and ready. We will accomplish these efforts by the combined stationing efforts of Base Realignment and Closure (BRAC) 2005, Global Defense Posture Realignment (GDPR), Army Modular Force Transformation, and the President's "Grow the Force" initiative.

Stationing

The stationing initiative is a massive undertaking, requiring the synchronization of base realignments and closures, military construction and renovation, unit activations and deactivations, and the flow of forces to and from current global commitments. Our decisions to synchronize activities associated with stationing and realigning our global basing posture continue to be guided by the following key criteria:

- Meeting operational requirements
- Providing economic benefits
- Using existing infrastructure to reduce cost and excess capacity
- Funding critical requirements to achieve unit mission
- Compliance with applicable laws

- Minimizing the use of temporary facilities
- Giving facility priority to ranges, barracks, housing, vehicle maintenance shops, headquarters and operations, dining, and instruction facilities

Completion of this combined set of initiatives will result in an Army that is better positioned to respond to the needs and requirements of the 21st century security environment, with our soldiers and families living at installations that are truly "Flagships of Army Readiness."

Infrastructure Quality

In addition to mission support, our installations provide the base of support for soldiers and their families. The environment in which our soldiers train, our civilians work, and our families live plays a key role in recruiting and retaining the high quality people the Army needs. Through efforts such as Barracks Modernization and Residential Communities Initiative (RCI) housing privatization, the Army has made tremendous progress in improving the quality of life for soldiers and their families. These efforts will combine with the Army's stabilization of the force to forge greater bonds between units, soldiers, families, and the communities in which they live.

The quality of our installations is critical to support the Army's mission, its soldiers, and their families. Installations serve as the platforms we use to train, mobilize, and rapidly deploy military power. When forces return from deployments, installations enable us to efficiently reset and regenerate combat power for future missions. In the past year, the Army has made tremendous progress in enhancing training and improving its ability to generate and reset the force.

Global Defense Posture Realignment (GDPR)

The United States' global defense posture defines the size, location, types, and roles of military forces and capabilities. It represents our ability to project power and undertake military actions beyond our border. Together with our overall military force structure, our global defense posture enables the United States to assure allies, dissuade potential challengers, deter enemies, and, if necessary, defeat aggression. The new global defense posture will be adjusted to the new security environment in several key ways: (1) expand allied roles, build new partnerships, and encourage transformation; (2) create greater operational flexibility to contend with uncertainty; (3) focus and act both within and across various regions of the world; and (4) develop rapidly deployable capabilities, and lastly, the United States and its allies and partners will work from a different paradigm than in the past: GDPR will relocate approximately 45,500 soldiers and their families from Europe and Korea to the United States over the next 5 to 6 years. These moves are critical to ensure Army forces are properly positioned worldwide to support our National Military Strategy. The new posture will yield significant gains in military effectiveness and efficiency in future conflicts and crises and will enable the U.S. military to fulfill its many global roles. The new posture will also have a positive effect on our military forces and families. While we will be moving toward a more rotational and unaccompanied forward presence, these rotations will be balanced by more stability at home with fewer overseas moves and less disruption in the lives of spouses and dependents.

Army Modular Force

The Army Modular Force initiative transforms the Army from units based on the division organization into a more powerful, adaptable force built on self-sufficient, brigade-based units that are rapidly deployable. These units, known as Brigade Combat Teams (BCTs), consist of 3,500 to 4,000 soldiers. BCTs increase the Army's combat power while meeting the demands of global requirements without the overhead and support previously provided by higher commands. The main effort of Army transformation is the Army Modular Force, which reorganizes the Total Army: the active component, Army National Guard, and Army Reserve into modular theater armies, theater support structure, corps and division headquarters, BCTs, and multi-functional and functional support brigades. The Army is reorganizing from a division-based to a modular brigade-based force to achieve three primary goals:

First, increase the number of available BCTs to meet operational requirements while maintaining combat effectiveness equal to or better than previous divisional brigades. Second, create brigade-size combat support and combat service support formations of common organizational designs that can be easily tailored to meet the varied demands of the geographic combatant commanders and reduce the complexities of joint planning and execution. Third, redesign organizations to perform as integral parts of the joint force, making them more effective across the range of military operations and enhancing their ability to contribute to joint, interagency, and multinational efforts. By implementing the Army Modular Force, the Army is trans-

forming to be better prepared to meet the challenges of the new security environment characterized by continuous full-spectrum operations against adaptive enemies in complex environments.

The fiscal year 2008 budget includes projects to ensure that our facilities continue to meet the demands of force structure, weapons systems, and doctrinal requirements. As of fiscal year 2006, we have funded 93 percent of the military construction requirements for the Stryker BCTs, including Army National Guard requirements in Pennsylvania. Remaining construction funding for both the Active Army and Army National Guard will be requested in future budget requests.

New facility requirements for transforming units are being provided, where feasible, through the use of existing assets. Where existing assets are not available, the Army is programming high-priority projects to support soldiers where they live and work. The Army is requesting $414 million for fiscal year 2008 to provide permanent facilities in support of the BCTs. The remaining Army Modular Force requirements will be addressed in future budget requests.

Grow the Army

The President's recent Grow the Force initiative announced on January 10, 2007, will increase the Army by 74,000 soldiers over the next 5 years. Part of this year's request, $2.363 billion, supports this initiative. Grow the Army projects include essential facilities required to support the increase in end strength such as brigade complexes and associated combat support, combat service support, training, and quality of life facilities worldwide. Funding is requested for planning and design and military construction projects in the active Army, Army National Guard, and for Army Family Housing. Details for these projects will be provided separately.

THE WAY AHEAD

To improve the Army's facilities posture, we have undertaken specific initiatives or budget strategies to focus our resources on the most important areas—Range and Training Lands, Barracks, Family Housing, and Workplaces.

Range and Training Lands. Ranges and training lands enable our Army to train and develop its full capabilities to ensure our soldiers are fully prepared for the challenges they will face. Our Army Range and Training Land Strategy supports Army transformation and the Army's Sustainable Range Program. The Strategy identifies priorities for installations requiring resources to modernize ranges, mitigate encroachment, and acquire training land.

Barracks. Providing safe, quality housing is a crucial commitment the Army has made to its soldiers. We owe single soldiers the same quality housing that is provided to married soldiers. Modern barracks are shown to significantly increase morale, which positively impacts readiness and quality of life. The importance of providing quality housing for single soldiers is paramount to success on the battlefield. The Army is in the 15th year of its campaign to modernize barracks to provide 134,500 single enlisted permanent party soldiers with quality living environments. The new complexes meet DOD "1+1" or equivalent standard by providing two-soldier suites, increased personal privacy, larger rooms with walk-in closets, new furnishings, adequate parking, landscaping, and unit administrative offices separated from the barracks.

Family Housing. This year's budget continues our significant investment in our soldiers and their families by supporting our goal to have contracts and funding in place to eliminate remaining inadequate housing at enduring overseas installations by the end of fiscal year 2009. The U.S. inadequate inventory was funded for elimination by the end of fiscal year 2007 through privatization, conventional military construction, demolition, divestiture of uneconomical or excess units and reliance on off-post housing. For families living off post, the budget for military personnel maintains the basic allowance for housing that eliminates out of pocket expenses.

Workplaces. Building on the successes of our family housing and barracks programs, we are moving to improve the overall condition of Army infrastructure by focusing on revitalization of our workplaces. Projects in this year's budget will address requirements for operational, administration, instructional, and maintenance facilities. These projects support and improve our installations and facilities to ensure the Army is deployable, trained, and ready to respond to meet its national security mission.

Leveraging Resources

Complementary to these budget strategies, the Army also seeks to leverage scarce resources and reduce our requirements for facilities and real property assets. Privatization initiatives such as RCI, utilities privatization, and build-to-lease family housing in Europe and Korea represent high-payoff programs which have substan-

tially reduced our dependence on investment funding. We also benefit from agreements with Japan, Korea, and Germany where the Army receives host nation funded construction.

In addition, Congress has provided valuable authorities to utilize the value of our non-excess inventory under the Enhanced Use Leasing program and to exchange facilities in high-cost areas for new facilities in other locations under the Real Property Exchange program. In both cases, we can capitalize on the value of our existing assets to reduce unfinanced facilities requirements.

The Army is transforming military construction by placing greater emphasis on installation master planning and standardization of facilities as well as planning, programming, designing, acquisition, and construction processes. Looking toward the immediate future, we are aggressively reviewing our construction standards and processes to align with industry innovations and best practices. In doing so, we expect to deliver quality facilities at lower costs while meeting our requirements more expeditiously. By encouraging the use of manufactured building solutions and other cost-effective, efficient processes, the Army will encourage nontraditional builders to compete. Small business opportunities and set-aside programs will be addressed, as well as incentives for good performance. Work of a repetitive nature coupled with a continuous building program will provide the building blocks for gaining efficiencies in time and cost.

MILITARY CONSTRUCTION

Military Construction Appropriation	Authorization Request	Authorization of Appropriations Request	Appropriation Request
Military Construction Army (MCA)	$3,385,329,000	$4,039,197,000	$4.039,197,000
Military Construction Army National Guard (MCNG)	N/A	404,291,000	404,291,000
Military Construction Army Reserve (MCAR)	N/A	119,604,000	119,684,000
Army Family Housing Construction (AFHC)	419,400,000	419,400,000	419,400,000
Army Family Housing Operations (AFHO)	742,920,000	743,920,000	742,920,000
BRAC 95 (BCA)	73,716,000	73,716,000	73,716,000
BRAC 2005 (BCA)	4,015,746,000	4,015,746,000	4,015,746,000
Global War on Terrorism MCA	730,850,000	738,850,000	738,850,000
Total	$9,375,961,000	$10,553,804,000	$10,553,804,000

The Army's fiscal year 2008 budget request includes $10.6 billion for Military Construction appropriations and associated new authorizations, Army Family Housing, and BRAC.

MILITARY CONSTRUCTION, ARMY (MCA)

The Active Army fiscal year 2008 Military Construction budget request is $3,385,329,000 for authorization and $4,039,197,000 for authorization of appropriations and appropriation, including $1,608,129,000 for Grow the Army. This year's projects support the infrastructure necessary to ensure continued soldier readiness and family well-being.

Soldiers as our Centerpiece Projects. The well-being of our soldiers, civilians, and families is inextricably linked to the Army's readiness. We are requesting $590 million of our MCA budget for projects to improve soldier well-being in significant ways.

The Army continues to modernize and construct barracks to provide enlisted single soldiers with quality living environments. This year's budget request includes 14 barracks projects to provide improved housing for 3,703 soldiers and new barracks in support of major stationing moves as we recast the footprint of the Army. With the approval of $1,392 million for new barracks in this budget, 82 percent of our requirement will be funded at the "1+1" or equivalent standard.

We are requesting the third increment of funding, $47.4 million, for the previously approved, incrementally funded, multiple-phased barracks complex at Fort Bragg, NC. In addition, we are requesting the second increment of funding, $102 million, for the brigade complex at Fort Lewis, WA. We will award the complex as a single contract to gain cost efficiencies, expedite construction, and provide uniformity in like facility types. The budget also includes a $175 million for two training barracks complexes at Fort Benning, GA; and another at Fort Bragg, NC, which will house 2,580 training soldiers.

Overseas Construction. Included in this budget request is $382 million in support of high-priority overseas projects. In Germany, we continue our consolidation of

units to Grafenwoehr as part of our Efficient Basing—Grafenwoehr initiative. This allows us to close numerous installations as forces relocate to the U.S. and within Europe reducing base support requirements and enhancing soldier training. In Korea, we are again requesting funds to further our relocation of forces on the peninsula. This action is consistent with the Land Partnership Plan agreements entered into by the U.S. and Republic of Korea Ministry of Defense. Our request for funds in Italy is GDPR related and relocates forces from Germany to Vicenza to create a full Airborne BCT as part of the Army's transformation to a modular force. The Airborne BCT complex also includes new barracks to house 513 soldiers. Additional locations in Germany will close as construction is completed.

Mission and Training Projects. Projects in our fiscal year 2008 budget will provide maintenance facilities, brigade complexes and headquarters, operational and administration facilities, and training ranges. These projects support and improve our installations and facilities to ensure the Army is deployable, trained, and ready to respond to meet our National Security mission. The budget request also includes two overseas Forward Operating Site base camps for $74 million that will provide a brigade (minus)-sized operational facility to support rotational training, allow for increased U.S. partnership training, and promote new military to military relationships.

We will also construct a battle command training center and simulations training facility, urban operations terrain, urban assault course, modified record firing ranges, and digital multipurpose training ranges. These facilities will provide our soldiers realistic, state-of-the-art live-fire training. We are requesting a total of $177 million for these high-priority projects. We are also requesting funding of $22.3 million for two defense access roads.

Army Modular Force Projects. Our budget continues support of the transformation of the Army to a modern, strategically responsive force and contains $315 million for three brigade complexes and other facilities. The new barracks will house 1,156 soldiers in support of the Army Modular Force.

Southern Command Headquarters Project. Our budget supports a new consolidated headquarters building with other support facilities. Our budget request contains $237 million for the new facilities that will replace multiple leased facilities scattered throughout the Miami, FL, metropolitan area. The new consolidated building will support over 2,800 Active, Reserve, and civilian personnel whose mission is to achieve U.S. strategic objectives within their area of responsibility which spans 32 countries.

Global War on Terrorism Projects. The budget request also includes $738.8 million for 33 critical construction projects in Iraq and Afghanistan to support Operations Iraqi Freedom and Enduring Freedom including $19.4 million for planning and design. These funds will provide force protection, airfield facilities, operational facilities, support facilities, fuel handling and storage, and roads.

Other Support Programs. The fiscal year 2008 budget includes $481 million for planning and design of future projects, including $383 million to Grow the Army. As executive agent, we also provide oversight of design and construction for projects funded by host nations. The fiscal year 2008 budget requests $23 million for oversight of approximately $800 million of host nation funded construction for all Services in Japan, Korea, and Europe.

The budget request also contains $23 million for unspecified minor construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The Army National Guard's fiscal year 2008 Military Construction request for $404,291,000 for appropriation and authorization of appropriations, including $77 million for Grow the Army, is focused on current readiness, transformation, other support, and unspecified programs.

Current Readiness. In fiscal year 2008, the Army National Guard is requesting $36.9 million for four projects to support current readiness. These funds will provide the facilities our soldiers require as they train, mobilize, and deploy. Included are one logistics building and three readiness centers.

Army Modular Force. The Army National Guard is also requesting $237.8 million for 28 projects in support of new missions. There are 13 projects for the Stryker BCT initiative, 4 for the Army Division Redesign Study, 8 range projects to support the Army Range and Training Land Strategy, and 3 Aviation Transformation projects to provide facilities for modernized aircraft and change unit structure.

Other Support Programs. The fiscal year 2008 Army National Guard budget also contains $43.8 million for planning and design (including $17 million for Grow the

Army) of future projects and $8.7 million for unspecified minor military construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

MILITARY CONSTRUCTION, ARMY RESERVE

The Army Reserve fiscal year 2008 Military Construction request for $119,684,000 (for appropriation and authorization of appropriations) is for Current Readiness, other support, and unspecified programs.

Current Readiness. In fiscal year 2008, the Army Reserve will invest $73.2 million to build five new Army Reserve Centers, $17 million for a combined maintenance facility, and $8.5 million to construct a regional medical training facility—for a total facility investment of $98.7 million. Construction of the five Reserve centers will support over 1,700 Army Reserve soldiers and civilian personnel. In addition, the Army Reserve will invest $7.0 million to construct a training range and a training range support facility, which will be available for joint use by all Army components and military services.

Other Unspecified Programs. The fiscal year 2008 Army Reserve budget request includes $10.9 million for planning and design for future year projects and $3.0 million for unspecified minor military construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

ARMY FAMILY HOUSING CONSTRUCTION (AFHC)

The Army's fiscal year 2008 family housing request is $419,400,000 for authorization, authorization of appropriation, and appropriation, including $266 million for Grow the Army. It continues the successful Whole Neighborhood Revitalization initiative approved by Congress in fiscal year 1992 and our RCI program.

The fiscal year 2008 new construction program provides a whole neighborhood replacement project at Ansbach, Germany, in support of 138 families for $52.0 million using traditional military construction.

The Construction Improvements Program is an integral part of our housing revitalization and privatization programs. In fiscal year 2008, we are requesting $266.0 million in support of Grow the Army, as well as $99.4 million for direct equity investment in support of the privatization of 3,998 homes at Fort Wainwright, Alaska, Fort Sill, Oklahoma, and Fort Jackson, South Carolina.

In fiscal year 2008, we are also requesting $2.0 million for planning and design for future family housing construction projects critically needed for our soldiers.

Privatization. RCI, the Army's housing privatization program, is providing quality housing that soldiers and their families can proudly call home. The Army is leveraging appropriated funds and existing housing by engaging in 50-year partnerships with nationally recognized private real estate development, property management, and home builder firms to construct, renovate, repair, maintain, and operate housing communities.

The RCI program will include 45 locations, with a projected end state of over 86,000 homes—99 percent of the on-post family housing inventory in the U.S. To date, the Army has privatized 35 locations, with almost 75,000 homes. Initial construction and renovation at these 35 installations is estimated at $9.8 billion over a 3 to 10 year development period, of which the Army has contributed about $0.8 billion. Although most projects are in the early phases of their initial development, since 2001 our partners have constructed 8,613 new homes, and renovated 8,415 homes. The fiscal year 2008 budget request of $99.4 million will allow the Army to expand the portfolio of privatized family housing to three additional installations.

ARMY FAMILY HOUSING OPERATIONS (AFHO)

The Army's fiscal year 2008 Family Housing Operations request is $742,920,000 (for appropriation and authorization of appropriations), which is approximately 64 percent of the total family housing budget. This account provides for annual operations, municipal-type services, furnishings, maintenance and repair, utilities, leased family housing, demolition of surplus or uneconomical housing, and funds supporting management of the Military Housing Privatization Initiative.

Operations ($139 million). The operations account includes four subaccounts: management, services, furnishings, and a small miscellaneous account. All operations subaccounts are considered "must pay accounts" based on actual bills that must be paid to manage and operate family housing.

Utilities ($145 million). The utilities account includes the costs of delivering heat, air conditioning, electricity, water, and wastewater support for family housing units. While the overall size of the utilities account is decreasing with the reduction in

supported inventory, per-unit costs have increased due to general inflation and the increased costs of fuel.

Maintenance and Repair ($216 million). The maintenance and repair account supports annual recurring projects to maintain and revitalize family housing real property assets. Since most family housing operational expenses are fixed, maintenance and repair is the account most affected by budget changes. Funding reductions result in slippage of maintenance projects that adversely impact soldier and family quality of life.

Leasing ($206 million). The leasing program provides another way of adequately housing our military families. The fiscal year 2008 budget includes funding for 11,836 housing units, including 3,680 existing Section 2835 ("build-to-lease"—formerly known as 801 leases) project requirements, 1,907 temporary domestic leases in the United States, and 6,249 foreign units.

Privatization ($37 million). The privatization account provides operating funds for implementation and oversight of privatized military family housing in the RCI program. RCI costs include selection of private sector partners, environmental studies, real estate surveys, and consultants. These funds support the preparation and execution of partnership agreements and development plans, and oversight to monitor compliance and performance of the privatized housing portfolio.

BASE REALIGNMENT AND CLOSURE (BRAC)

The Army is requesting $4,015,746,000 for BRAC 2005 which is critical to the success of the Army's new initiatives, and $73,716,000 for legacy BRAC to sustain vital, ongoing programs. All BRAC activity takes place within the context of achieving the Army's goals of winning the global war on terrorism, transforming from a division-structured, forward-deployed force to one comprised of agile BCTs stationed on U.S. soil and growing the Army in a manner that maintains the Army's ability to win decisively any time, any where.

BRAC 2005 is carefully integrated with the Defense and Army programs of GDPR, Army Modular Force, and Grow the Army. Collectively, these initiatives allow the Army to focus its resources on installations that provide the best military value, supporting improved responsiveness and readiness of units. The elimination of Cold War era infrastructure and the implementation of modern technology to consolidate activities frees up financial and human resources to allow the Army to better focus on its core war fighting mission. These initiatives are a massive undertaking, requiring the synchronization of base closures, realignments, military construction and renovation, unit activations and deactivations, and the flow of forces to and from current global commitments. If done efficiently, the end results will yield tremendous savings over time, while positioning forces, logistics activities, and power projection platforms to efficiently and effectively respond to the needs of the Nation.

As an essential component of Army transformation, BRAC 2005 decisions optimize infrastructure to support the Army's current and future force requirements. Under BRAC 2005, the Army will close 13 Active component installations, 387 Reserve component installations and 8 leased facilities. BRAC 2005 realigns 53 installations and/or functions and establishes Training Centers of Excellence, Joint Bases, a Human Resources Center of Excellence, and Joint Technical and Research facilities. To accommodate the units relocating from the closing Reserve component installations, BRAC 2005 creates 125 multi-component Armed Forces Reserve centers and realigns the Army Reserve command and control structure. By implementing BRAC 2005 decisions, the active Army will maintain sufficient surge capabilities to expand to 48 maneuver brigades and handle increased production, training, and operational demands now and in the future. BRAC 2005 better postures the Army for an increase in end strength by facilitating the Army's transformation to a modular force and revitalizing and modernizing the institutional Army through consolidation of schools and centers.

In total, over 150,000 soldiers and civilian employees will relocate as BRAC is implemented over the next 5 years. The over 1,300 discrete actions required for the Army to successfully implement BRAC 2005 are far more extensive than all four previous BRAC rounds combined and are expected to create significant recurring annual savings. BRAC 2005 will enable the Army to become a more capable expeditionary force as a member of the joint team while enhancing the well-being of our soldiers, civilians, and family members living, working, and training on our installations.

BRAC 2005 Implementation Strategy

The Army has an aggressive, carefully synchronized, fully resourced, BRAC fiscal years 2006–2011 implementation plan, designed to meet the September 2011 dead-

line, while supporting our National security priorities. National Environmental Policy Act (NEPA) requirements necessary to support our implementation plan were initiated in fiscal year 2006 to enable the early award of essential construction projects. Our BRAC construction plan is fully coordinated and carefully synchronized to support our overall strategy for re-stationing, realigning, and closing installations while continuing to fully support ongoing missions and transformation initiatives. This construction plan identifies requirements, defines scope, and considers existing installation capacity and infrastructure needs. It is an extremely complex plan that manages numerous construction projects, re-stationing actions, BRAC moves, and deployment timelines to allow the Army to implement the BRAC statute while supporting critical missions worldwide.

Seventy-five percent of all required construction projects are planned for award by the end of fiscal year 2009, and 100 percent by the end of fiscal year 2010. This will enable the major movement of units and personnel in fiscal years 2010 and 2011, with expected completion by the mandated BRAC 2005 deadline.

In fiscal year 2006 the Army awarded 11 BRAC military construction projects to support restationing and realignments, including: three projects to support GDPR; two incremental projects for BCTs, and five Armed Forces Reserve Centers, totaling over $788 million. In fiscal year 2007, the Army plans to award and start construction on 75 projects: 23 projects to support GDPR; 27 Reserve component projects in 14 States, and 25 other Active component projects estimated to cost over $3.3 billion, including planning and design for fiscal year 2008 and 2009 projects. This will lay the foundation for follow-on projects, and in earnest, start the implementation of our synchronized construction program.

As signed into law, the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5) does not allow us to accomplish our fiscal year 2007 BRAC construction and threatens to derail our carefully integrated implementation plan. The Appropriation provides less than half of the total BRAC funds requested, creating a shortfall of approximately $2 billion for the Army. If the Army program is not fully funded, we will be significantly challenged to execute BRAC as intended. Construction of required facilities will be delayed, and the resulting impact will cascade through our restationing, transformation, and growth plans for years to come.

BRAC 2005 Fiscal Year 2008 Budget

The Army's fiscal year 2008 budget request of $4,015,746,000 will continue to fund both BRAC and GDPR actions necessary to comply with BRAC 2005 Law. The Army plans to award and begin construction of 89 military construction projects, plus planning and design for fiscal year 2009 and 2010 projects. This is estimated to cost $3,241,521,000 and includes: 16 additional GDPR projects, 31 Army National Guard and Army Reserve projects, and an additional 42 Active component projects.

A significant portion of the Army's BRAC request supports the transformation and restationing of the operational force. BRAC military construction projects support major realignments of forces returning to the United States from Europe, as well as several stateside relocations. The fiscal year 2008 budget request also funds projects supporting Reserve component transformation in 19 States. This is a healthy start to addressing BRAC 2005 recommendations impacting the Army Reserve and Army National Guard.

The BRAC budget request will also fund furnishings for 86 BRAC projects awarded in fiscal years 2006 and 2007 as the buildings reach completion and occupancy. The request also funds movement of personnel, ammunition, and equipment associated with 25 BRAC Commission Recommendations.

The Army will continue to procure investment type equipment in fiscal year 2008 in support of our BRAC military construction program as part of the "other procurement" budget line. This equipment exceeds the investment and expense unit cost threshold of $250,000 each and includes information technology infrastructure and equipment for the 86 previously awarded BRAC projects, which will be impacted if fiscal year 2007 funding is not fully restored.

In fiscal year 2008, the Army will initiate environmental closure and cleanup actions at 14 BRAC properties. These activities will continue efforts previously ongoing under the Army Installation restoration program and will ultimately support future property transfer actions. The budget request for environmental programs is $86,756,000, which includes Munitions and Explosives of Concern and Hazardous and Toxic Waste restoration activities.

Prior BRAC

Since Congress established the Defense Base Closure and Realignment Commission in 1990, the Department of Defense has successfully executed four rounds of base closures to reduce and align the military's infrastructure to the current secu-

rity environment and force structure. As a result, the Army estimates approximately $11.7 billion in savings through 2007—nearly $1 billion in recurring, annual savings from prior BRAC rounds.

The Army is requesting $73.7 million in fiscal year 2008 for prior BRAC rounds ($3.4 million to fund caretaking operations of remaining properties and $70.3 million for environmental restoration) to address environmental restoration efforts at 147 sites at 14 prior BRAC installations. To date, the Army has spent $2.7 billion on BRAC environmental restoration for installations impacted by the previous four BRAC rounds. We disposed of 235,361 acres (89 percent of the total acreage disposal requirement of 258,607 acres), with 23,246 acres remaining.

OPERATION AND MAINTENANCE

The Army's fiscal year 2008 Operation and Maintenance budget includes $2.740 billion in funding for Sustainment, Restoration, and Modernization (S/RM) and $8.133 billion in funding for Base Operations Support (BOS). The S/RM and BOS accounts are inextricably linked with our military construction programs to successfully support our installations. The Army has centralized the management of its installations assets under the Installation Management Command to best utilize this funding.

Sustainment, Restoration, and Modernization. S/RM provides funding for the active and Reserve components to prevent deterioration and obsolescence and restore the readiness of facilities on our installations.

Sustainment is the primary account in installation base support funding responsible for maintaining the infrastructure to achieve a successful readiness posture for the Army's fighting force. It is the first step in our long-term facilities strategy. Installation facilities are the mobilization and deployment platforms of America's Army and must be properly maintained to be ready to support current missions and future deployments.

The second step in our long-term facilities strategy is recapitalization by restoring and modernizing our existing facility assets. Restoration includes repair and restoration of facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration or modernization of facilities solely to implement new or higher standards, including regulatory changes to accommodate new functions, or to replace building components that typically last more than 50 years, such as foundations and structural members.

Base Operations Support. This account funds programs to operate the bases, installations, camps, posts, and stations for the Army worldwide. The program includes municipal services, government civilian employee salaries, family programs, environmental programs, force protection, audio/visual, base communication services, and installation support contracts. Army Community Service and Reserve component family programs include a network of integrated support services that directly impact soldier readiness, retention, and spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

SUMMARY

Mr. Chairman, our fiscal year 2008 Military Construction and BRAC budget requests are balanced programs that support our soldiers and their families, the global war on terrorism, Army transformation, readiness, and DOD installation strategy goals. We are proud to present this budget for your consideration because of what this budget will provide for our Army:

- 138 homes replaced or renovated
- 3,998 additional homes privatized
- Approximately 42,600 government-owned and leased homes operated and sustained at the end of fiscal year 2008
- Portfolio management of 78,426 privatized homes
- 33 projects in support of Operations Iraqi Freedom and Enduring Freedom
- 9,461 soldiers get new barracks
- $254 million in Training Ranges
- $6.1 billion invested in Soldier/Family Readiness
- $2,363 million to Grow the Army

Base Realignment and Closure:

- Statutory compliance by 2011 for BRAC
- 89 Military Construction projects
- Planning and Design for fiscal years 2009–2010 Projects

- Remaining NEPA for BRAC 2005 actions
- Continued Environmental Restoration of 23,246 acres

Army National Guard:

- Improved Readiness Centers and an Armed Forces Reserve Center
- Completion of eight range projects
- Continued support of our Stryker BCT
- Three Aviation Transformation projects
- Three maintenance facilities

Army Reserve:

- Medical personnel get new training facility
- New combined maintenance facility
- New live-fire training range facility
- 1,743 soldiers get new Reserve centers
- Center of gravity for Army Reserve families

Base Operations Support:

- Goal is to meet essential needs for all BOS programs: Base Operations, Family, Environmental Quality, Force Protection, Base Communications, and Audio/Visual.

Sustainment/Restoration and Modernization:

- Funds Sustainment at 86 percent of the Office of the Secretary of Defense requirement, with plans to achieve 90 percent of the requirement through efficiencies.

Our long-term strategies for installations will be accomplished through sustained and balanced funding, and with your support, we will continue to improve soldier and family quality of life, while remaining focused on Army and Defense transformation goals.

In closing, we would like to thank you again for the opportunity to appear before you today and for your continued support for America's Army.

Senator AKAKA. Secretary Penn?

STATEMENT OF HON. B.J. PENN, ASSISTANT SECRETARY OF THE NAVY, INSTALLATIONS AND ENVIRONMENT

Mr. PENN. Chairman Akaka and members of the subcommittee, thank you for the opportunity to discuss the Department of the Navy installations and environmental efforts. I would like to briefly highlight a few topics that are discussed in more detail in my written statement.

I am pleased to report a very substantial increase in the investment for installations and environment programs in this budget. We are asking for a total of $11.5 billion in fiscal year 2008, which is an increase of $1.8 billion above last year's request. I appreciate the efforts by Congress to restore $3.1 billion for BRAC 2005 implementation in the fiscal year 2007 supplement. The funds are critical to allow us to stay on track and attain the attendant operational efficiencies while maximizing further turbulence in the future of our personnel and communities affected by BRAC '05.

We continue to finance our prior BRAC environmental cleanup and property disposal from the sale of prior BRAC property. We have budgeted to spend the last of the $1.1 billion in land sale revenue in fiscal year 2008, while our cost to complete environmental cleanup on all remaining prior BRAC property has increased by $725 million since last year. Most of the increase is due to recognition last year of substantial low-level radioactive contamination at the former Hunters Point Naval Shipyard in San Francisco. The low-level radioactive material is buried underground, undetectable on the surface, and poses no risk to humans, if left undisturbed.

We are working this issue with the city, the regulators, and the congressional delegation.

I commend the Marine Corps for its commitment to eliminate by 2012 its barracks shortfall for enlisted marines for their current approved 175,000 end strength. The budget includes $282 million for 10 barracks projects at 7 Marine Corps locations. The budget also includes about $950 million across the baseline and supplemental budgets for a mix of facilities to grow the Marine Corps permanent end strength to 202,000 by 2011. This initiative, which is separate from the current operations in Iraq and Afghanistan, will allow the Marine Corps to reduce the strain on individual marines by establishing a more stable deployment-to-dwell ratio and enhanced irregular warfare capabilities.

Both the Navy and Marine Corps continue the family housing privatization efforts. Our investment of less than $600 million has attracted over $6.6 billion in private sector capital to eliminate inadequate homes for our sailors and marines with families. The Navy is successfully applying privatization to improve housing for unaccompanied sailors. The Navy signed the first DOD barracks privatization contracts in December 2006. Located in San Diego, the project will provide 941 new two-bedroom, two-bathroom apartments and privatize an existing building. Construction will be completed in 2009. The Navy is in exclusive negotiations with a developer for a second barracks privatization project in Norfolk.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Penn follows:]

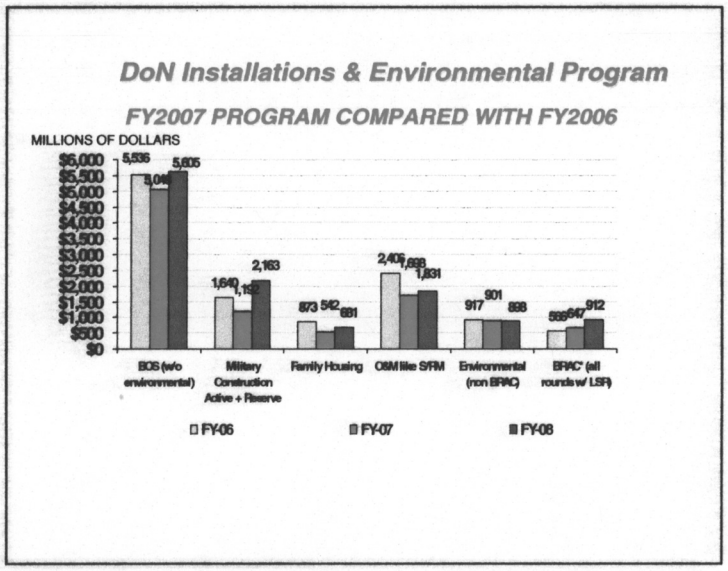
PREPARED STATEMENT BY HON. B.J. PENN

Mr. Chairman and members of the committee, I am pleased to appear before you today to provide an overview of the Department of Navy's (DoN) shore infrastructure.

THE NAVY'S INVESTMENT IN FACILITIES

The DoN's shore infrastructure is where we train and equip the world's finest sailors and marines, while developing the most sophisticated weapons and technologies. The DoN manages a shore infrastructure with a plant replacement value of $187 billion on 4.5 million acres. Our fiscal year 2008 shore infrastructure baseline budget totals $11.5 billion, representing about 8 percent of the DoN's fiscal year 2008 baseline request of $139 billion. There is an additional $410 million for facilities in the fiscal year 2007 global war on terror supplemental, and $169 million in the fiscal year 2008 global war on terror request. Together, that represents a $1.8 billion increase compared to the fiscal year 2007 request of $10.3 billion.

The Base Operating Support (BOS) request of $5.6 billion, excluding environmental, comprises the largest portion of the Navy's facilities budget request. This account funds the daily operations of a shore facility, e.g., utilities, fire and emergency services; air and port operations; community support services; and custodial costs.



Our fiscal year 2008 request of $5.6 billion for BOS reflects a $558 million increase from the enacted fiscal year 2007 level. The Navy increase of $356 million and Marine Corps increase of $202 million will return capability levels to those executed in fiscal year 2005, restoring reductions taken during fiscal year 2007 that are unsustainable, particularly in the area of information technology and counter-terrorism and security guards as we substitute civilian and contract personnel in place of military personnel.

The fiscal year 2008 military construction (MILCON) (Active + Reserve) baseline request of $2.2 billion is $992 million more than the enacted fiscal year 2007 level of $1.2 billion. The fiscal year 2008 request includes $59 million for Navy and Marine Corps Reserve construction efforts. This level of funding supports traditional recapitalization projects for the existing infrastructure. It also provides facilities for 15 new Navy weapon systems, new facilities for the Marine Corps' plan to Grow the Force from the current 175,000 permanent end strength to 202,000 by 2011, and new barracks to ensure that all unaccompanied enlisted Marines are suitably housed by 2012.

The fiscal year 2008 Family Housing baseline request of $670 million is $140 million less than the fiscal year 2007 enacted level of $810 million. Within this sum, there is $299 million for replacement family housing on Guam and Marine Corps privatization. Housing operations and maintenance funds decline to $371 million as government-owned worldwide inventory of 26,335 homes in fiscal year 2007 falls by 15,481 homes to 10,854 homes in fiscal year 2008 due to privatization.

Sustainment, Restoration, and Modernization (S/RM) includes MILCON and operation and maintenance funds. Our fiscal year 2008 request of $1.83 billion represents only the amount of S/RM funded with Operations and Maintenance, and is $133 million above the enacted fiscal year 2007 level of $1.70 billion. Although fiscal year 2008 funding is 8 percent higher than fiscal year 2007, sustainment levels are lower because of inflation and an increase in modeled requirements.

Our fiscal year 2008 request of $898 million for environmental programs at Active and Reserve bases is comprised of operating and investment appropriations. This amount is about the same as the fiscal year 2007 request.

Our Base Realignment and Closure (BRAC) program consists of environmental cleanup and caretaker costs at prior BRAC locations, and implementation of BRAC 2005 recommendations.

- Our fiscal year 2008 prior BRAC program of $179 million is $163 million below our fiscal year 2007 program of $342 million. The entire prior BRAC effort continues to be financed with revenue obtained from the sale of prior BRAC properties. We have not sought appropriated funds for prior BRAC

since fiscal year 2005, however, the fiscal year 2008 program depletes the remainder of the land sale revenue received in previous years from disposing prior BRAC property.

• The fiscal year 2008 budget of $733 million to implement the BRAC 2005 recommendations is $434 million above the amount allocated by the Department of Defense (DOD) to the DoN following the reduction enacted in the House Joint Resolution 20.

Impact of House Joint Resolution 20

The DOD has been proceeding with BRAC 05 implementation through most of fiscal year 2007 under a series of Continuing Resolutions (CRs). The enactment of the House Joint Resolution 20 on 15 February provided an annual DOD BRAC 05 appropriation, albeit at a substantial $3.1 billion reduction to the PB–07 $5.6 billion request. The DoN had received $66 million of the $690 million budget request under the CRs, with most of the funds provided in January. The duration of the CR, and the magnitude of the funding reduction, has severely complicated program execution.

The BRAC 05 account is a DOD account. The Office of the Secretary of Defense has now allocated $297 million of the $2.5 billion appropriated by Congress in fiscal year 2007 to the DoN, leaving us with a $398 million shortfall in fiscal year 2007. There is, however, no doubt that a 55 percent reduction from the President's fiscal year 2007 budget request will create substantial turmoil in all of the Services and defense agency implementation plans and schedules. Our BRAC 05 design and construction projects represent 81 percent of the fiscal year 2007 (49 construction projects at 20 locations) and 69 percent of the fiscal year 2008 request (29 construction projects at 18 locations), so any reduction of funds in fiscal year 2007 will require that we defer numerous construction projects, causing a bow wave of construction projects into fiscal year 2008. This will require a wholesale review of fiscal year 2008 execution plans and schedules as we accommodate construction projects deferred from fiscal year 2007. Delaying closures and realignments also requires us to replace funds which had been taken as savings in the budget. Finally, it adds further uncertainty in the lives of our military, civilian, and contract employees as they ponder their future, and jeopardizes our ability to meet the September 2011 deadline to complete all closures and realignments.

The President submitted an amended fiscal year 2007 request on 8 March 2007 with accompanying offsets for $3.1 billion in additional BRAC 05 funds. I urge your support for the amended fiscal year 2007 budget submitted to Congress.

Here are some of the highlights and additional details on these programs.

MILITARY CONSTRUCTION

Military Construction Projects

The DoN's fiscal year 2008 MILCON program requests appropriations of $2.1 billion including $110 million for planning and design and $10 million for Unspecified Minor Construction. This fiscal year 2008 baseline request is $975 million above, and nearly doubles, the fiscal year 2007 enacted level of $1.129 billion. The fiscal year 2008 authorization request is $1.8 billion. This level of construction funds presents what I believe will be a substantial, long-term commitment for naval facilities.

The Active Navy program totals $1,126 million and includes:

• $486 million for 15 construction projects supporting the fielding of new weapons system platforms or research facilities for future weapon systems. All construction projects are scheduled to finish building and outfitting the facility just-in-time to coincide with the arrival of the new platform and its planned initial operating capability. The new platforms include: LPD–17, T6–A, LCS, SSN–774, E2–D, JPALS, FA–18E/F, MH–60, MUOS, EA–18G, T–AKE, and D5 LE. One example of these new platforms is a $101.8 million extension to Kilo wharf in Guam to support the arrival of the new T–AKE class Combat Logistics Force ships in fiscal year 2010 that provide underway replenishment to Navy ships at sea, replacing the current T–AE and T–AFS class ships;

• $175 million to continue funding for six previously approved incrementally funded construction projects. An example is a $16.6 million recruit training center infrastructure upgrade at Naval Training Center Great Lakes IL. This project is the final phase of the infrastructure improvement effort at Great Lakes. In accordance with administration policy, there are no new incrementally funded construction projects in this budget request;

- $146 million for four other waterfront recapitalization projects not associated with new weapons systems. An example is a $91 million CVN maintenance pier replacement at Naval Base Kitsap, WA;
- $139 million for utilities infrastructure improvements to meet current mission and operational requirements at Naval Base Guam and Naval Support Activity Diego Garcia;
- $24 million for training projects at Naval Air Station Corpus Christi, TX and Naval Station Great Lakes, IL; and
- $22 million in three infrastructure improvement projects at Camp Lemonier in Djibouti in support of CENTCOM's forward operating base.

The active Marine Corps program totals $1,037 million, including:

- $361 million for facilities to support the "Grow the Force" initiative, which I will discuss this in greater detail below;
- $282 million for 10 bachelor quarters at 7 locations including Marine Corps Base Camp Lejeune, NC, and Marine Corps Air Station Yuma, CA;
- $167 million for 11 operations and training facilities, including an Infantry Squad Defense Range at Marine Corps Base Camp Pendleton, CA, and 3 facilities for the Marine Corps Special Operations Command units at Camp Pendleton, CA, and Marine Corps Base Camp Lejeune, NC;
- $52 million for two training facilities, including student quarters for the basic school at Marine Corps Base Quantico, VA;
- $32 million for three other quality of life projects, including a fitness center at Marine Corps Base Camp Pendleton, CA;
- $31 million for four maintenance projects including a jet engine test cell at Marine Corps Air Station New River, NC; and
- $13 million for infrastructure improvements including main gate improvements at the Blount Island Command, FL, and Marine Corps Base Camp Pendleton, CA.

The Navy and Marine Corps Reserve MILCON appropriation request is $59.2 million, $16 million more than the enacted fiscal year 2007 level of $43 million. There are three Reserve centers at various locations and a Mobile Inshore Undersea Warfare Unit operation facility at Naval Station Everett WA.

Marine Corps Grow the Force

To meet the demands of the Long War and respond to inevitable worldwide crises that arise, the Marine Corps must be sufficiently manned in addition to being well-trained and properly equipped. A key objective is to establish a 1:2 deployment-to-dwell ratio for all Active component forces. This ratio relates how long our forces are deployed versus how long they are at home. The goal is for every 7 months a marine is deployed, he will be back at his home station for 14 months. Marine operating forces are routinely falling short of this target. To fix this imbalance, the President announced in January a need to increase the Marine Corps permanent end strength from 175,000 to 202,000 by 2011, along with a larger increase for the Army. The Marine Corps growth will occur in stages, the first of which will build 3 new infantry battalions and elements of their supporting structure of about 5,000 marines.

The fiscal year 2008 baseline budget includes $4.3 billion for pay and allowances for the first increment of marines, MILCON and BOS for permanent barracks and operations centers, procurement of additional H–1 aircraft and increased aviation support, along with recruiting, training, equipment, and ammunition to bring units to full operational capability. The funding for infrastructure and facilities to initially support this initiative are in three separate budget documents now before Congress:

- The fiscal year 2007 supplemental includes $324 million for planning & design, and eight MILCON projects;
- The fiscal year 2008 global war on terror includes $169 million for planning and design, 10 MILCON projects, and family housing privatization seed money for follow-on projects; and
- The fiscal year 2008 baseline budget includes $458 million for planning and design, 20 MILCON projects including 2 Wounded Warrior barracks, and additional family housing privatization seed money for follow-on projects.

Because marines will begin to arrive before construction at many locations is complete, the Marine Corps is planning to lease, rent, or purchase temporary support facilities. Based on the composition of the additional units, we are determining the optimal permanent bed down locations for these units for future construction requirements.

FACILITIES MANAGEMENT

Facilities Sustainment, Restoration, and Modernization (SRM)

The DOD uses a sustainment model to calculate life cycle facility maintenance and repair costs. These models use industry-wide standard costs for various types of building and geographic areas and are updated annually. Sustainment funds in the Operation and Maintenance accounts are used to maintain facilities in their current condition. The funds also pay for preventative maintenance, emergency responses for minor repairs, and major repairs or replacement of facility components (e.g. roofs, heating, and cooling systems). Both the Navy and the Marine Corps have accepted more risk in facilities sustainment funding in fiscal year 2008 to fund higher priority requirements. With respect to the table, the Marine Corps moved additional funds to sustainment in fiscal year 2006 to restore reductions taken in fiscal year 2005. The Navy would require $240 million and the Marine Corps $64 million to fund sustainment to the DOD goal of 100 percent of model requirements in fiscal year 2008.

% Sustainment	FY-06	FY-07	FY-08
USN Budget	95%	95%	83%
USN Actual/Plan	79%	95%	
USMC Budget	95%	93%	89%
USMC Actual/Plan	126%	93%	

Restoration and modernization provides major upgrades of our facilities using MILCON, Operation and Maintenance, Navy Working Capital Fund, and Military Personnel funds. The DOD uses a "recap" metric to gauge investment levels. The "recap" metric is calculated by dividing the plant replacement value by the annual investment of funds and is expressed in years. The DOD goal is to attain a 67-year rate by fiscal year 2008. This is a relatively coarse metric, as demonstrated by the dramatic improvement in execution as a result of funds from the fiscal year 2006 Hurricane Supplemental, which substantially improved only those bases affected by the storm. The Navy recap rate also benefits from MILCON included in BRAC 05 implementation. We are working with the Office of the Secretary of Defense and the other components to develop a recap model similar to the Sustainment model, planned for release in the next budget cycle.

Naval Safety

The DoN has embraced the Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP), which seeks to foster a cooperative relationship between management, labor, and OSHA as a means to improve workplace safety. The VPP focuses on four major tenets: increased leadership and employee involvement in safety; effective worksite hazard analysis; a focus on hazard prevention and control; and effective safety and health training for employees. The DoN has achieved "Star" status, OSHA's highest level of achievement, at four sites representing over half of the VPP star sites in DOD. The naval activities include three naval shipyards, our largest industrial facilities. Statistical evidence for VPP's success is impressive. The average VPP worksite has a Days Away, Restricted or Transferred (DART) injury case rate of 52 percent below the average for its industry, which is consistent with what we have seen.

Joint basing

The Office of the Secretary of Defense released a draft Joint Base Initial Implementation guidance on 31 January 2007 for coordination by the components. The Navy and Marine Corps have been working closely with the components for over a year in developing a common framework and standards to establish joint bases. The DoN supports the transfer of funding and real estate from the supported component to the supporting component for installation management functions, which will be the responsibility of the supporting component to provide at the joint base.

Encroachment Partnering

We are successfully applying the authority in the National Defense Authorization Act for Fiscal Year 2003 to enter into agreements with State and local governments and eligible nongovernment organizations to address potential incompatible development near our installations and ranges, and to preserve nearby habitat to relieve current or anticipated environmental restrictions that might otherwise restrict military training, testing, or operations on the installation. Both the Navy and Marine Corps are using this authority to reduce or eliminate encroachment concerns. Through fiscal year 2006 DoN has protected nearly 16,000 acres near its installations under this program at a cost of $12.5 million while our partners have contributed $20.5 million. The DoN has also entered into several longer-term agreements under which we and our partners will seek additional encroachment buffering opportunities. Examples include:

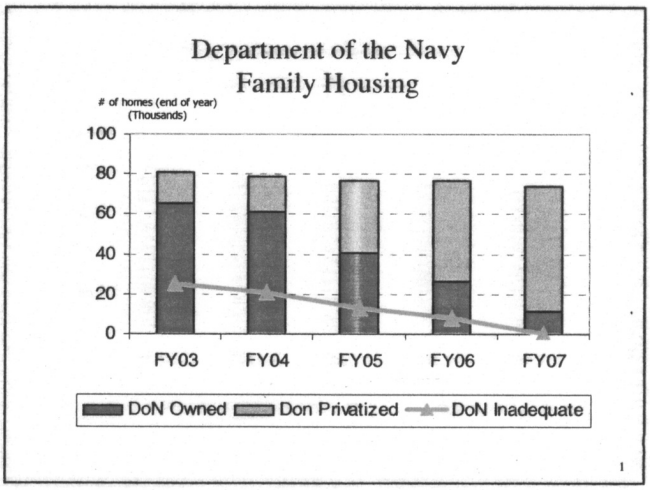
- An agreement with Beaufort County, South Carolina under which we will share costs to acquire interests in the vicinity of Marine Corps Air Station Beaufort.
- An agreement with Churchill County, Nevada under which we will share costs to acquire interests in the vicinity of Naval Air Station Fallon.

Energy

The DoN is pursuing ways to meet the requirements of Executive Order 13423 and the Energy Policy Act of 2005. Central to this plan is our continued development of geothermal power plants. Navy has partnered with the renewable energy industry on a 270 MW geothermal plant at Naval Air Warfare Station China Lake, CA; awarded a geothermal power plant contract for Naval Air Station Fallon, NV; and is evaluating a project at Naval Facilities Engineering Center El Centro, CA. Other on-base renewable projects include photovoltaic, wind, wave and ocean thermal energy conversion projects. I issued a new DoN policy last fall requiring all new buildings to be built to a Leadership in Energy and Environmental Design (LEED) Silver level.

HOUSING

Our fiscal year 2008 budget continues to improve living conditions for sailors, marines, and their families. We have programmed the necessary funds and expect to have contracts in place by the end of fiscal year 2007 to eliminate all inadequate family housing. Renovation and new construction will be completed such that sailors and marines are no longer occupying inadequate homes by fiscal year 2012. We continue to provide homes ashore for our junior shipboard unaccompanied sailors, to provide appropriate living spaces for our junior enlisted bachelor Marines, and to address longstanding family housing deficits. We have programmed the necessary funding to eliminate over 99 percent of the inadequate permanent party unaccompanied bachelor quarters (BQs) housing spaces still served by "gang heads." As we near finishing privatizing existing military family housing, we are making tangible progress in applying that same privatization approach to meet our unaccompanied housing needs.



Family Housing

As in past years, our family housing strategy consists of a prioritized triad:

- Reliance on the Private Sector. In accordance with longstanding DOD and DoN policy, we rely first on the local community to provide housing for our sailors, marines, and their families. Approximately three out of four Navy and Marine Corps families receive a Basic Allowance for Housing (BAH) and own or rent homes in the community.
- Public/Private Ventures (PPVs). With the strong support from this committee and others, we have successfully used PPV authorities enacted in 1996 to partner with the private sector to help meet our housing needs through the use of private sector capital. These authorities allow us to leverage our own resources and provide better housing faster to our families. Maintaining the purchasing power of BAH is critical to the success of both privatized and private sector housing.
- MILCON. MILCON will continue to be used where PPV authorities don't apply (such as overseas), or where a business case analysis shows that a PPV project is not financially sound.

Planned Privatization Awards

Location	# homes
Fiscal Year 2007	
Southeast Region	5,501
Midwest (Phase 2)	326
San Diego (Phase 4) (Southwest Region)	3,254
MCB Hawaii (Phase 2)	917
MCB Camp Lejeune/MCAS Cherry Point/Westover JARB	1,985
MCB Camp Pendleton/ MCLB Albany	294
FY 2007 Total	**12,277**
Fiscal Year 2008	
MCB Camp Lejeune	451
MCB Camp Pendleton	301
MCAGCC 29 Palms	279
FY 2008 Baseline Subtotal	1,031
MCB Camp Pendleton	66
MCAGCC 29 Palms	6
FY 2008 GWOT Subtotal	72
FY 2008 Total	**1,103**
Total FY 2007-2008	**13,380**

As of 1 March 2007, we have awarded 24 privatization projects for over 50,000 homes. As a result of these projects, over 30,000 homes will be replaced or renovated, about 5,000 new homes will be built, and the remaining 15,000 were privatized in good condition and did not require any improvements. Through the use of these authorities we have secured over $6 billion in private sector investment from $588 million of our funds, which represents a ratio of almost twelve private sector dollars for each taxpayer dollar.

During the remainder of fiscal year 2007 and in fiscal year 2008, we plan to award 9 Navy and Marine Corps family housing privatization projects totaling over 13,000 homes. By the end of fiscal year 2007, the Navy and Marine Corps will have privatized 95 percent and over 99 percent, respectively, of their U.S. housing stock.

Our fiscal year 2008 and out-year family housing privatization projects are targeted at reducing family housing deficits by constructing additional housing for our families where the private sector cannot accommodate their needs. These authorities will ensure the availability of housing to address increased requirements associated with the Marine Corps' "Grow the Force" initiative, stand-up of the Marine Corps Special Operations Command, and address our remaining housing deficit.

Our fiscal year 2008 baseline family housing budget request includes $298 million for family housing construction and improvements. This amount includes $188 mil-

lion for the Government investment in family housing privatization projects planned for fiscal year 2008 award. It also includes the replacement or revitalization of housing in Guam and Japan where privatization is not planned. Finally, the budget request includes $371 million for the operation, maintenance, and leasing of remaining Government-owned or controlled inventory. The latter represents a 66 percent decline since 1999 when the DoN began in earnest to privatize its inventory of government owned housing. In addition, our fiscal year 2008 family housing global war on terrorism request includes another $12 million for the Marine Corps in family housing improvements.

Unaccompanied Housing

Our baseline budget request of $323[1] million for 11 unaccompanied housing projects continues the emphasis on improving living conditions for our unaccompanied Sailors and Marines. Marine Corps has an additional BQ for $41 million in the fiscal year 2007 global war on terror supplemental, and another BQ and dining hall in the fiscal year 2008 global war on terror. There are three challenges:

1. Provide Homes Ashore for our Shipboard Sailors. Approximately 13,000 E1–E3 unaccompanied Sailors worldwide lived aboard ship even while in homeport. The fiscal year 2008 budget supports Navy's goal of providing ashore living accommodations for these sailors. It includes one "homeport ashore" construction project for $47 million to complete Naval Base Kitsap Bremerton, WA (198 modules). We are requesting a second phase of funding for this project previously authorized in fiscal year 2005. The primary demographic are sailors assigned to the nuclear carrier U.S.S. *John C. Stennis,* which is homeported in Bremerton. Efforts to build this barracks as a pilot BQ PPV proved uneconomical due to the large number of vacancies that would occur when *Stennis* deployed.

In addition to the E1–E3 shipboard sailors, there are approximately 6,000 unaccompanied E–4 sailors with less than 4 years service who are assigned to sea duty. Although they are entitled to receive BAH, funding for housing allowances remains un-programmed. We will accommodate those sailors within our existing unaccompanied housing capacity to ensure they do not return to live aboard ship upon promotion to E4.

2. Ensure our Barracks Meet Today's Standards for Privacy. We are building new and modernizing existing barracks to increase privacy for our single sailors and marines. Reflecting the Commandant of the Marine Corps' priority to ensure single marines are adequately housed, the fiscal year 2008 budget includes $282 million in MILCON funding (a 124 percent increase over fiscal year 2007 funding levels) for the construction of 3,750 permanent party and trainee spaces at seven Marine Corps installations. The Marine Corps has programmed the necessary funding from fiscal year 2008 through –11 to ensure marines for their current approved 175,000 end strength are adequately housed by 2012. These barracks will be built to the 2 + 0 room configuration, as have all Marine Corps barracks since 1998.

We appreciate Congress authorizing the Services to adopt private sector standards for the construction of military unaccompanied housing. We believe that we can provide market-style housing with improved amenities (such as increased common space for residents) at a cost equivalent to that associated with building smaller modules to rigid military specifications. In implementing this authority, we will ensure that Service-specific operational requirements are not compromised, such as the core Marine Corps' tenets for unit cohesion and teambuilding.

3. Eliminate Gang Heads. The Marine Corps had programmed all necessary funding, through fiscal year 2005, to eliminate inadequate unaccompanied housing with gang heads[2] for permanent party personnel. They will, however, continue to use these facilities on an interim base to address short-term housing requirements resulting from temporary end strength increases in recent supplemental appropriations. The Navy will achieve over 99 percent of this goal by fiscal year 2007.

Unaccompanied Housing Privatization

We awarded our first pilot unaccompanied housing privatization project to Pacific Beacon LLC in December 2006. When complete in apartments for E–4 and above enlisted personnel in San Diego, CA who are unsuitably housed in the private sector or who are living in Government quarters that could be used by shipboard sailors.

[1] Excludes two Marine Corps Wounded Warrior barracks.
[2] Gang heads remain acceptable for recruits and trainees.

An existing unaccompanied housing building, containing 258 modules, was also privatized as part of this agreement. Our partner will provide additional quality of life amenities to existing buildings, such as a swimming pool.

We are in exclusive negotiations with a prospective private partner for a second pilot project at Hampton Roads, VA. This project is set for contract award this spring, after the required Congressional notices. This project will build more than 1,000 new two-bedroom/two-bathroom apartments and privatize over 700 existing unaccompanied housing modules for unaccompanied shipboard E1–E3 personnel.

Hampton Roads Rendering

We appreciate Congress extending the authorities and streamlining the notification process in last year's National Defense Authorization Act. We continue to pursue candidates for the third pilot, targeting the Mayport/Jacksonville, FL, area, and expect to have preliminary results this spring on a feasibility study. We will also look at other candidates including additional phases at San Diego and Hampton Roads.

Recognizing that these are long-term endeavors, we take seriously our responsibility to monitor the agreements to ensure that the Government's interests are adequately protected. We have instituted a portfolio management approach that collects and analyzes financial, occupancy, construction, and resident satisfaction data to ensure that the projects remain sound and that the partners are performing as expected. Customer surveys show overall improvement in member satisfaction after housing is privatized.

BUILDUP ON GUAM

U.S. national interests and treaty commitments require strengthening of U.S. military capabilities in the Western Pacific. U.S. forces must be positioned to maintain regional stability, ensure flexibility to respond to regional threats, project power throughout the region, defend our assets as well as those of our allies, and provide forces to respond to global contingencies.

The relocation of III Marine Expeditionary Force personnel from Okinawa to Guam under U.S.-Japan Alliance Transformation and Realignment is part of a broader realignment that, when implemented, will strengthen our regional posture, deter potential aggressors, and provide capabilities that can be flexibly deployed in contingencies, which are essential for the Defense of Japan and for peace and security in the region. For the marines, this development will balance the Marine Air Ground Task Force (MAGTF) lay down across the region with improved flexibility. The 8,000 marines and their 9,000 dependents leaving Japan will reduce the footprint of U.S. forces in Okinawa. This will facilitate consolidation of U.S. bases on Okinawa to allow additional land returns in Japan, while reinvigorating Guam's economy through economic stimulus, infrastructure improvements, and external investments.

The Government of Japan will fund most of the infrastructure construction costs over the planned 7-year time period to implement the realignment actions in mainland Japan, Okinawa, and Guam. On Guam, Japan will contribute $6.09 billion of cost sharing toward the estimated $10.27 billion development cost associated with the realignment of marines from Okinawa to Guam. Japan's contribution consists of $2.8 billion in cash for operational facilities, barracks, and quality of life facilities, and $3.29 billion in equity investments and loans to special purpose entities that will provide housing and utilities for the marines on Guam.

The Deputy Secretary of Defense directed the Navy to establish a Joint Guam Program Office (JGPO) to coordinate and manage the relocation of the marines from Okinawa to Guam. There will be JGPO offices in Arlington, VA, and in Guam, along with a liaison billet in Hawaii with USPACOM, and another in Japan with USFJ. The JGPO will work closely with the Office of Economic Adjustment and the Government of Guam to ensure this initiative is mutually beneficial to DOD and to the people of Guam.

JGPO will oversee National Environmental Policy Act (NEPA) studies that will provide the foundation for the Environmental Impact Statement (EIS) and parallel development of a Guam Master Plan. We have $10 million in fiscal year 2007 and are requesting $28 million in multiple appropriations in the fiscal year 2008 baseline budget to continue these efforts. My office released the NEPA Notice of Intent in the Federal Register on 7 March 2007. The Draft EIS, Final EIS, and Record of Decision, including public comment periods could take up to 3 years to complete. The EIS will address the impact of relocating III MEF with the Air, Ground, and Combat Service Support elements from Okinawa to Guam. The housing, operational, quality of life, and services support infrastructure for the marines will be identified during the planning process, and assessed through the environmental analysis. It will also assess the impacts of improving the Apra Harbor waterfront to construct a pier capable of berthing a transient aircraft carrier as well the infrastructure requirements needed to station a U.S. Army ballistic missile defense task force on Guam. We will ask for the necessary MILCON funds beginning with the fiscal year 2010 budget submission.

ENVIRONMENT

Endangered Species Protection

For nearly a century, San Clemente Island, CA, was ravaged by the destructive forces of invasive species, which severely degraded the island's entire ecosystem. Eleven endemic and/or native plants and animals neared extinction, and are now protected under the Endangered Species Act.

Today, the status of most of these species has been significantly enhanced because of the Navy's environmental stewardship. The Navy eradicated all non-native feral grazing animals in the early 1990s and removed exotic plants which were overwhelming native species. The island has been healing through natural processes and Navy protective measures and restoration efforts. In response to a request from the Navy, the U.S. Fish and Wildlife Service in October 2006 recommended delisting the Island Night Lizard on San Clemente Island as a result of a 5-year review. The final decision is still pending.

Camp Pendleton uses its Integrated Natural Resources Management Plan (INRMP) to manage the ecosystem on this 125,000-acre installation, recognizing that the military mission as a central and integral element of the ecosystem. During the last 2 years, the INRMP demonstrated its benefit by excluding the base from Critical Habitat (CH) designations by the U.S. Fish and Wildlife Service (USFWS) for seven species. In each case, the Secretary of the Interior found that Camp Pendleton's INRMP provided a benefit to the species, and agreed to exclude all Base-managed lands from designation as critical habitat, per Section 4(a)(3) of the Endangered Species Act., and required no further restrictions on military training activities.

In 2006, the USFWS released 5-year status reviews for two species inhabiting Camp Pendleton: the least Bell's vireo and the California least tern. The USFWS recommended both birds be upgraded from "endangered" to "threatened" due in large measure to Camp Pendleton's management efforts, such as habitat enhancement, cowbird control, and focused predator management. A final decision is pending.

Navy Marine Mammals/Sonar R&D investments

The Navy recognizes the need to protect marine mammals from anthropogenic sound in the water. The Navy invests $10 million to $14 million per year for research into hearing and diving physiology, behavioral response to human-generated

sound, mitigation options, and simulation tools. Approximately 33 universities, institutes, and technical companies are supported by Navy research grants. All the research is aimed a developing a broad, scientific understanding of marine mammals. The Navy recently expanded its research on the effects of mid-frequency sonar to include effects on fish.

MMPA National Defense Exemption

On 23 January 2007 the DOD issued a National Defense Exemption (NDE) under the Marine Mammal Protection Act (MMPA) for all military readiness activities that employ mid-frequency active sonar or Improved Extended Echo Ranging Sonobuoys during major training exercise, within established DOD maritime ranges, or establish operating areas. A 6-month NDE had expired on 30 December 2006.

The Navy is working closely with the National Oceanic and Atmospheric Administration (NOAA), which has jurisdiction on MMPA enforcement, to address procedural issues, identify and implement mitigation and monitoring measures to minimize potential effects to marine mammals, and establish mutually acceptable threshold criteria. The Navy has also established an outreach workgroup with the many non-governmental organizations that have a vested interest in the protection of marine species. The Navy has begun the public NEPA process on its three most active ranges—Hawaii, Southern California, and east coast, and is committed to completing environmental documentation for all ranges by the end of 2009.

Shipboard Programs

The Navy continues modernizing its vessels to comply with more stringent environmental regulations. The Navy completed its Afloat Pollution Prevention Equipment installations in September 2006 with 152 installations on Navy surface ships. The equipment reduces the need for hazardous material, and the generation of hazardous waste. The Navy continues to convert its shipboard air conditioning and refrigeration plants from Ozone Depleting Substances (ODS) to non-ODS refrigerants. As of 1 March 2007, we had completed 516 of 690 conversions of shipboard air condition systems and 600 of 614 conversions of shipboard refrigeration systems. Navy expects to complete its transition to non-ODSs by 2014.

The Navy has also completed 114 of 334 upgrades to its plastic waste processors (PWPs), which allow ships at sea to compress plastics into a solid disk for disposal or recycling ashore. The new PWPs reduce maintenance, improve reliability and throughput, and include a self-cleaning future, giving our sailors the best equipment to meet no-plastics discharge requirements while at sea.

Environmental Compliance by Shore Installations

The Navy continues to improve its shore installation compliance environmental standards. Solid waste diversion has climbed from 42 percent in fiscal year 2004 to 60 percent in fiscal year 2006 for combined municipal waste and construction and demolition debris, compared with an EPA national average diversion rate of 32 percent. Our hazardous waste disposal amounts are down to an all time low of 54 thousand tons of hazardous waste, compared to 207 thousands tons when DOD starting using this metric in 1992, this despite increased optempo to support the global war on terror. Domestically, 91 percent of Navy permits are in full compliance with Clean Water Act standards, and 97 percent meet all Safe Drinking Water Act standards, both increases from recent years.

The Marine Corps has made similar progress. For example, the number of new enforcement actions against the Marine Corps in fiscal year 2006 has declined by 25 percent compared to the average number in fiscal year 2001 through fiscal year 2005. This decrease occurred at a time of high operational tempo and more regulatory inspections.

Alternative Fuel Vehicles

The Navy has many initiatives to reduce its reliance on imported oil. Last year, Navy doubled biodiesel usage for non-tactical vehicles. Biodiesel fuels are now available at Navy Exchange fuel stations in Norfolk, VA; Crane, IA; and Charleston, SC. After successfully completing a pilot scale system, the Naval Facilities Engineering Services Center (NFESC) is building a full-scale biodiesel production facility at Naval Base Ventura County, Port Hueneme, CA. NFESC distributed 92 neighborhood electrics last year. These electric vehicles can be charged at any 110 volt outlet and are well-suited for use in ports, air stations, and large supply buildings.

Installation Restoration Program (IRP)

The DoN has completed cleanup or has remedies in place at 78 percent of our 3,700 contaminated sites. We plan to complete the program by 2014. The cost-to-complete the installation restoration program continues a downward trend with effi-

ciencies of $600 million over the past 10 years. Use of new technologies, land use controls, remedy optimizations, contract efficiencies, and a dedicated professional staff have contributed to these efficiencies. Our fiscal year 2008 request of $301 million consists of $271 million for IRP, and $41 million for program management, and $43 million for munitions response.

Munitions Response Program (MRP)

The DoN is proceeding with cleanup of Munitions and Explosives of Concern (MEC) and Munitions Constituents (MC) at all Navy and Marine Corps locations other than operational ranges. We plan to complete preliminary assessments this year at all 213 known sites on 56 active installations. Site inspections and sampling will be completed by 2010. We will not have credible cleanup cost estimates until these assessments are completed in 2010.

Navy continues clearing munitions from Vieques, PR. About 65 acres of beaches have been surface cleared of munitions on the eastern side of the island, and we are removing surface MEC and MC on 1,100 acres of the former bombing range Live Impact Area and the artillery range. A total of 290 acres, including the "Red" and "Blue" beaches have been cleared. Our revised cost to complete for Vieques is $255 million, with completion expected in 2020.

BRAC 05

In developing the BRAC 2005 recommendations, the DoN sought to eliminate excess capacity, improve operational readiness, capitalize on joint basing opportunities with the other components, maintain quality of service, and achieve cost savings. The BRAC 2005 Commission recommendations became legally binding on the DOD on 9 November 2005. In contrast to prior BRAC commissions, the BRAC 2005 recommendations have fewer closures and many more realignments, particularly realignments that involve more than one military Service or Defense Agency. The DoN has 6 "fence line" closures and 81 realignment recommendations involving 129 bases. Our remaining environmental cost to complete for fiscal year 2008 and beyond is $94 million.

Accomplishments

Given that all closures and realignments in BRAC 05 must by law be completed by September 2011, we must move quickly to construct the necessary facilities to relocate units from their current location to their new location. We initiated BRAC 05 implementation in fiscal year 2006 by awarding 12 BRAC construction projects at the "receiver" locations. The DoN obligated 96 percent of the total fiscal year 2006 $252 million BRAC 05 funds we received.

Nearly all impacted communities have established a Local Redevelopment Authority (LRA) to guide local planning and redevelopment efforts. The DOD Office of Economic Adjustment has been providing financial support through grants and technical assistance to support LRA efforts.

To date, the Navy has terminated leases at 11 Reserve centers, thereby returning these properties to their owners; and completed 14 surplus determinations, allowing us to proceed with disposal actions to non DOD recipients at these locations. We expect to complete the remaining two surplus determinations this spring. We also completed 23 Environmental Condition of Property Reports, providing copies to local communities and Federal agencies to support their redevelopment efforts. These environmental reports provide a comprehensive summary of all known environmental contamination, as well as the studies, analyses, and cleanup that have been done, are now underway, or remain to be done.

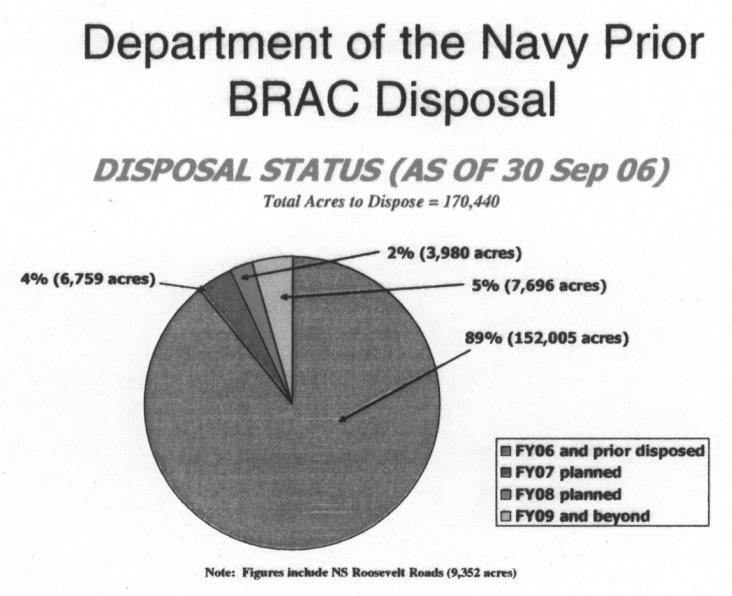
Navy has completed operational closure of 12 bases. We have received approval from the Office of the Secretary of Defense (OSD) for 58 out of 64 business plans for which the DoN is the executive agent. These business plans, which average 40 pages in length, include extensive details on costs, savings, schedules, and support documents for each construction project. We continue efforts to gain OSD approval for the remaining business plans, which involve more complex moves and joint basing decisions.

PRIOR BRAC CLEANUP & PROPERTY DISPOSAL

The BRAC rounds of 1988, 1991, 1993, and 1995 were a major tool in reducing our domestic base structure and generating savings. The DoN has achieved a steady state savings of approximately $2.7 billion per year since fiscal year 2002. All that remains is to complete the environmental cleanup and property disposal on portions of 17 of the original 91 bases.

Property Disposal

Last year we conveyed 906 acres in 12 separate real estate transactions at 6 prior BRAC bases. We also completed Findings of Suitability for Transfer (FOST) for 940 acres. The FOST certifies that DOD real estate is environmentally suitable for transfer by deed under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).[3]



Land Sale Revenue

We have continued our success in using property sales to assist in funding environmental cleanup and property disposal as well as recover value for taxpayers from the disposal of Federal property. Through a combination of cost Economic Development Conveyances, Negotiated Sales, and Public Sales, the DoN has received over $1.1 billion in revenues from the sale of prior BRAC property. Nearly all of this revenue has been generated since fiscal year 2003. In fiscal year 2006, we completed the sale of 3,719 acres at the former Marine Corps Air State El Toro, CA for $649.5 million. We also sold 167 acres at the former Naval Hospital Oakland, CA for $100.5 million. Beginning in fiscal year 2003, we have used these funds to accelerate environmental cleanup, and to finance the entire DoN prior BRAC effort including caretaker costs since fiscal year 2005.

We have put this land sale revenue to good use! We have issued Findings of Suitability to Transfer for over 4,500 acres which enabled us to continue our disposal efforts. A few of the significant disposals include the last parcels at Naval Shipyard Charleston, SC; Naval Air Station Key West, FL; San Pedro Housing Area for Naval Shipyard Long Beach, CA; and Naval Hospital Oakland, CA, as well as the first parcel at Hunter's Point Naval Shipyard. In addition, Navy accelerated cleanup on the majority of MCAS El Toro, a National Priorities List (NPL) site. We have also completed the cleanup of over half of Naval Station Treasure Island and determined it acceptable for transfer. Significant cleanup activities were undertaken at both Hunter's Point Naval Shipyard, as well as Alameda Naval Air Station, all of which are NPL sites, greatly improving the protection to human health and the environment.

Two significant property sales remain, both planned to begin in fiscal year 2009: approximately 176 acres at the former Naval Training Center Orlando, FL; and about 1,450 acres at the former Naval Station Roosevelt Roads, PR. We will spend the last portions of the $1.1 billion in land sale revenue in fiscal year 2009. Revenue projections for Orlando and Roosevelt Roads are unknown, but are expected to be

[3] 42 U.S.C. Section 9620(h).

well below that obtained from the sale of California property at El Toro and Tustin. In the absence of additional land sale revenue, we are evaluating the need to resume appropriated funds in future budgets.

Prior BRAC Environmental Cleanup

The DoN has spent about $3.5 billion on environmental cleanup, environmental compliance, and program management costs at prior BRAC locations through fiscal year 2006. With our planned programs of $342 million in fiscal year 2007 and $179 million in fiscal year 2008, we expect the environmental cost to complete for fiscal year 2009 and beyond at $1.168 billion. This is an increase of $725 million since last year. Nearly all of this cost increase is due to the recent discovery of substantially more low level radioactive waste at the former Hunters Point Naval Shipyard in San Francisco, CA and some at the former Naval Air Station Alameda, CA.

Hunters Point Naval Shipyard

Hunters Point Shipyard represents one of the most unique prior BRAC challenges. Maritime use of Hunters Point began in the 1850's. The Navy purchased the property in 1939, and began to expand the shipyard and build facilities. Between 1939 and 1974, Hunters Point was one of the Navy's largest industrial shipyards and was home to the Naval Radiological Defense Laboratory (NRDL). The Navy used Hunters Point to decontaminate ships that had been used during atomic weapons testing under Operation Crossroads. NRDL conducted radiological research in numerous buildings on the base.

The Navy closed Hunters Point in 1974, and then leased most of the property in 1976 to a private ship repair company. The Environmental Protection Agency placed the shipyard on the National Priorities List in 1989. The DOD listed the shipyard for closure as part of BRAC 1991.

The Navy has conducted expansive records and data search to identify all areas of potential contamination, as required under CERCLA. This included conducting a Historic Radiological Assessment and extensive sampling to identify potential contamination from past radiological activities. There are 78 installation restoration sites and 93 radiological sites, and Navy has spent about $400 million on cleanup efforts. While the base does not present a risk to human health, the additional data has revealed a much greater degree of contamination than previously known. The previous cost to complete was $110 million. The revised fiscal year 2008 cost to complete is $670 million, which excludes submerged lands. We will have an independent outside consultant review the situation and seek options that balance cleanup costs and health risks to humans and the environment. Land use controls must be part of the remedy for Hunters Point.

The City of San Francisco recently proposed building a new football stadium using a portion of Hunters Point. Such a proposal represents a very compatible reuse that could be effectively integrated into the cleanup program. While this appears to be an excellent opportunity for combining cleanup with transfer and redevelopment of Hunters Point, it will require significant financial resources in the near term that are not now budgeted.

HURRICANE SUPPLEMENTALS

Following the experience learned from Hurricane Ivan in 2004, the Navy was prepared to respond quickly to the Hurricane Katrina and lesser storms in 2005 that affected eight major Navy bases. With supplemental funds provided by Congress, we have made the necessary repairs to get our facilities back to full mission capability. The funding allowed us to begin the cleanup as the long term reconstruction. We have awarded 37 percent of the $493 million in MILCON and family housing construction projects to date, with plans to award the balance by the end of this fiscal year.

MEETING THE CONSTRUCTION EXECUTION CHALLENGE

The ambitious programs I have outlined, encompassing military and family housing construction, continuing recovery efforts in the Gulf Coast, BRAC-related construction, and support for the global war on terror represent an execution effort of over $4 billion in fiscal year 2008 compared to the fiscal year 2005 effort of $2.5 billion. The Grow the Force and barracks initiative by the Marine Corps, and the buildup on Guam initiative will add a sustained annual program of $2 to $3 billion through the FYDP.

The Naval Facilities Engineering Command (NAVFACENGCOM) has, with the exception of fiscal year 2006, obligated between 92 percent to 98 percent of all authorized and appropriated DoN construction projects (including congressional adds) in the first year funds became available. That obligation rate dropped to 74 percent

in fiscal year 2006, primarily due to pricing issues caused by material and labor shortages in the aftermath of hurricanes in 2004 and 2005.

NAVFACENGCOM has substantial additional contracting capacity, and will seek to aggregate related projects while preserving competition and small business interests. For example, NAVFACENGCOM sponsored an industry conference in January 2007 to explore opportunities for cost and scheduling efficiencies. This is an execution challenge that NAVFACENGCOM can do.

CONCLUSION

The Navy cannot meet the threats of tomorrow by simply maintaining today's readiness and capabilities of our physical plant. We must continue to transform and recapitalize for the future without jeopardizing our current readiness and the strides we have made—and continue to make—in managing our shore infrastructure. With our partners in industry, the acquisition community, and with the continuing support of Congress, the DoN will build and maintain installations that are properly sized, balanced—and priced for tomorrow.

Thank you for the opportunity to testify before this committee. I look forward to a productive dialogue with Congress on the DoN's shore infrastructure.

Senator AKAKA. Secretary Anderson?

STATEMENT OF HON. WILLIAM C. ANDERSON, ASSISTANT SECRETARY OF THE AIR FORCE, INSTALLATIONS, ENVIRONMENT AND LOGISTICS

Mr. ANDERSON. Good afternoon, Mr. Chairman, and distinguished members of the subcommittee. On behalf of America's airmen, it is a pleasure to be here and thank this subcommittee for its continued support of America's Air Force.

As our Nation and Department finds itself engaged in hostilities and war for the 16th consecutive year, we are also in a transition period, where the Air Force continues to evolve and remain indispensable as threats to our Nation emerge and change. The Air Force is getting smaller, but our commitments are not. Airmen perform critical installations, environmental, and logistics tasks that are intrinsic to every facet of the success of our missions.

During these challenging times, the Air Force priorities remain constant: winning the global war on terror, developing and caring for our airmen, and recapitalizing and modernizing our air and space systems. Among our priorities is the Air Force's energy program, with efforts geared to reduce energy demand, increase supply, and create a culture where all airmen take energy as a consideration in everything that we do.

One initiative focuses on aviation fuel. During fiscal year 2006, our aviation operations accounted for 82 percent of all of Air Force's energy use. To wean us off of foreign energy sources, last year we began testing and certifying a coal-to-liquid synthetic jet fuel for our aviation fleet beginning with the B–52. We will continue this program, with a goal to certify the entire fleet by 2010.

Another Air Force initiative is targeted at work-related injuries, a problem that is costly to the Air Force and, more importantly, it is a problem that negatively impacts the quality of life for our airmen and their families. The Secretary and Chief of Staff have directed launching OSHA's voluntary protection program across the Air Force. Once fully implemented, every airman will be empowered to actively identify and take action to eliminate safety and health hazards in their workplace.

Air Force facilities, housing, environmental, and BRAC programs are key to supporting Air Force priorities. At home our installa-

tions provide stable training environments as we equip and reconstitute our force. Both our stateside and overseas bases provide force projection platforms to support combatant commanders. Our bases are weapons systems to the Air Force and in order to support these base-centric concepts of operations the Air Force has developed an infrastructure investment strategy that focuses on enabling combatant commanders.

The fiscal year 2008 presidential budget request for traditional MILCON is $1 billion and this budget carefully balances our needs for facility operation and maintenance accounts so that we can enable support of the Air Force mission. That budget request also includes $363 million for housing investment, which balances new construction, improvements, and planning and design work. Housing continues to be a good news story for airmen and our families, including privatization, as my colleagues have discussed.

Our request also includes $933 million for direct-funded non-BRAC environmental programs—restoration, compliance, conservation, and other environmental efforts.

To continue the BRAC implementation schedule, the fiscal year 2008 budget requests $1.2 billion in BRAC-related activities, of which $910 million is for construction. Full support of this funding request is critical to ensure we remain on track to meet the requirement of compliance by 2011.

We are committed to making BRAC and joint basing a raging success. However, several joint basing policy elements run counter to the spirit of efficiency and cost savings in the joint basing construct. The Air Force believes total obligation authority for real property services would serve as a disincentive to cost savings, efficiency, and effective execution on customer expectations. These customers, our operational commanders, should define the requirements necessary to execute the mission and manage the funds to meet their needs. The Air Force believes that joint basing provides a unique opportunity to actually improve the quality of life for every soldier, sailor, airman, marine, and their families.

This year we commemorate the 60th anniversary of our proud service, a service born of revolutionary ideas, forged in combat, and proven through decades of progress and achievement.

We look forward to your questions. Thank you.

[The prepared statement of Mr. Anderson follows:]

PREPARED STATEMENT BY HON. WILLIAM C. ANDERSON

Mr. Chairman, Senator Ensign, and distinguished members of the subcommittee, as our Nation, and Department, finds itself in a transition period, the Air Force continues to evolve and remain indispensable as threats emerge and change. The Air Force is the preeminent force for operations beyond the bounds of earth, and is vital and relevant in the conduct of ground operations as well. The Air Force has been continually engaged in War for the past 16 years. The Quadrennial Defense Review guides the Air Force and enables us to deliver sovereign options for the defense of the United States of America and its global interests. The Air Force is getting smaller, but our commitments have not. Airmen performing critical installations, environment and logistics tasks are intrinsic to every facet in the success of our missions. My Civil Engineers are critical to every facet in the success of our missions. We currently have over 2,500 engineers in the theater of operations directly supporting Operations Enduring Freedom and Iraqi Freedom. In order to fulfill our mission, we are making process changes at every level of the Air Force with results in resource savings and more efficient operations. We have more work to do, but by institutionalizing Air Force Smart Operations 21 concepts into our daily operations we are

leaning our internal processes to reduce workload and reduce or eliminate unnecessary work. These efforts allow us to meet the enormous challenges of today, the foreseeable future, and ultimately, sustain and modernize the world's best air, space, and cyberspace force. In these tumultuous times our priorities remain consistent: fighting and winning the war on terror, developing and caring for our airmen and their families, and recapitalizing and modernizing aging aircraft and spacecraft.

Air Force facilities, housing, environmental, and BRAC programs are key components of our support infrastructure. At home, our installations provide stable training environments as we equip and reconstitute our force. Both our stateside and overseas bases provide force projection platforms to support combatant commanders (COCOMS). Our bases use weapons systems and in order to support our base-centric concept of operations, the Air Force has developed an infrastructure investment strategy that focuses on enabling COCOM's to fight and win the war on terror, providing quality of life facilities, implementing BRAC, protecting and restoring our natural environment, sustaining our infrastructure and striving to recapitalize our aging infrastructure, while proactively supporting the operational environment. We are the DOD's leader in expeditionary combat support and continue that role with pride. Our total force military construction (MILCON), family housing, environmental and sustainment, restoration, and modernization programs are paramount to successful operations and maintaining the quality of life that our men and women in uniform and their families deserve.

The fiscal year 2008 President's budget request for Air Force construction is over $2.3 billion, comprised of traditional MILCON ($1.0 billion), BRAC 2005 ($910 million) and housing investments ($363 million). The Total Force MILCON portion ($1 billion) of Air Force fiscal year 2008 President's budget (PB) construction request reflects our highest construction priorities. This request includes $912 million for Active MILCON, $86 million for the Air National Guard, and just over $27 million for the Air Force Reserve. While the 2008 traditional MILCON budget request is approximately $300 million lower than last year's, it reflects our highest priorities and most urgent needs. Unfortunately, we face demands on our resources that require some very tough choices. Our current challenging budgetary environment includes: increased operations, maintenance, and personnel costs; the cost of the long war; reduced Air Force total obligation authority (TOA); and absorbing inflation factors that reduce overall buying power. These factors have forced us to self-finance the centerpiece of future dominance—a massive and critical recapitalization and modernization effort of our aging air and space force. In order to accomplish this we are accepting manageable risk in facilities and infrastructure funding in order to bolster our recapitalization and modernization efforts. This budget carefully balances our facility operations and maintenance accounts for sustainment, restoration, modernization with MILCON programs to make the most effective use of available funding in support of the Air Force mission. The Air Force Total Force sustainment funding in fiscal year 2008 is $2 billion, 92 percent of the amount called for by the Facility Sustainment Model (FSM). The fiscal year 2008 Total Force restoration and modernization (R&M) funding is $346 million.

The Air Force fiscal year 2008 PB request of $363 million for the Military Family Housing investment program balances new construction, improvements, and planning and design work. While we continue to strive to eliminate inadequate housing, we cannot allow more housing to fall into disrepair. In addition to the $363 million requested for housing investment, we request nearly $688 million for operations and maintenance, for a total housing investment of more than $1 billion.

To continue our proactive and responsive environmental compliance, conservation, pollution prevention and restoration programs, the fiscal year 2008 PB request includes $933 million for direct-funded non-BRAC environmental programs. In addition to the $429 million we requested for traditional environmental restoration activities, the fiscal year 2008 PB request includes $321 million for environmental compliance activities and projects, $84 million for pollution prevention initiatives, $51 million for funding environmental conservation activities, $29 million for munitions response activities, and $19 million in investments in promising environmental technologies.

To continue our aggressive BRAC implementation schedule, the fiscal year 2008 PB request includes $1.2 billion for BRAC related activities of which $910 million is construction. The Air Force is lead for 64 BRAC business plans and has equity in an additional 16 business plans. Full support of this funding request is critical to ensure we remain on track to meet the requirement for compliance by 2011.

Sound investment in our installations postures the Air Force to support our priorities of winning the global war on terror, support our airmen and their families, and recapitalize and modernize our force. We believe the fiscal year 2008 President's

budget proposal will provide the construction bedrock for continued success of our mission.

FIGHTING AND WINNING THE GLOBAL WAR ON TERROR

The Air Force's first priority is to fight and win the global war on terror. We plan to invest $192 million on global war on terror-related projects that support and enhance the AF's ability to deliver intelligence, maintenance, and operational capabilities to our COCOMs. At MacDill Air Force Base (AFB), FL, the Air Force is executing two projects at Central Command (CENTCOM) by completing the Joint Intelligence facility and altering the CENTCOM headquarters facility. CENTCOM's area of responsibility is the geographic and ideological heart of the global war on terror. A war without borders, it spans 27 countries in the Central Asian region of the world. The Joint Intelligence Center provides the CENTCOM Commander with the situational awareness and long range analyses needed to defeat adversaries within the area of responsibility, promote regional stability, support allies, and protect U.S. national interests, all aimed toward victory in the global war on terror. Two projects at Royal Air Force (RAF) Menwith Hill Station, U.K. and one at Offutt AFB, NE, enhance intelligence gathering and analysis capabilities for the United States and our allies. The Basic Expeditionary Airman Skills Training at Lackland AFB, TX, provides facilities for expanded field training that will equip our airmen as they enter the Air Force with the warfighting skills and mindset vital in today's operational environment.

DEVELOP AND CARE FOR AIRMEN AND THEIR FAMILIES

The Air Force sees a direct link between readiness and quality of life. The Air Force is committed to creating and maintaining a consistent, high quality, and safe environment in locations where airmen work, reside, and recreate. Our Total Force airmen are the most valuable assets we have in fighting the global war on terror and ensuring our air, space and cyberspace dominance. We have to continue to recruit, train, equip, and retain the airmen of tomorrow. As our Air Force becomes more capable, more efficient and more lethal, so will our airmen. The quality of life we provide for our airmen and their families is a distinct determining factor in how long they remain in our service. The sacrifices our airmen and their families make are enormous. We are deeply committed to providing every airman and their family with the best possible quality of life as they serve our Nation. In this year's budget we strive to promote a wide spectrum of projects that take care of our airmen and their families; from quality family housing for our families, quality dormitories for unaccompanied airmen, functional fitness centers, and safe child development centers, to exceptional training and operational facilities.

Workplace

Work-related injuries cost the Air Force over $130 million annually and have a significant impact on operational capability. Most importantly, workplace injuries negatively impact the quality of life for our airmen and their families. One program being used to achieve a reduction in workplace injuries is OSHA's Voluntary Protection Program (VPP). The SECAF and CSAF have directed "launching the VPP throughout the Air Force . . . for service-wide implementation." Through VPP, every airman and his wingman are empowered to actively identify and take action to eliminate safety and health hazards in the workplace. Our goal is to offer an accident-free work environment for each and every airman.

At Home

When airmen deploy, time spent worrying whether their families are safe and secure is time not spent focusing on the mission. Quality of life initiatives are critical to our overall combat readiness and to recruiting and retaining our country's best and brightest. Our quality of life initiatives reflect our commitment to our airmen.

Family Housing

The Air Force Family Housing Master Plan details our Housing MILCON, operations and maintenance, and privatization efforts. It is designed to ensure safe, affordable, and adequate housing for our members. To implement the plan, our fiscal year 2008 budget request for family housing is over $1 billion. Consistent with Department of Defense Strategic Planning Guidance, the Air Force is on track to fund projects through 2009 that will eliminate inadequate overseas housing.

For fiscal year 2008, the requested $363 million for our housing investment program will replace and improve approximately 2,100 housing units at eight overseas bases. An additional $688 million will pay for operations, maintenance, utilities and leases to support the family housing program.

We have used the privatization authorities granted by Congress to accelerate our family housing improvement program. By the beginning of fiscal year 2008, we will have privatized over 44,000 housing units, or 72 percent of our U.S. housing inventory, far exceeding the Office of the Secretary of Defense (OSD) goal of 60 percent. The Air Force is strategically leveraging its $596 million investment to bring in $7.37 billion in equivalent MILCON investment from the private sector; that is nearly $15 of private investment for each public tax dollar. The Air Force is aggressively researching privatization at remaining U.S. MILCON installations where feasible.

Unaccompanied Housing (Dormitories)

The fiscal year 2008 total Air Force requirement for dormitory rooms is 60,200. We have made great progress using the three-phased investment strategy outlined in our Dormitory Master Plan. Phase I, now construction complete, eliminated central latrine dormitories. With the fiscal year 2007 MILCON we have funding necessary to complete phase II of our Dormitory Master Plan, our dorm room shortage (deficit), by building new dormitories. In Phase III, now underway, we will replace existing dormitories at the end of their useful life with a standard Air Force designed private room configuration under the 'Dorms–4-Airmen' concept. Our 'Dorms–4-Airmen' concept capitalizes on our wingman strategy and keeps our dorm residents socially and emotionally fit.

Our fiscal year 2008 Program reflects this strategy. The $47 million request for dormitory investment will replace 368 rooms for unaccompanied personnel at both stateside and overseas bases. We are equally committed to providing adequate housing and improving the quality of life for our unaccompanied junior enlisted personnel as we are to our families.

Fitness and Child Development Centers

The Air Force maintains its strong commitment to the 'Fit-to-Fight' program. Our goal is for airmen to make fitness and exercise a regular part of their lives and prepare them to meet the rigors of a deployed environment, not simply to pass an annual fitness test. Our goal is to replace at least one fitness center per year until we have the resources to do more. This year we will construct a new fitness center at Tyndall AFB, FL.

We also remain committed to the children of our airmen and are dedicated to provide them with adequate and nurturing day care facilities. In 2008 the most urgent need is at Patrick AFB, FL. Our $12 million effort at Patrick AFB will provide supervised care for 266 infants and preschool children, replacing a child development center that was established in a warehouse built in 1958.

Operations and Training

Our MILCON program supports our expanded view of quality of life for airmen by providing facilities from which to train in and operate. A new Security Forces Operations Facility at Scott AFB, IL, will provide the men and women of the active duty and National Guard in one of our most stressed career fields a functional, consolidated facility. The Fire Training Facility at Ramstein AB is jointly funded by NATO and provides military critical live-fire and structural fire/crash rescue training. Finally, a recapitalization project at the Air Force Academy continues the phased upgrade of Fairchild Hall academic building. The final renovation and upgrade of Fairchild Hall will be complete with a $15 million effort programmed in our fiscal year 2009 MILCON program.

Environmental Management Programs

Our environmental management programs continue to ensure our most basic quality of life needs are being met for our airmen and surrounding communities: clean air, clean drinking water, and healthy working and living conditions for our workforce and base residents. We are also implementing refinements to our environmental management approach to incorporate best practices where we find opportunities:

- A comprehensive Air Force Green Procurement Program policy was implemented last year to require our purchasing systems to consider environmentally-preferable products as a first choice;
- All 174 Air Force installations have implemented and continue to utilize their Environmental Management Systems to identify environmental aspects of base operations, assess their impacts, and allow commanders to make informed decisions and investments to reduce environmental risks and compliance costs;
- I also challenged our installation commanders to significantly reduce new environmental enforcement actions last year, and I'm proud to tell you we

cut our new enforcement actions by 40 percent last year from the previous year—a major success story;

• Our restoration program continues to increase the use of performance-based contract mechanisms as one tool to reduce the cost and time to achieve remedy-in-place or response-complete (RIP/RC). As an example, one of our major commands, Air Combat Command, has shaved 10 years and almost $40 million off the restoration projections with a four-base regional performance-based contract.

RECAPITALIZATION AND MODERNIZATION

Our third priority is to modernize and recapitalize the Air Force. Air forces succeed when they anticipate and are allowed to shape the future strategic environment, and ultimately develop the capabilities required for the next fight. Air forces succeed when they are able organize, train, and equip themselves properly for both the current and future fights and purposefully build in the flexibility to operate across the spectrum of conflict and deliver effects at all levels of war -tactical, operational and strategic. Air forces succeed when they remain focused on their primary mission of providing asymmetric range and payload as an independent force that is part of an interdependent joint team. Our 2008 MILCON program is a direct reflection of our strong commitment to the success of our Air Force and is heavily weighted toward modernization and recapitalization support. The fiscal year 2008 Total Force MILCON program consists of 43 projects that are essential to modernization and recapitalization, totaling $544 million.

The F–22A Raptor is the Air Force's primary air superiority fighter and key enabler, providing operational access, homeland defense, cruise missile defense and force protection for joint forces. Combat-capable Raptors are in full rate production on the world's only 5th generation production line. Elmendorf AFB, AK, will be the second operational Raptor base. We are constructing five Active-Duty and Reserve projects to beddown the world's premier fighter at a cost of $75 million. The F–35A Lightning II Joint Strike Fighter (JSF) is our 5th generation multi-role strike fighter aircraft optimized for air-to-ground attack. The F–35A will recapitalize combat capabilities currently provided by the F–16 and A–10 and will complement the capabilities of the F–22A. Projects at Eglin AFB, FL, begin the beddown for joint F–35 training squadrons and combines Air Force and Navy funding totaling $74 million. Our legacy aircraft remain a vital part of our National defense. We are constructing much needed facilities for the Reserve F–16 Wing at Hill AFB, UT, and the active duty F–15 Wing at RAF Lakenheath, UK.

We are also modernizing the weapons these 5th generation aircraft and legacy stalwarts will carry. The Small Diameter Bomb (SDB) enhances our payload and strike capability while increasing the standoff distance for our pilots. We are constructing munitions storage igloos at RAF Lakenheath, United Kingdom and Ramstein AB, Germany to provide this capability to the warfighter where storage capacity does not exist. Our Tactical Air Controllers are embedded with ground forces, directing Air Power, like the SDB, in support of ground operations. This year's MILCON program provides active duty and Guard Air Support Operations Squadrons the facilities they need on Army installations like Fort Carson, CO; Fort Riley, KS; Camp Beauregard, LA; and Fort Indiantown Gap, PA. These facilities support U.S. Army brigade transformation and provide the Air Force Tactical Air Controllers the training space required to support the critical Close Air Support mission.

We are modernizing and recapitalizing our facilities in support of large-frame aircraft as well. The C–17 continues its outstanding support for humanitarian operations and the Joint warfighter. MILCON projects at Altus AFB, OK; Hickam AFB, HI; and Travis AFB, CA, nearly completes the beddown of our intertheater mobility workhorse. The C–5 provides the strategic span in our air bridge and we are investing in six projects worth $50 million at Memphis, TN, and Martinsburg, WW. Hangar projects at Davis-Monthan AFB, AZ, and Cannon AFB, NM, increase maintenance capabilities for Combat Search and Rescue EC–130s and AC–130s, respectively.

Intelligence, Surveillance, and Reconnaissance (ISR), communications, and space systems play an ever-increasing role in what we do. The Distributed Common Ground System (DCGS) provides real-time, net-centric, decision-quality information to commanders. Projects that enable the DCGS operations will be constructed at Hickam AFB, HI; Hulman RAP Terre Haute, IN; and Otis ANGB, MA. MILSTAR is a joint service communications system that provides secure, jam-resistant, worldwide communications to meet essential wartime requirements for high priority military users. Investments at McGhee Tyson IAP, TN, support this vital communica-

tions beddown. The lethal combination of air and space assets the United States possesses gives us capabilities that are unmatched. The Air and Space Integration facility at Schiever, AFB, CO, enables us to continue this dominance and widen the gap on our adversaries. Finally, the Communications Frame facility at Bolling AFB will modernize this critical node for communications in the National Capital Region.

Depot Maintenance Reengineering and Transformation remains essential to revitalizing depots using LEAN principles to increase aircraft availability by reducing depot cycle time, defects, and costs. This program has played a significant role in transforming our industrial base to support warfighter requirements more effectively. The 2008 program continues with four projects at Hill AFB, UT; Robins AFB, GA; and Tinker AFB, OK, totaling $66 million.

The 2008 MILCON program has six other modernization infrastructure projects worth $178 million. These projects span the globe; from a Mobility Processing Center in Germany and storm damage repair in the Gulf of Mexico, to an infrastructure project on Guam that provides increased force protection for the entrance to Anderson AFB. These projects recapitalize our aging infrastructure and enable us to support our vision for a modernized force.

BASE REALIGNMENT AND CLOSURE

As we continue supporting our three main priorities, implementing the Base Realignment and Closure (BRAC) recommendations is an important vehicle for the Air Force to ensure we are more lethal, agile, and capable of maintaining total dominance in air, space, and cyberspace domains. While the Commission's final decisions fell short of the Air Force's overall goals for BRAC, particularly in eliminating excess physical capacity, they did help the Air Force take a major step towards reshaping its Total Force structure. The Joint Cross Service Group recommendations which make up the vast majority of the fiscal year 2008 PB request are pivotal to transforming the way the Air Force and our sister services train and fight together.

The Air Force developed and is implementing an aggressive schedule for its BRAC 2005 recommendations, and we are working in close partnership with our Joint partners and with the Air National Guard, the Air Force Reserve, and our major commands to further develop and refine this schedule.

The Air Force is lead military service for 64 BRAC Business Plans, and has equity in an additional 16. Our fiscal year 2008 BRAC program is comprised of $910 million in MILCON, $223 million in 0&M, and the balance in the personnel and environmental accounts. Of the $910 million in MILCON projects, $749 million is driven by Joint Cross Service Group recommendations. Joint interdependence adds complexity to the execution of this BRAC funding. Business Plans developed to assist in execution of BRAC actions have been coordinated and approved by OSD and also coordinated with other Service agencies. Coordinating, completing, and implementing these plans will ensure the Air Force is successful in effectively and efficiently implementing the BRAC 2005 recommendations. We are confident the Air Force is heading in the right direction. We believe if we stay on course we can meet all expectations and objectives of the BRAC 2005 round, while minimizing disruptions to the mission, our warfighters, their families, and the communities that support our Air Force.

Given the many external influences, and as good stewards of taxpayer dollars. we cannot look at BRAC implementation as an isolated activity. To be successful, we must orchestrate BRAC implementation activities in concert with new Air Force mission beddowns, legacy weapons systems and force drawdowns, emerging missions, Total Force Integration (TFI), and cross Service initiatives. An example of our attainment of this objective from BRAC 2005 recommendations is at Kulis Air National Guard Base, AK. The 2005 BRAC Commission recommended that, contingent on the availability of adequate MILCON funds to provide the necessary replacement facilities at Elmendorf AFB, Kulis ANGB be closed. After an in depth analysis of detailed concepts of operations and available infrastructure, the Air Force, the Air National Guard, Pacific Air Forces, and my staff, collectively concluded on Jan 30, 2007, that operations at Kulis ANG Base could and would be relocated to Elmendorf.

When this move is complete, the 176th Wing, Kulis ANGB and the 3rd wing, Elmendorf AFB will form one, in a growing number of, Air National Guard and active duty associate units in the Air Force. This association will facilitate a unique opportunity for the Air Force to merge all our Total Force elements—Air National Guard, Air Force Reserve and active-duty operations—across multiple mission areas, including airlift, Combat Search and Rescue, Airborne Warning and Control Systems and 5th generation fighters, all in one location and in a theater key to our global activities.

Joint Basing

The concept of Joint Basing poses new BRAC implementation challenges and is also an example of transformational joint activity. Under this concept, adjoining Service installations or installations in close proximity would share common in installation, support and management activities. Of the 12 recommended joint bases, 10 of them involve Air Force installations, with the Air Force designated as the lead service for 6. A Senior Joint Base Working Group, led by the Deputy Under Secretary of Defense (Installations & Environment), developed guidance to implement the Joint Basing concept by October 1, 2007. The Air Force continues to work with OSD to refine the implementation guidance.

The Air Force believes that for the welfare of the warfighter and their families that Joint Basing must be a raging success. To that end, the Air Force stands ready to step into the lead role at each installation where the Air Force has equity.

Environmental Cleanup and Property Transfer

As stewards of public assets the Air Force must manage them to achieve maximum value for the taxpayer while at the same time overseeing those assets with the utmost regard for environmental issues.

Environmental clean up and transfer of BRAC real property is often technically challenging and has involved extended timeframes to complete. Nevertheless, the Air Force has deeded 82 percent of 87,000 acres of BRAC property from previous BRAC rounds. Our real property disposal efforts have led to the creation of more than 54,000 reuse jobs in the affected communities. To complete the clean up and transfer of the remaining property, the Air Force is attempting to leverage private sector experience in redeveloping former industrial property similar to Air Force facilities. Our way ahead for legacy BRAC property includes an emphasis on performance-based contracting including guaranteed fixed price terms, regionalized contracts, and innovative tools such as early transfer, negotiated sales, and privatization. Our objectives remain clear: (1) provide reuse opportunities that best meet the needs of the Air Force and local communities, (2) move the process along smartly in each situation to get property back into commerce as soon as practical, and (3) provide transparency in the process.

The Air Force takes its responsibility to protect human health and the environment seriously. Since 1991 we have spent $2.6 billion on environmental clean up at our BRAC installations—an investment that protects human health and the environment for our airmen, our communities, and future generations.

Way Ahead

As you are well aware the House and Senate recently approved a Continuing Resolution Authority which approved $2.5 billion in BRAC funding for the Department of Defense, which is $3.1 billion less than requested for fiscal year 2007. If left unchanged, the reduction will result in the Air Force receiving far. less than expected in fiscal year 2007 funding. If not corrected, the Air Force, and our sister Services will have to re-evaluate our plans and will likely experience delays and disruptions in construction and the movements of our people and assets. Delays could impact mission readiness and the ability to meet mandated completion deadlines.

Prompt action and restoration of full funding will permit the Air Force to stay on course in executing our obligation for timely completion of the BRAC recommendations approved by Congress.

We solicit your support in advocating that action.

ENHANCED USE LEASING

At remaining non-BRAC facilities, the Air Force is reshaping our infrastructure to meet the demands of the 21st century. The Air Force seeks fair market value and utilizes new tools such as Enhanced Use Leasing to optimize our resources and obtain value from our excess capacity—value we can return to the warfighter. Enhanced Use Leasing allows undeveloped and unused military facilities to be used by private industry, by leasing them to private entities. For example, an Enhanced Use Lease of a vacant 8.33-acre parcel on Kirtland AFB, NM, allows the New Mexico Institute of Mining and Technology to construct a 20,000 square feet commercial office building lab research facility and secondary educational facility, which provides rent to the Air Force and will improve scientific and educational opportunities for Kirtland AFB, the Air Force Research Laboratory, New Mexico Tech and the public in general. The Air Force has six current and pending Enhanced Use Lease projects and twenty potential Enhanced Use Leases across the country.

MAINTAINING OUR FACILITIES AND OPERATIONAL INFRASTRUCTURE

The Air Force remains focused on sustaining, restoring, and modernizing our operational infrastructure. We have been benchmarking the "best of the best" asset managers that our country has to offer. We are finding and implementing ways to manage better, utilize resources more wisely, leverage private sector investment potential, and use smart information technology. Our aim is to manage assets by optimizing resources to deliver operational infrastructure for the warfighter at our installations and ranges. In 2008, we have focused sustainment funding on keeping our "good facilities good" and targeted limited Restoration and Modernization (R&M) funding to fix critical facility and infrastructure deficiencies to maintain readiness.

Our sustainment program is aimed at maximizing the life of our facilities and infrastructure in order to preserve our existing investment. Without proper sustainment, our facilities and infrastructure wear out more rapidly. In addition, commanders in the field use operations and maintenance (O&M) accounts to address facility requirements that impact their mission capabilities.

When facilities require restoration or modernization, we use a balanced program of O&M and MILCON funding to make them "mission ready." Unfortunately, restoration and modernization requirements in past years exceeded available O&M funding, causing us to defer much-needed work. It is important for us to steadily increase the investment in restoration and modernization in order to halt the growth of this backlog, while fully funding sustainment to maximize the life of our facilities and infrastructure.

The Air Force Total Force sustainment funding in fiscal year 2008 is $1.99 billion, 92 percent of the amount called for by the FSM. The fiscal year 2008 Total Force R&M funding is $346 million, a slight improvement over our fiscal year 2007 PB request. This is an area where the Air Force is taking manageable risk given our other budgetary priorities.

DEMOLITION OF EXCESS, OBSOLETE FACILITIES

In addition to modernizing and restoring worn out facilities, we also demolish excess and obsolete facilities. This ensures funds are focused on facilities we need, not on sustaining those we do not. For the past 9 years, the Air Force has aggressively demolished or disposed of facilities that were unneeded or no longer economically viable to maintain. From fiscal year 1998 through fiscal year 2006, we demolished 21.9 million square feet of non-housing facilities and infrastructure at a cost of $260 million in O&M funding. This is equivalent to demolishing more than three average size Air Force installations and has allowed us to target our O&M funding on facilities we need for the long-term mission. For fiscal year 2008 and beyond, the Air Force will continue to aggressively identify opportunities to eliminate excess and obsolete facilities.

PLANNING AND DESIGN/UNSPECIFIED MINOR CONSTRUCTION

This year's Air Force MILCON request includes $75 million for planning and design, of which $12 million is for military family housing. The request includes $52 million for active duty, $8 million for the Air National Guard, and $4 million for the Air Force Reserve. These funds will allow us to complete the design work for fiscal year 2009 construction programs and to start the designs for fiscal year 2010 projects, allowing us to award contracts in the year of authorization and appropriation.

This year's request also includes $26 million for the Total Force unspecified minor construction program which is our primary means for funding small, unforeseen projects that cannot wait for the normal MILCON process. Because these projects emerge over the course of the year, it is not possible to program the total funding requirement.

UTILITY PRIVATIZATION

Similar to our efforts in privatizing housing, the Air Force is privatizing utilities where it makes economic sense and does not adversely affect readiness, security, or mission accomplishment. Because our installations are key to our operational capabilities, our network of bases provides necessary infrastructure for deploying, employing, and sustaining air and space operations and re-deploying and reconstituting the force afterwards. Reliable utility systems are critical infrastructure components and essential to air operations and quality of life at every Air Force base. Additionally, these systems must be consistent with modern technology to optimize energy

conservation. We believe privatization offers the best solution for simultaneously meeting both these requirements.

To date, under OSD's utilities privatization program, the Air Force has conveyed 11 systems under 10 U.S.C. 2688 and 6 additional systems using standard FAR clauses, for a total of 17 privatized systems with a plant replacement value in excess of $300 million. We are currently evaluating an additional 338 systems for privatization. We anticipate that we will more than double the number of our privatized utility systems in fiscal year 2008. By the time the program concludes, we anticipate more than 120 of about 500 systems could be privatized. During the course of this process, we expect many competitive solicitations will end up as sole source procurements from local utility companies.

ENERGY

The Air Force is serious about being a global leader in facility energy conservation and renewable energy. In the last year the Air Force chartered a Senior Focus Group and set its strategic vision of making energy a consideration in all we do. Our strategy is built around a balance of supply side energy assurance and demand side energy efficiency. Our new energy strategy for the 21st century is focused on meeting the President's new energy mandates outlined in Executive Order 13423. Our strategy covers not only our facilities infrastructure, but also fuel optimization in our aviation operations and ground transportation fleet.

The Air Force facilities infrastructure strategy is to eliminate waste in energy use as the major conservation priority. Conducting effective energy audits to identify energy waste streams is the first step. Optimizing the efficiency of heating and cooling systems, and eliminating overlighting are just two of the initiatives in our energy toolbox.

Our traditional project goals of delivering high quality facility projects on schedule and within budget is expanding the term "quality" so that our goal becomes the creation of functional, maintainable, and high performance facilities. Under Executive Order 13423 the Air Force will employ the Federal Leadership in High Performance and Sustainable Building Guiding Principles to reduce total cost of ownership, improve energy efficiency and water conservation, to provide safe, healthy, and productivity enhancing environments. We currently employ Leadership in Energy and Environmental Design (LEED) criteria created by the U.S. Green Building Council as design guidelines. The LEED Green Building Rating System is the Nationally accepted benchmark for the design, construction, and operation of high performance green buildings. We are incorporating day-lighting and improved building envelop designs to reduce heating, ventilation, and air conditioning loads and power use. By fiscal year 2009, 100 percent of Air Force eligible MILCON projects will be "capable of certification" in LEED registration. High quality energy-efficient facilities is our goal.

The Air Force is responding to the effectively doubling of the energy conservation mandate of Executive Oorder 13423 by strengthening management of our energy programs from base level Energy Management Steering Groups, and technically competent energy managers through major command and headquarters United States Air Force governance groups. Additionally, we are building an investment program based on high value initiatives that save energy and help the Air Force mitigate the impact of rising utility costs. We are hiring energy professionals to assist our major commands and installations target the right initiatives. We are also partnering with the Office of the Secretary of Defense, the Department of Energy, the Environmental Protection Agency (EPA), and others to implement best practices across our enterprise.

In the area of renewable energy, this year we awarded a contract that will result in an 18 megawatt (MW) peak power photovoltaic (PV) solar array at Nellis AFB, NV—projected to be the largest PV array in the world once on line in late 2008. The Air Force is building on a long history of facility energy conservation success. Our new energy initiatives will enhance our campaign to meet or exceed the goals of the new executive order.

Our efforts were recognized in fiscal year 2006 when we received the EPA Climate Protection Award as the number one purchaser of renewable energy in the Nation. The Air Force continues to be the largest user of renewable energy as defined by the Energy Policy Act of 2005 with the purchase of 990,319 MW of green power representing 9.6 percent of our total electrical consumption last year. Also, for the third year in a row, the Air Force heads the EPA's list of Top 10 Federal Government green power purchasers in the Green Power Partnership.

CIVIL ENGINEER TRANSFORMATION

The Air Force Civil Engineers have a long history of supporting all the critical Air Force programs mentioned earlier. The engineers are also benchmarking with the private sector and aggressively transforming their business processes to be more effective and efficient. The Air Force civil engineers developed several initiatives to minimize the impact of Air Force-wide personnel reductions on their ability to provide combat capability and home-station installation support. Rather than settle for a fair share distribution across specialties and major commands, these transformational initiatives targeted specific process improvements which resulted in realignments for military and civilian authorizations to balance workload and increase combat capability. The civil engineers are transforming civil engineer functions at all organizational levels to centralize the core engineering capabilities and streamline their processes. This includes centralizing the execution of new and current mission MILCON, housing, and environmental restoration construction projects at the Air Force Center for Environmental Excellence in San Antonio, TX. The civil engineers also applied operational risk management concepts to the way we accomplish the fire emergency services support mission. By accepting capability-based risks, civil engineers can provide the same level of fire and crash rescue service for the airfield and installation, while reducing the numbers of firefighters required on duty during times when events are less likely to occur. The transformational initiatives mentioned above will allow us to execute our civil engineer mission more effectively and increase our combat capability for Explosive Ordnance Disposal and Air Force heavy construction units, known as Red Horse Squadrons. As a whole, these initiatives ensure civil engineer support to the warfighter remains steadfast and our garrison installation support remains at an acceptable level.

CONCLUSION

September 18, 2007, marks the 60th anniversary of the creation of our independent United States Air Force. This year we commemorate this anniversary of our proud Service—a Service born of revolutionary ideas, forged in combat, and proven through decades of progress and achievement. The readiness and capability of our fighting force to fight and win our Nation's wars, now and in the future, depends heavily upon the state of our operational infrastructure. As the Air Force continues to modernize and recapitalize, we will continue to wisely invest our precious MILCON, BRAC, and environmental funding to fight and win the war on terror, develop and care for our airmen and their families, while recapitalizing and modernizing our air and space systems.

Thank you Mr. Chairman.

Senator AKAKA. Thank you very much for your testimony.

Secretary Eastin, last week the Army briefed the committee staff on your proposal on how to use your "Grow the Force" funds in fiscal year 2008. This involved investments at most major Active-Duty Army installations with maneuver units. A notable exception was Hawaii. When the staff asked the reason for this, they were told that the Army was going to be cautious about making any further investment in Hawaii until the Stryker lawsuit was resolved.

We understand that the flaw the court found in the Stryker Environmental Impact Statement (EIS) was not unique to Hawaii, though this is where the challenge came from. Therefore, it seems unfair to me that Hawaii would now be treated differently from other States based on a case involving Federal and not State law. My question is, is Hawaii going to get equal consideration with other States in terms of basing new brigades or other units, or is it going to be penalized due to this lawsuit?

Mr. EASTIN. We have no intention of penalizing Hawaii or, for that matter, any other installations where we have substantial operations. As was pointed out in the Stryker litigation, there was a failure to perform a programmatic EIS on where else these Strykers could have been based—Fort Carson, Fort Lewis, or some other installations.

So we went back and are in the process of redoing that. We expect that the EIS will be out probably late September. We cannot at this time commit to you where any of the "Grow the Force" assets in terms of brigade combat teams (BCTs) will be located because we are in the process of doing another programmatic EIS for stationing those additional six brigades.

So it would be totally premature to tell you that we are going to put a brigade in Hawaii or not put one there. We do not know whether we are going to put one at Fort Bliss or Fort Bragg or Fort Benning or any of the other installations either. It is just premature and we have to await the EIS and its record of decision, which we also expect will probably be released in the October-November timeframe.

Senator AKAKA. Mr. Grone, based on actions of the courts in the Hawaii Stryker brigade case and the North Carolina outlying field case, is the Department getting a better understanding that making sure EISs are done right the first time ultimately saves time and trouble down the road?

Mr. GRONE. Mr. Chairman, I do not want to comment on the specifics of any particular litigation. But suffice it to say I think it is imperative that we ensure that we execute the administrative procedures required under the National Environmental Policy Act (NEPA), clearly and crisply. There is always an avenue potentially for disagreement. There is always an avenue potentially for litigation. But my view on this is that we should be very, very clear and very crisp in terms of how we implement studies and how we administer that process, because occasionally, it does create circumstances to which you have alluded, which in some cases are avoidable.

Senator AKAKA. Mr. Grone, what is the DOD's legal interpretation of the impact of section 1906 of H.R. 1591, as passed by the House of Representatives on March 23, on the Department's ability to construct new medical facilities at Fort Belvoir, VA, and Bethesda Naval Medical Center, MD, pursuant to the 2005 BRAC recommendations?

Mr. GRONE. Mr. Chairman, the Office of General Counsel has not issued a legal interpretation, but suffice it to say that DOD and the administration oppose any attempt to prohibit or otherwise redirect actions of the BRAC Commission which have been duly enacted and which we have an obligation to implement.

The realignment of Walter Reed and the effort we have under way at Fort Belvoir, both of which you referred to, are critically important to the delivery of medical care in this region, and it is also critically important to the implementation of the round overall. So certainly we oppose any attempt to undo any of that.

Senator AKAKA. Secretary Anderson and Secretary Eastin, the Army wants to expand its force structure and the Air Force has underutilized infrastructure at Cannon Air Force Base (AFB) in New Mexico. The Air Force plans to put some Air Force Special Operations Forces there. My question is, in cases like this, are the Services going to look for joint basing opportunities that may exist or are we only going to see joint basing take place when it is forced upon you, as in the last BRAC?

Mr. ANDERSON. Senator, as you pointed out, let me give just a little bit of background for the committee on the status of Cannon AFB. As you all are probably well aware, Cannon AFB was in the 2005 BRAC recommendations to be closed unless the Secretary of Defense determined an alternative mission for Cannon AFB. About June timeframe of last year, working with the Office of the Secretary of Defense (OSD), the Air Force determined that the Air Force Special Operations Command (SOCOM) had an alternate mission which very nicely fit into the footprint of Cannon AFB. That decision was approved by the Secretary of Defense.

During that time period and subsequent to that, SOCOM has been determining whether there are alternatives or additional uses for Cannon AFB which are consistent with the Air Force SOCOM activities that are moving there, and the command will stand up in October of this year.

I do not want to necessarily comment for SOCOM. I do not think it is appropriate for me to speak in their place. But I do know that there are active discussions going on as to additional activities that could work within the footprint and the mission that has been assigned for Cannon AFB, and we are certainly open to that. It does not require any legislative action at all. We are open to that. If it meets the needs of the military and it fits within the footprint, we are more than happy to talk about those opportunities.

Senator AKAKA. Secretary Eastin, any comment?

Mr. EASTIN. A little bit out of my lane, since my role is mainly having to do with installations. But I agree with Secretary Anderson. If it makes some sense to put some of our Special Forces out at Cannon AFB we do not have a problem doing that, at least in theory. The devil is always in the details on these things. But if we have available training land somewhere within the military, I think we ought to take our best advantage of that.

Senator AKAKA. Senator Ensign.

Senator ENSIGN. Thank you, Mr. Chairman.

We have a supplemental pending before Congress. We have passed that in the Senate and waiting for the House and the Senate to get together and have action on that. Have each one of you studied what the impacts would be on delaying the implementation of the supplemental and how that would impact readiness, installations, MILCON, the various other aspects of our military operation?

Mr. GRONE. Yes, sir. Certainly the Secretary of Defense and the Deputy Secretary of Defense and others, including most recently the Service Chiefs by letter, have spoken to the question of delay of the supplemental itself. It certainly would represent a fairly significant and very difficult harm to the mission. We certainly urge Congress to expedite consideration of the supplemental so that we can get funds to operating forces as quickly as we can.

Senator ENSIGN. When is the date that you are going to start seeing effects, the drop-dead date that we absolutely will start doing harm to our military?

Mr. GRONE. Sir, my colleague, the Under Secretary of Defense, Comptroller, keeps very careful tabs on that and, frankly, I would not want to misspeak or misrepresent a date. So I would like to get that back to you for the record.

[The information referred to follows:]

CALL TO DUTY
BOOTS ON THE GROUND

FY07 Phased Plan to Restrict Spending

15-Apr	22-Apr	6-May	13-May	20-May
Restrain Supplies	Stop shipment of non-critical goods; use least costly mode	Freeze civilian hiring from outside the Army	Cancel non-critical orders; deobligate funds	Stop new contracts and task orders
Constrain Travel	Obligate civilian payroll on a weekly basis			Stop summer and student hire programs (OCONUS exempt)
Process severable contract vehicles in 30-day increments	Process facility maintenance contracts up to point of award			Release temporary employees
Restrict Gov't Purchase Cards	Defer repair of equipment not required for next deployers			Implement selected training, maintenance, & transportation actions
Release Green Top	Request Cdr's/Staff assessment of training, maintenance, & transportation			Decision Point: 2nd Reprogramming

Feed and Forage?

10 Apr 07 For Official Use Only (FOUO)/Close-Hold/Limited Distribution (LIMDIS)

CALL TO DUTY
BOOTS ON THE GROUND

Supplemental Urgency

Assuming no reprogramming and priority of funding goes to theater, if the Army does not receive Supplemental funding:

Impacts if no supplemental by 15 April	Impacts if no supplemental by 15 May
• Curtail or suspend reserve component preparation for rotations (Home Station Unit Training) • Review and prioritize training events for next deployers • Degrades quality of life of Soldiers and their families at home stations (barracks upgrades and renovations, dining facility upgrades, fitness center upgrades, and theater renovations) • Stop the repair of downloaded equipment (hundreds of tanks, Bradleys, and other vehicles) that are being distributed to support pre-deployment training.	• Reduce reset work and outputs at Army depots • Potentially delay or curtail next 7 deploying BCT training rotations • Potentially cause additional extensions for deployed units if next-to-deploy are not ready • Delay accelerating the build of new BCTs, altering deployment timelines • Implement a civilian hiring freeze • Prohibit execution of new contracts and service orders • Suspend service contracts supporting training events and facilities • Hold or cancel repair parts orders in the non-deployed Army, directly impacting units' ability to deploy with mission capable equipment and ability to deploy with fully trained soldiers • **If no relief, invoke Feed and Forage provisions of 41 USC 11**

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Mr. GRONE. As I say, certainly from my perspective, the supplemental also carries implications for the implementation of the

pending round of BRAC. Because this round is so heavily weighted toward MILCON, because the time lines for implementation are challenging, every bit of delay that we have eats into the 70 months of implementation time that we have. Although it is quite clear that members understand the importance of funding itself, and we are very grateful for that, but the issue of delay has effect on having forces ready as we get ready to move missions, as you in your opening statement indicated, Senator, was such a strong concern of yours.

We desire to have all of our installations have adequate facilities at the point at which the new mission arrives, when personnel arrive, the mission arrives.

Senator ENSIGN. How does the delay affect cost? Does it increase costs, does it save money if you delay it, or does it have no effect?

Mr. GRONE. I think inevitably if you get into a circumstance where if the extraordinary were to happen and the $3 billion was not forthcoming, that requirement would roll into fiscal year 2008 and beyond. Given that the program is so heavily weighted toward MILCON, it is inevitable that we would see increased costs.

Senator ENSIGN. I am just talking about a delay. Let's just say the $3 billion is in there and we have a delay. We have certainly, at least anecdotally, been told that does increase the cost. If you cannot sign the contracts on time, with construction costs going up, I know certainly in my home town each month that you delay the cost of concrete, the cost of steel, the cost of all materials, continues to go up almost on a monthly basis.

Mr. GRONE. Yes, sir. We are very much concerned about that.

Senator ENSIGN. Would each one of the secretaries like to comment on the supplemental?

Mr. EASTIN. Senator, we have a little north of $2 billion hanging up in the supplemental in the BRAC area alone. What this is going to cause us to do is basically we can with the money we have, award only 36 out of 75 MILCON contracts. The rest will have to be deferred until the supplemental money comes to us, assuming it does.

As I think everybody knows, we are working against a September 15, 2011, deadline to get BRAC put together. All of these projects are interdependent. If you design something this year, you expect to begin constructing it next year, and you expect to begin constructing it at the cost that you would expect it to have put in when you had it designed.

Sticking this out another 8, 10, 12 months even, not only puts your deadline in jeopardy, but it increases your costs and fouls up other schedules that we have interrelated in the BRAC operation.

Senator ENSIGN. I know all of you so far have been concerned about just the BRAC aspect of it. But last year when the supplemental was delayed we received feedback—this was one of the things we hopefully learned from the mistake that was made last year by delaying the supplemental—that readiness was actually hurt, that training was hurt, that folks had to be laid off that were involved in training, that readiness of our troops was actually affected.

Mr. EASTIN. Let me add another aspect to it, at least as far as the Army is concerned. We went painfully, and more so embarrass-

ingly, through this type of operation last year. Rightly or wrongly, installations and base operating support (BOS), and sustainment, restoration, and modernization (SRM) happen to be a handy place that can be borrowed from while you are trying to operate the rest of the Army and run a war. So if we get pressed down to the wire and do not have enough money to pay our troops and conduct our operations in Afghanistan and Iraq, they look elsewhere within the Army to get the money. Here we are in the installation community with grass that could be cut later, roofs that could be repaired later, dining facility lines that we could stretch out another half an hour, gates that could be closed because we are only going to run them until 11 o'clock at night instead of having an extra shift at there.

What that leads to is layoffs. It leads to not paying the light bill at Fort Sam Houston, as we did last year because we had a better priority and we were pretty sure the city was not going to turn us off. Luckily, we were right. I am not sure they are going to be so patient this year when we come back.

But it hits us in the installation community in a way that perhaps people do not realize, because we are the low man on the totem pole in terms of priorities when the chips are down and we have to support our troops.

Senator ENSIGN. Any of the other secretaries want to comment?

Mr. PENN. I agree, the delay will impact our schedule. It will definitely do that. The Navy has already started working the requests for proposals to 1391, so as soon as some money hits we will be able to spend it. A delay will create a domino effect across many interrelated moves. As you said, it will affect costs.

But I am more worried about the impact it will have on our military and civilian communities. That is something we cannot measure.

Senator ENSIGN. Secretary Anderson?

Mr. ANDERSON. I have to agree with everything that I have heard coming down the table here. Quality of life is always an issue. Pushing stuff off as the year progresses, as we have done analysis, not only are you facing inflation, which is very real in many communities, Senator, as you rightfully pointed out, but as we have done our analysis prices actually creep up just as you move through the year, inflation-adjusted. As you come to the end and you rush, that drives price up.

As far as the Air Force is concerned, I do not think we have a hard broke date for our non-BRAC activities. Our people are working very hard, as Secretary Penn had suggested, in posturing everything ready to go the moment the money comes. There are some work-arounds going on, as is obvious.

On the BRAC side we do know, though, because we have detailed project plans for every single one of the BRAC actions and they are domino effect one over another. We have of course the September 2011 deadline. We estimate that if we do not get the second tranche of money by, say, July, we will begin to be hard broke on some of these projects, that they will either begin to significantly affect mission or we will have to tell you that we cannot make the 2011 deadline because of the pieces that have to come into play to make that happen.

Senator ENSIGN. Thank you.

Thank you, Mr. Chairman.

Senator AKAKA. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

That is the main reason I came to this meeting. I can remember so well last year when General Cody came around and he was really, really desperate. We were not talking about little things we could put off. They always talk about what used to be called the Real Property Maintenance (RPM) accounts. RPM accounts are now called SRM, where you do not put the roofs on and those kids, every time there is a storm, they are out there protecting their equipment.

Those things can happen. But what happens when you get to the point where we are looking at reenlistment bonuses, we are looking at widow's benefits? That is where I would like to get as specific as possible.

Secretary Grone, I was hoping we would get a more specific answer right now, because I want to stop that trauma before it gets here. If we do not exaggerate, if we do not talk about that now, we are not going to be able to get anything done. People in the United States Senate and the United States House of Representatives have to know the dire consequences of inaction, and I do not think they are getting it.

I really want you to come forth, because if we are faced with the same thing we were last year then you guys have not really done a good enough job of letting us know the crisis is coming. I know it is not so much you, but it is more the Army, I think, Secretary Eastin, than anyplace else.

So anyway, I have already beat that one up. The other thing, too, I would have to say, Mr. Chairman: These communities that are around military installations, they make commitments having to do with the BRAC policies. When they come out with this they say: All right, we will take care of housing, we will do this, some of the things, some of the health care for the troops and their kids. Quite frankly, that is predicated on the timely release of these funds to get the things done in conjunction with BRAC. So I am very much concerned about that.

Last week I was at Vicenza, Italy, where they have the Southern European Task Force and they are working on the European Airborne BCT there. They are doing a great job with the resources they have, limited resources. But I am a little bit concerned about what is going to happen there as we look at the restructuring of our European forces.

Now, some time ago I went to Bulgaria, Romania, the Ukraine, and places in Eastern Europe where they have resources available for us where they would actually billet our people. They do not have the environmental encroachment that Senator Ensign talked about. I think that is very serious. In Western Europe right now, we know there are times when they cannot use live ranges more than so many days a week and so many hours a day. We do not have that problem in some of the other places.

So I guess I just ask you to comment on what you envision the final shape of our forces in Europe and what sufficient training

grounds will be available to them as they transform into the BCTs? That is addressed to Secretary Eastin or Secretary Grone.

Mr. GRONE. Senator Inhofe, I very much appreciate the question. As we move forward with the implementation of the GDPR, we remain of the view that issues like the transition, the transformation of the 173rd at Dal Molin, Vicenza, remain very critical to our overall strategy. The notion of the use of other locations that you have suggested for training and other purposes are all critically important to us and we believe that they can continue to be executed in exactly the way we have laid it out for you previously.

Senator INHOFE. I watched Vicenza. That is where they have the 173rd. Remember when they would not let us go through Turkey to go to Northern Iraq. Those guys were up and gone. We came back, we enhanced their deployment area. In fact, if it had been raining at that time they would have had a hard time in their staging area getting that thing done. So I think that is important.

The concept of joint basing emerged out of the BRAC 2005 as a tremendous cost-saving measure. However, the Services seem to be progressing rather slowly on that. Secretary Anderson, I understand the Air Force has some concerns about that. Do you have any comments to make about that?

Mr. ANDERSON. Yes, sir, Senator. First of all, let me state that the baseline concept and purpose behind joint basing, that is to save money, to be more efficient, we could not be more behind that one at all. We think that is exactly the right way to go. Consolidating contracts, consolidating work effort, what have you, is going to save the American taxpayer money.

The question is not the "what," because I think we are all in total agreement on the what. The question is "how." Our concern is on two levels. The first is we want to make sure that as we move into this joint basing construct that quality of life is paramount in this process. The Air Force is very proud of its installations. It is very proud of the way it does quality of life for its airmen, and it is based in large part on the retention profile of the Air Force.

We want to make sure that as we move forward in joint basing that the DOD, the military, uses this as an opportunity to improve quality of life across the board, not to go to some mediocre level of quality, but to improve it for everyone, every soldier, sailor, airman, marine, and, most importantly, their families.

The "how" from our perspective is, we look at this as an opportunity to use market pressures, where you have a provider of service who provides a service for a fee, the customer who wants the service defines what the service ought to be, goes out and gets the budget to pay for that service, and then pays for it when it is appropriately delivered.

So the tension between the customer and the supplier, just like everybody deals with every day when you get your lawn mowed or you get your air conditioning fixed, we believe is the right way to go after joint basing, therefore leaving the real property and the budget, the dollars, with the customer and have a service provider provide that service at a mutually agreeable price, where that tension continues all the time.

Senator INHOFE. I think you've covered that. I wanted to ask you one more question. We talked about the synthetic fuels, the coal-

to-liquid. I was participating in the decision to try that out in the B–52. Are they using that in more than two engines at this time?

Mr. ANDERSON. Yes, sir. First of all, I really do want to thank you for your leadership last year. If it would not have been for your pushing this, we would not have had the 100,000 gallons of synfuel that we needed to complete the test.

Senator INHOFE. I think it is really critical. We never dreamed 10 years ago that we would have the needs that we would for fuel. Yet the other committee that I am on, Environment and Public Works Committee, they are opposed to the coal-to-liquid concept.

I would just like to have you, for the record, not now, give me some of the strongest points that you can give me in favor of the particular program. Would you do that?

Mr. ANDERSON. Yes, sir, I will do that.

[The information referred to follows:]

The benefits of the Air Force synthetic fuel program are numerous both from environmental as well as security and economics. The Air Force is currently testing and certifying the fleet to use a blend of synthetic fuel and JP–8. If successful, the entire Air Force fleet will be certified by 2010. It also is the goal of the Air Force to acquire 50 percent of its domestic fuel requirements from domestic alternative fuel sources by 2016. The goal is focused on acquiring a synthetic fuel blend produced by domestic plants that have carbon capture and sequestration (CCS).

The Air Force recognizes that the production of synthetic fuel from coal using the Fischer Tropsche (FT) process can produce 1.8 times as much CO2 as a conventional oil refinery. This fact makes it imperative that the production of synthetic fuel be done in an environmentally-friendly manner. In this respect, the Air Force will expect any domestic producer of synthetic fuel to use CCS technology and procedures.

It should be noted that one major difference concerning the FT process versus an oil refinery is that the CO2 is concentrated and more easily captured. An oil refinery is unable to capture the CO2 it produces. The concentrated stream of CO2 captured in the FT plant is compressed and can be sold, or sequestered in old or tired oil fields for enhanced oil recovery which has been shown to increase oil production by 300–800 percent, or it can be injected into saline aquifers or limestone for permanent storage. This technology is being studied by the Department of Energy and Environmental Protection Agency and it has been shown the United States has over 3,900 gigatons of CO2 storage capacity (11,000 GtCO2 worldwide).

In addition to capturing and sequestering the CO2, the Air Force and Department of Energy are looking at adding biomass to the coal feedstock to further reduce the CO2 emissions. Biomass is considered CO2 neutral because it captures CO2 during its life. Current testing is focused on introducing 20–30 percent biomass to the feedstock (coal).

The FT process has the ability to extract the mercury, ammonia nitrate, sulfur, and other chemical properties in coal that can be used for other products, i.e. fertilizer and munitions. This serves to produce a synthetic fuel that is free of SOx and has very little particulate matter. If the FT process is tuned to make clean diesel, the fuel has shown decreased levels of NOx.

The testing performed on the TF–33 engines on the B–52 has shown that CO2 is reduced 1.6–2.0 percent from the exhaust (after being burned). While not substantial it is a reduction that is beyond that of oil-based fuels.

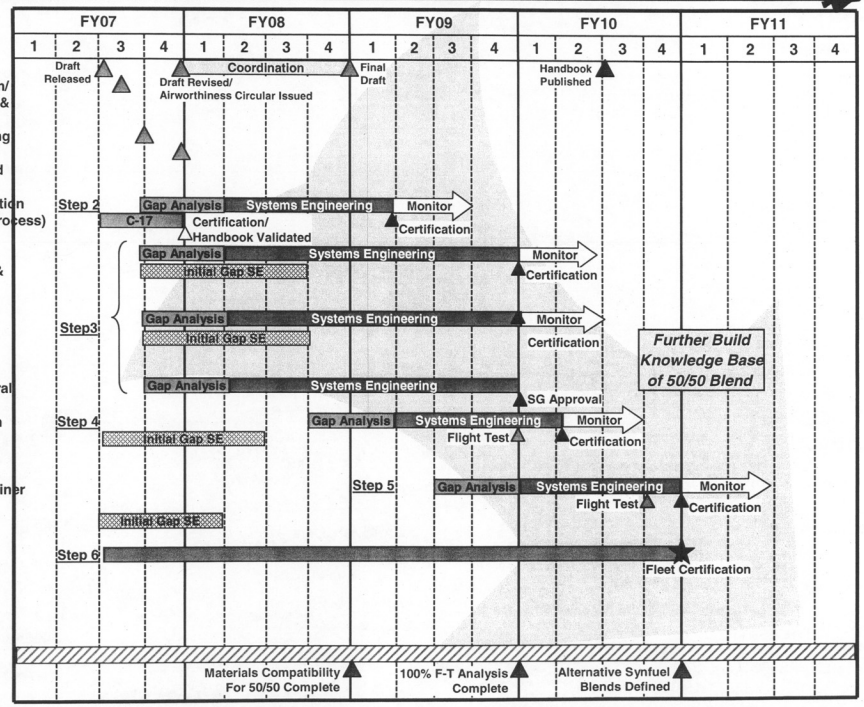
The implementation of new ultra-low sulfur diesel fuel standards in the United States has the potential of making FT coal to liquids a substantial source of "clean diesel" in the near future.

Thank you for the opportunity to provide this expanded, written response to your question. I have attached a copy of the Air Force's schedule for testing and certifying the entire fleet. I thought you would find it of interest based on your strong support of this program.

If you should have any additional questions concerning the Air Force's work with synthetic fuels, please feel free to contact me at anytime.

Proposed Schedule

Fleet Certification – F-T/JP-8 (50/50) Blend



Senator INHOFE. Thank you.

Thank you, Mr. Chairman.

Senator AKAKA. Thank you.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

Secretary Grone, it is really a challenge you are facing. We have the redeployment from Europe. Our goal is to bring about 70,000 back from Europe. You have the South Korean move, 10,000, 12,000, 15,000 from South Korea. We are moving from Okinawa to Guam, I know. Then the end strength increases that have been projected for the military, and the whole BRAC transformation at the same time.

I guess my question to you is, are we possibly on course to do that? Do we really have the money in the budget and the supplemental to get there? If not, how much more do we need? Because I think these are all good decisions. I support the BRAC. I really support the European reduction. There is no reason for us not to do that. Senator Chambliss, Senator Enzi, and I visited Ramstein, Brussels, Vicenza, Rota, Sigonella, and Naples a couple of years ago. Those, I believe, will be surviving bases.

But all of this was to discuss the realignment in Europe. Are we on track? Can we do it with what you have been given?

Mr. GRONE. Senator Sessions, certainly from the perspective of finances we continue to be on track. The budget request contains a number of initiatives, to include facilities for the 173rd at Vicenza. It includes funding to continue the return of forces from Germany to the United States through the BRAC process.

Each of these major initiatives that you have mentioned has a funding stream almost solely dedicated to themselves. One of the things that we will do for you is to demonstrate how those funding streams are related to the initiative, so you can see where they are in the budget and how they are financed, because it is an enormously complicated, complex process, as you described, where we have issues associated and financing associated with "Grow the Force," BRAC, the regular MILCON program, global defense posture. All of those initiatives are out there. All of them are present to one degree or another in the various funding proposals that are currently pending before Congress.

I do believe that we are generally on track with what we desire as a Department to accomplish. Timely receipt of those funds, of course, is a major factor in that equation, as well as receiving the funds that we've requested for those purposes is a major part of that equation.

So certainly we look forward to working with you. But yes, I do believe that we are well-positioned from a budget and program perspective to accomplish a good deal of what we have laid out for you.

Senator SESSIONS. Mr. Chairman, I am not sure. I believe it was Secretary Rumsfeld or senior DOD leaders that talked about the advantages of consolidation of bases. One of them is, someone expressed a goal that the average soldier could expect in his deployments to stay at a given base for as long as 7 years. The bigger the base is, the more chance you have to be promoted and not have to be moved, and that sort of thing.

Maybe, Secretary Eastin, you would comment on the quality of life for soldiers. Is there any hope or plan that we might be able to create stronger bases, larger bases, so that it would reduce perhaps the number of moves a family might expect in a person's career?

Mr. EASTIN. I cannot say that it is going to reduce them substantially. But what we have right now is a continual in-and-out of troops going through, going to the front, with the pressures on their families that they have.

Senator SESSIONS. But those families get to stay at the facility and you would expect the soldier to return to that facility.

Mr. EASTIN. Yes, I would.

Senator SESSIONS. If you come up for promotion or some other cause, and you are moved from one base to another, would it reduce the number of moves for that reason?

Mr. EASTIN. I would once again not want to step out of my lane and affect what other senior Army leaders might want to do about moving people around. The tendency, of course, is to maintain as much flexibility as you have. If you need a major someplace and you do not need one where he happens to be, the Army has a criticality of needing to move him or her to the other place.

Of course, the larger the operation, the larger the installation you have, the more opportunities there are going to be on that particular place. But it might be just coincidental that where that major would be needed would be on, say, Fort Bragg when they had been living at Fort Bragg.

What we are trying to do is to keep them in the Army, and you keep them in the Army by providing them a quality of life that is roughly equivalent to what they might get in the private sector, especially the quality of life for their families. While they are deployed, they want to know that their families are safe, and well-provided for, back in the States. So that is our goal here in the Army installation community.

Senator SESSIONS. I could not agree with you more. We are asking incredible things of our men and women in uniform and they are being deployed far more regularly in harm's way than we would like that to be. They have performed exceedingly well, and reenlistment has remained high. I do not know in the last couple of months, but last year it was remarkably high in light of the demands we are placing on them.

So I am concerned that we not go too far and that we have to think about the quality of lives, the men and women who serve. That means better housing. It means I think where possible longer stays at posts. Wives often have jobs. Kids are in school.

I do not know if any of the others would like to share thoughts with that. But I assume those are factors that are involved in any of your decisions about BRAC or redeployment.

Mr. PENN. That is correct.

Senator SESSIONS. When we look at the challenges that we face, I believe that we need to complete the move from Europe. In fact, I have doubts whether we should keep as many troops in Europe as we presently are planning to keep. I believe we should move forward with the South Korean redeployment, pulling those numbers down from well in the 30,000s now. For over 50 years we have been

there. South Korea is a healthy, strong, vibrant, free country that all of us can be so proud of, and I think they are willing to accept more responsibility.

I absolutely do not believe, Mr. Chairman, that anybody should see the reductions that we are planning to undertake in South Korea as any sort of lack of commitment to South Korea and its independence, its willingness to help them resist any attack from the North that could come. I think, in fact, we will be better positioned and better able to do that.

So we have a lot of movement going on. You have been really challenged. General Schoomaker in his last testimony talked about these delays in getting the supplemental done, the raiding of accounts and budgets that come as a result of it, coming from your accounts often times. He said it was like wading through a bog waste-deep, trying to do your job, fight a war, deploy and redeploy all these people, and then never know whether you have the money to do so.

We need to do better. It does cost us in any number of ways, I think, when we are unpredictable in Congress in meeting the commitments that we have given you and that we have approved and we have said we want you to do. So I believe we can do better.

Mr. Chairman, thank you so much.

Senator AKAKA. Thank you very much, Senator Sessions.

I want to thank the witnesses today. As was mentioned by Senator Sessions, we have huge challenges ahead of us. We look forward to the 21st century and all of these movements are parts of that. I just wanted you to know that our feeling here is that we want to work together with you in trying to do the best we can for our troops, and especially for our country. We are doing this together and I look forward to continuing to do that.

So again, thank you so much for your responses. This hearing is adjourned.

[Prepared questions submitted to Hon. Philip Grone prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

POLICY ON MILITARY CONSTRUCTION ON LEASED LAND

Question. What is the Department of Defense's (DOD) policy on the use of military construction (MILCON) funds to construct facilities on land that is leased from a non-Federal entity?

Answer. 10 U.S.C. 2852 and 10 U.S.C. 18239 (for Reserve components) provide for the waiver of certain restrictions, one of which is ownership in fee simple of the underlying land to accommodate a MILCON project. A MILCON or family housing project may proceed if the Secretary concerned determines that the interest to be acquired (lease, easement, et cetera) is sufficient to support the project.

The Department prefers to own the land upon which MILCON funds are used to construct facilities. If the land is not held by the government, the Department should have sufficient real property interests in order to protect the Federal Government's interests and investment.

Question. If no policy exists, what guidance is provided to the military departments and defense agencies regarding the use of MILCON on leased land?

Answer. Guidance to the components is provided in DODI 4165.71, Real Property Acquisition.

Question. Does the DOD currently lease land on which MILCON funds have been used to construct facilities?

Answer. Yes, the Air Force (Active, Reserve, and Air National Guard) has several long-term leases at airports where MILCON funds have been used. Section 801 housing is also on leased land. DODI 4165.71, Real Property Acquisition, states that

if the Government's requirement cannot be reasonably met by fee simple acquisition than a lesser interest may be acquired. The lease must be for a government purpose.

Question. If so, what are the general terms of the leases and specifically the status of the ownership of improvements upon the land upon termination of the ground lease?

Answer. DODI 4165.71 states that if DOD plans to construct facilities, then the lease must address the disposition of the facilities at the end of the lease.

ASSESSING THE 2005 DEFENSE BASE REALIGNMENT AND CLOSURE ROUND

Question. How would you assess the success of the 2005 Defense Base Realignment and Closure (BRAC) round?

Answer. I would assess the success of the 2005 round in terms of meeting a series of key strategic objectives. Among the objectives the Department established were:

- Supporting force transformation through global repositioning, modularity, and Total Force management (IGPBS and Modularity).
- Rebasing forces and missions to address strategic threats and force protection considerations.
- Consolidating business-oriented support functions.
- Promoting joint and multi-Service missions and basing.
- Achieving savings.

The BRAC 2005 process strengthened national security by reshaping the domestic installations at which U.S. military forces perform their assigned missions and aligns the Department's base structure with the force structure that is expected to be needed over the next 20 years. Additionally, the recommendations accommodate the Department's global reposturing of its forces; facilitate the ongoing transformation of U.S. forces to meet the challenges and opportunities of the 21st century; and restructure important support functions to capitalize on advances in technology and business practices.

Question. Are all BRAC 2005 business plans fully funded through 2011 in the President's budget request for fiscal year 2008? If not, what is the current funding shortfall by Service?

Answer. Yes—the business plans are fully funded through 2011.

STATUS OF FORCES AGREEMENT FOR OVERSEAS MILITARY CONSTRUCTION

Question. What is the current DOD policy on MILCON in foreign countries that have not entered into a Status of Forces Agreement (SOFA) with the United States? In absence of a SOFA, what other types of agreements are required?

Answer. SOFAs concern themselves primarily with privileges and immunities for DOD personnel (i.e.. entry/exit, jurisdiction, taxation). They do not normally address access to facilities and construction, et cetera.

For a project to qualify as MILCON, it must be on a military installation. In the case of an activity in a foreign country, that means property "under the operational control of the secretary of a military department or the Secretary of Defense, without regard to the duration of operational control." Whatever the nature of the agreement with a foreign country, the Department ensures it has "operational control" before undertaking MILCON.

GLOBAL DEFENSE POSTURE

Question. What is the status of the implementation of the Integrated Global Presence and Basing Strategy, now known as the Global Defense Posture (GDP) Realignment?

Answer. During the past year, DOD has made important strides in transforming its GDP and associated infrastructure needs. The objective is to realign and reshape the structure of installations abroad to better support individual services and joint warfighting needs while making the best use of limited defense resources. Funding for the GDP program for fiscal years 2008–2011 is $3.7 billion; of which $1.7 billion is funded through the BRAC 2005 account. The Department continues to review its requirements on a global scale and lo implement the plan.

USE OF SERVICE CONTRACTS FOR FACILITY LEASING AND MILITARY CONSTRUCTION ACTIVITIES

Question. What is the current DOD policy on the use of service contracts to enter into contracts for the lease of facility space or to construct or improve facilities?

Answer. Our policy is simple and straight forward. We do not condone the use of services contracts to procure office space or to construct or improve facilities.

STANDARDS FOR DOD MEDICAL FACILITIES

Question. Does the Department have a standard or guidance regarding the minimally acceptable condition of DOD medical facilities? If so, how are these standards enforced?

Answer. DOD meets the same facility condition requirements as the private sector and are inspected/accredited by the same agency, the Joint Commission on Accreditation of Health Care Organization. In addition, DOD requires medical facilities to comply with DOD-wide criteria assessment and reporting requirements through the military departments. Each facility is inspected on an annual basis at the installation level to ensure adherence to these condition standards.

REQUIREMENT FOR STRATEGY FOR URBAN OPERATIONS TRAINING FACILITIES

Question. Section 2808 of the National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364) prohibits the DOD from carrying out projects to construct facilities to provide training in urban operations, such as Combined Arms Collective Training Facilities, until the Secretary of Defense approves a strategy for such operations that would establish the requirements for such facilities. The Under Secretary of Defense (Personnel and Readiness) is also required to certify that such projects comply with this strategy, once it has been approved.

Is the DOD in compliance with this provision? When did or will the Secretary approve a strategy for facility requirements to support training in urban operations?

Answer. The Department is complying with the provision. The Office of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) is implementing the strategy through issuance of DOD Instruction 1322.27, dated April 13, 2007. Certifications arc expected to be signed by the USD(P&R) by early May.

ENHANCED USE LEASES

Question. Has the DOD issued guidance to the military departments and defense agencies about the use of transparent, competitive procedures to assess, review, and carry out transactions for enhanced-use leases?

Answer. DOD is in the process of considering the issuance of Enhanced Use Lease (EUL) policy guidance that would standardize the process Department-wide and provide general guidelines for assessing, reviewing, selecting, and executing EULs.

All EULs are accomplished in accordance with OMB Circular A–11 which provides the OMB scoring rules for lease-purchases and leases of capital assets.

CHILD CARE FACILITIES

Question. Does the DOD have a position on extending the temporary authority provided by section 2810 of the National Defense Authorization Act for Fiscal Year 2006 for increased MILCON thresholds to construct child development centers, which is set to expire on September 30, 2007?

Answer. In recent testimony before the House Armed Services Subcommittee on Military Personnel, the Deputy Under Secretary of Defense for Military Community and Family Policy requested that the authority to construct child care development centers with operations and maintenance funding be extended.

POLICY ON USE OF FUNDS FOR LAND PURCHASES IN ACCIDENT POTENTIAL ZONES

Question. What is the Department's policy on the use of government funds to purchase land in accident potential zones (APZs) adjacent to runways?

Answer. DOD Instruction 4165.57 covers use of government funds to purchase land in airfield APZs. That policy states (4.2.2.2.2) that Services should "program for the acquisition of interests first in APZs and second in high noise areas only when all possibilities of achieving compatible use zoning, or similar protection, have been exhausted and the operational integrity of the air installation is manifestly threatened."

LEGAL IMPACT OF PROHIBITION OF CLOSURE OF WALTER REED

Question. What is the Department's legal interpretation of the impact of section 1906 of H.R. 1591, as passed by the House of Representatives on March 23, on the Department's ability to construct new medical facilities at Fort Belvoir, VA, and Bethesda Naval Medical Center, MD, pursuant to the 2005 base closure recommendations?

Answer. Undertaking a legal interpretation prior to receiving enacted legislation is premature. The Department strongly opposes any provision that would alter the approved recommendations of the 2005 BRAC Commission. The BRAC process, as

authorized by Congress, requires that both the President and Congress approve or disapprove the Commission's recommendations in their entirely to allow the process to remain apolitical. Legislating a specific change to a BRAC Commission recommendation would adversely affect the integrity of the BRAC 2005 process.

[Prepared questions submitted to Hon. Keith E. Eastin prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

IMPROPER USE OF OPERATIONS AND MAINTENANCE FUNDS

Question. Can you provide the status of the Army investigations, including investigations of potential Anti-Deficiency Act violations, into the use of operations and maintenance funds for military construction and procurement activities through the Logistics Civil Augmentation Program (LOGCAP) in Iraq?

Answer. The Army opened five investigations of potential Antideficiency Act violations related to the potential improper use of operations and maintenance funds for the procurement of items through LOGCAP. Cumulative dollar value of the five investigations is approximately $38 million. Army tasked the Department of Defense (DOD) Inspector General to conduct one of the five investigations due to potential involvement of senior level personnel.

Completed investigations are provided to Congress and include the nature of the violation, accountable personnel, and disciplinary action taken.

Question. What is the status of the Army Audit Agency (AAA) report on the expenditure of operations and maintenance funds in support of the development and construction of the National Museum of the United States Army at Fort Belvoir, VA?

Answer. The AAA completed their report on 31 January 2007. The AAA analysis covered contract actions from fiscal year 2003 through fiscal year 2005, as well as fiscal year 2006 contract solicitation requirements.

The executive summary of the audit found the Center for Military History (CMH) and its National Museum Division failed to follow all of the required procedures for: setting contract requirements, using the proper type and fiscal year of funds to execute contracts, providing the necessary guidance for contractor personnel, and accounting for property furnished to contractors. Several recommendations were issued, which the Army and CMH agreed with, and the recommendations are being implemented. The key recommendations implemented were to enhance training for personnel overseeing contract performance, as well as cancelling a draft contract solicitation.

The Army is currently conducting two separate investigations of potential Antideficiency Act violations involving the potential improper use of operations and maintenance funds in support of the National Museum of the United States Army.

MILITARY CONSTRUCTION AT DAL MOLIN, ITALY

Question. Has the Government of Italy authorized the United States to commence military construction at Dal Molin, Italy? If not, when is this approval expected?

Answer. No, not yet; formal approval is expected within the next few days, as Italian Defense Minister Parisi told U.S. Ambassador Spogli on 3 April 2007. According to Minister Parisi, U.S. embassy officials in Rome should receive formal approval sometime the week of 9–13 April 2007.

Question. When will a contract for the military construction authorized in fiscal year 2007 be awarded?

Answer. The fiscal year 2007 projects are slated for award in September 2007.

WALTER REED ARMY MEDICAL CENTER

Question. What is your position on proposals to delay, reverse, or accelerate the 2005 Defense Base Realignment and Closure (BRAC) decision related to the Walter Reed Army Medical Center?

Answer. Soldiers are the centerpiece of our Army, and the quality of their care is non-negotiable. Closing Walter Reed, as required by BRAC law by September 15, 2011, will improve the health care of our servicemembers and their families.

The Army is opposed to reversing the current BRAC recommendations for WRAMC. The implementation of the recommendation is necessary to replace and expand the Army Community Hospital at Fort Belvoir and construct and expand facilities at Bethesda, to be named Walter Reed National Military Medical Center.

When the projects are completed, we will be better equipped to provide world class health care for soldiers, veterans, and their families well into the future.

Proposals to accelerate the BRAC projects at Bethesda and Belvoir are currently being evaluated.

Question. In your opinion, will the BRAC Business Plan for the closure of Walter Reed, which is managed by the Department of the Army, result in adequate capabilities and facilities being built at the designated receiving locations?

Answer. BRAC Business Plan 169, Walter Reed, is developed with input from physicians, medical support personnel, architects, and engineers. The plans are formally coordinated with the Navy, Air Force, Medical Joint Cross Service Group, and TRICARE Management Activity/Health Affairs. All concurred that the scope and cost of the projects in the business plan provide adequate capabilities and facilities required at the designated receiving locations.

REQUIREMENT FOR STRATEGY FOR URBAN OPERATIONS TRAINING FACILITIES

Question. Section 2808 of the National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364) prohibits the DOD from carrying out projects to construct facilities to provide training in urban operations, such as Combined Arms Collective Training Facilities, until the Secretary of Defense approves a strategy for such operations that would establish the requirements for such facilities. The Under Secretary of Defense (Personnel and Readiness) (USD(P&R)) is also required to certify that such projects comply with this strategy, once it has been approved. Is the Department of the Army in compliance with this provision?

Answer. At this time the DOD Instruction 1322.jj which establishes an overarching Urban Training Facilities Strategy has not been approved by the Secretary of Defense. According to USD(P&R) it is in the final stages of the approval process and should be approved within the next week. The Army has submitted the fiscal year 2007 and fiscal year 2008 Urban Operations Training facilities project lists and has received notification from USD(P&R) that they meet the requirements of the strategy. Once the strategy has been approved the DOD can certify the projects and will notify Congress.

SUSTAINMENT, RESTORATION, AND MODERNIZATION ACCOUNTS

Question. Do you believe the amount requested for sustainment, restoration, and modernization in the President's budget request for fiscal year 2008 is adequate?

Answer. Yes. The Army is requesting 86 percent of the DOD Facility Sustainment Model and intends to achieve 90 percent level of effort through efficiencies.

Question. What is the Department of the Army doing to identify and, if necessary, correct facility conditions similar to those found at Building 18 at Walter Reed Army Medical Center that may exist at other medical hold facilities across the Army?

Answer. Installation Management Command (IMCOM) MHO facilities meet life/health/safety standards.

Garrisons reviewed their requirements to support the MHO program. Thirty-nine projects totaling $24 million were tentatively identified.

These projects focus on improving quality of life and increasing our capability and capacity to support current and future MHO populations.

We will further canvass installations for any additional projects and conduct an analysis of all projects to ensure they comply with all applicable statutes and makes the best use of taxpayer dollars.

POLICY ON USE OF FUNDS FOR LAND PURCHASES IN ACCIDENT POTENTIAL ZONES

Question. What is the Department's policy on the use of government funds to purchase land in accident potential zones adjacent to runways?

Answer. The Department of the Army follows DOD policy set forth in DOD Instruction 4165.57 on use of government funds to purchase land in airfield accident potential zones (APZs). That policy states, ". . . program for the acquisition of interests first in Accident Potential Zones and second in high noise areas only when all possibilities of achieving compatible use zoning, or similar protection, have been exhausted and the operational integrity of the air installation is manifestly threatened."

In compliance with that policy, when local governments do not enact effective land use controls to prevent incompatible development or where it believes existing zoning will not be an effective long-term strategy due to local development pressures, the Army attempts to acquire appropriate interests in lands in APZs. When acquisition of an interest in real property interests is required to protect operational integrity, the Army seeks to prevent development or use of property in APZs that would

be incompatible with the mission of the installation by entering into agreements with eligible entities using authorities in section 2684a of title 10, U.S.C. Budgeting for acquisition of property interests as part of the military construction program is only considered when these measures are not practicable or effective.

[Prepared questions submitted to Hon. B.J. Penn prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

OUTLYING LANDING FIELD, WASHINGTON COUNTY, NC

Question. What is the status of the Navy's plan related to the outlying landing field (OLF) in Washington County, NC?

Answer. The proposed OLF will add an essential training capability to support the East Coast basing of the F/A–18 E/F Super Hornet at NAS Oceana, VA, and MCAS Cherry Point, NC. On February 23, 2007, Department of the Navy published the draft Supplemental Environmental Impact Statement (SEIS) for public review and comment. The public comment period on the draft SEIS, originally scheduled to close on April 24, 2007, has been extended until May 9, 2007, to assure that all interested parties have the opportunity to provide comments on this important matter. Public hearings have been held in Perquimans, Bertie, Washington, Hyde, Craven, and Beaufort Counties. An additional public hearing is scheduled in Charlotte on April 17. The Navy will fully consider all comments received during the comment period, and will respond to such comments in the final SEIS, scheduled for completion in fall 2007. Not less than 30 days following publication of the final SEIS, the Assistant Secretary of the Navy (Installations and Environment) may sign a Record of Decision (ROD).

Unless constrained by further legal actions, after the ROD the Navy will commence activities to implement the decision, which would include acquisition of required property interests (fee title and/or easements) and project design and construction. We expect that property acquisition activities would commence in fiscal year 2008, and that the OLF will be fully operational by 2012.

Question. What is the status of the SEIS?

Answer. On February 23, 2007, Department of the Navy published the draft SEIS for public review and comment. The draft SEIS provides additional analysis of potential environmental impacts of construction and operation of an OLF at five alternative OLF sites while addressing the SEIS deficiencies identified by Federal district and appellate courts. The draft SEIS is the culmination of 20 weeks of fieldwork and 12 technical reports produced through consultation with the U.S. Fish and Wildlife Service (Cooperating Agency), wildlife experts, and acoustic engineers. The Navy obtained the services of three noted waterfowl experts (PhDs) to provide technical expertise and independent peer review of the study.

As noted above, the public comment period on the draft SEIS, originally scheduled to close on April 24, 2007, has been extended until May 9, 2007, to assure that all interested parties have the opportunity to provide comments on this important matter. The Navy is holding seven public meetings during the public comment period to receive comments on the draft SEIS from interested parties. Each public meeting is preceded by an open information session to enable interested parties to review information presented in the draft SEIS. The Navy will fully consider all comments received during the comment period, and will respond to such comments in the final SEIS.

We are aware from media reports of Senator Dole's letter to the Secretary of the Navy regarding OLF, but have not received a copy. We will respond to her concerns upon receipt of the letter.

Question. What further actions by the Department of the Navy are required to satisfy the legal requirements of the Federal court?

Answer. The Department of the Navy must complete and publish a SEIS that addresses the deficiencies in the 2003 final EIS identified by the Federal district and appellate courts, and publish a ROD.

REQUIREMENT FOR STRATEGY FOR URBAN OPERATIONS TRAINING FACILITIES

Question. Section 2808 of the National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364) prohibits the Department of Defense from carrying out projects to construct facilities to provide training in urban operations, such as Combined Arms Collective Training Facilities, until the Secretary of Defense approves a strategy for such operations that would establish the requirements for such facili-

ties. The Under Secretary of Defense (Personnel and Readiness) is also required to certify that such projects comply with this strategy, once it has been approved. Is the Department of the Navy in compliance with this provision?

Answer. The Department of the Navy is in compliance with this provision and the proposed DODI "Urban Training Facilities" 1322.XX instruction. Final approval of the instruction is currently in staffing. P–1063 Military Operations in Urban Terrain Enhancements at Camp Lejeune has been reviewed and certified by the Deputy Under Secretary of Defense (Personnel and Readiness) Urban Training Facilities Review Group as being an appropriate and valid project. P971C at Twentynine Palms is an additional phase of a previous congressionally-approved project and as such does not need to be further validated. This project will be funded with fiscal year 2008 Grow the Force military construction (MILCON) funds.

SUSTAINMENT, RESTORATION, AND MODERNIZATION ACCOUNTS

Question. Do you believe the amount requested for Navy and Marine Corps Sustainment, Restoration, and Modernization (SRM) in the President's budget request for fiscal year 2008 is adequate?

Answer. SRM funding requirements are based on a mature DOD model with inputs from the Services and which uses industry standards for comparable types of facilities. As a general rule, I believe the Department of the Navy should sustain its existing facilities, or dispose/demolish excess inventory before building new facilities. Both the Navy and Marine Corps opted to take additional risk compared to previous budgeted levels by reducing SRM in fiscal year 2008 and applying the asset to other priorities:

	Budgeted percent of model requirement		Funding to achieve 100 percent of model requirement
	2007	2008	
Navy	95	83	$240 million
Marine Corps	93	89	$63 million

With limited SRM Funds, facility managers at the installation level will have to prioritize requirements and execute only critical sustainment project with limited or no renovation and modernization projects in fiscal year 2008, particularly for the Navy.

While the DOD goal of 100 percent sustainment may be a bit ambitious given the risk routinely taken in other DOD programs, I would prefer that Navy and Marine Corps budgeted and executed facilities sustainment in the range of 93 to 95 percent of the model requirements. I have accepted the risk proposed by the Navy and Marine Corps as an exception, and hope to raise facility sustainment levels in future budgets to where I believe they belong. The Navy has committed to an enhanced effort to reduce the existing inventory through demolition and footprint reductions.

POLICY ON USE OF FUNDS FOR LAND PURCHASES IN ACCIDENT POTENTIAL ZONES

Question. What is the Department's policy on the use of government funds to purchase land in accident potential zones adjacent to runways?

Answer. The Department of the Navy follows DOD policy set forth in DOD Instruction 4165.57 on use of government funds to purchase land in airfield accident potential zones (APZs). That policy states, ". . . program for the acquisition of interests first in Accident Potential Zones and second in high noise areas only when all possibilities of achieving compatible use zoning, or similar protection, have been exhausted and the operational integrity of the air installation is manifestly threatened."

Consistent with that policy, Department of the Navy seeks to acquire interests in lands in APZs when local governments do not take pro-active and effective measures to prevent incompatible development through land use controls. When acquisition of property interests is indicated to protect operational integrity, Department of the Navy seeks first to prevent development or use of property in APZs that would be incompatible with the mission of the installation by entering into agreements with eligible entities using authorities in section 2684a of title 10, U.S.C. Budgeting for acquisition of property interests as part of the MILCON program is only considered when these measures are not practicable or effective.

[Prepared questions submitted to Hon. William C. Anderson prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

STATUS OF ENVIRONMENTAL IMPACT STATEMENT

Question. What is the current status of the environmental impact statement (EIS) related to the realignment of special operations missions to Cannon Air Force Base (AFB), NM? If not yet completed, what is the schedule?

Answer. The EIS is on schedule to meet beddown requirements.

EIS Timeline: July 2006–September 2007.

Public scoping meetings held: Noise, public leases and range fires from air operations were main issues.

Public release of Draft EIS: 30 Mar 07 (starts 45-day comment period).

Public hearings: April 2007—scheduled the week of April 16.

Projected date to sign Record of Decision: September 2007.

FACILITY RECAPITALIZATION RATE

Question. What is the facility recapitalization rate for the Air Force, with and without consideration of the amounts for the 2005 base closure round, as reflected in the President's budget request for fiscal year 2008?

Answer. BRAC reduces the overall Air Force recap rate by 56 years in fiscal year 2008. The Active Duty recap rate includes those large infrastructure projects that contribute to total force training and mission. The following table shows the Air Force recap rates as reported in the Office of the Secretary of Defense facility database:

Air Force	Fiscal Year 2008
Without BRAC	153
With BRAC	97

ACCIDENT POTENTIAL ZONES

Question. What is the Department's policy on the use of government funds to purchase land in accident potential zones adjacent to runways?

Answer. The Air Force policy is to not use government funds to acquire real estate interest in the accident potential zones. The Air Force endeavors to only acquire the minimal interest necessary to protect the Air Force mission.

SUSTAINMENT, RESTORATION, AND MODERNIZATION

Question. Do you believe the amount requested for Air Force sustainment, restoration, and modernization (SRM) in the President's budget request for fiscal year 2008 is adequate?

Answer. Fiscal year 2008 President's budget request adequately funds Air Force Total Force SRM to include addressing our most critical facility and infrastructure mission requirements. The funds will preserve the value of existing investment in facilities and infrastructure by maximizing service life and preventing premature deterioration, in essence keeping good buildings good. Air Force recognizes adequate FSRM is a mission readiness issue, and investment in infrastructure translates to readiness of Air Force power projection platforms.

Question. What is the current status of the Air Force initiative to purchase land in the clear zones and aircraft accident potential zones at Luke AFB, AZ?

Answer. Congress specifically provided $13 million in fiscal year 2003 and $14.3 million in fiscal year 2004 for acquisition of land in the clear zones (CZs) and accident protection zones (APZs) at Luke Air Force Base. To date, $12.6 million of the fiscal year 2003 appropriation and $7.0 million of the fiscal year 2004 appropriation have been obligated. We arc proceeding in the following order: addressing CZs first and then addressing APZs. The Air Force is moving forward consistent with its policy to acquire the minimal interest necessary to protect the Air Force mission.

LEGISLATIVE PROPOSAL ON THE AIR FORCE MEMORIAL.

Question. What are the estimated annual costs to the taxpayer should the Department of Defense legislative proposal regarding the management, maintenance, and repair of the Air Force Memorial be enacted?

Answer. The estimated annual costs for maintenance of the memorial are $376,000. Maintenance includes grounds and landscaping; custodial services; pest control; snow removal/ice treatment; trash removal; spiral cleaning; and O&M services. The Pentagon Force Protection Agency baseline program has been supple-

mented to cover the incremental $135,000 annual cost for protection of the memorial.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

AFRICAN COMMAND

1. Senator LEVIN. Mr. Grone, what are the potential overseas basing implications related to the establishment of the African Command?
Mr. GRONE. [Deleted.]

2. Senator LEVIN. Mr. Grone, are permanent bases envisioned as part of the new command?
Mr. GRONE. [Deleted.]

3. Senator LEVIN. Mr. Grone, what criteria will be used to determine the size, location, and management of these locations, including the site of a permanent headquarters somewhere on the continent?
Mr. GRONE. [Deleted.]

4. Senator LEVIN. Mr. Grone, what, if any, additional cooperative security locations does the Department of Defense (DOD) hope to establish in Africa? What is the estimated cost of establishing and operating these locations?
Mr. GRONE. [Deleted.]

DJIBOUTI

5. Senator LEVIN. Mr. Grone, what, if any, plans does DOD have to expand the size of military presence and/or facilities (temporary or permanent) at Camp Lemonier in Djibouti?
Mr. GRONE. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

TRAINING RANGE EXPANSION AT TWENTYNINE PALMS, CA

6. Senator AKAKA. Secretary Penn, the proposal to increase the size of the Marine Corps is likely to require additional training space. I understand the Marine Corps believes there is the potential to expand its premier training facility at Twentynine Palms, CA. Is the Navy going to move quickly to reach the agreements necessary to expand your training range and then fund those agreements?

Mr. PENN. The Marine Corps has identified a requirement to conduct large-scale Marine Air Ground Task Force (MAGTF) training exercises to allow for the training of three to four battalions simultaneously in live-fire MAGTF operations. The DOD currently lacks a comprehensive training opportunity that exercises all elements of the MAGTF beyond two battalions simultaneously in an environment that replicates current operational conditions—something that is critical for our forces in today's deployed environment and which will meet future warfighting capabilities and technology. The Marine Corps prepared a Required Capabilities Document (RCD) that defined the optimum land area requirements for this training. The RCD, along with other documented studies, supported the requirement for extensive contiguous land areas capable of supporting live-fire and maneuver training. The Marine Corps has proposed that the Marine Corps Air Ground Combat Center, Twentynine Palms, CA, be considered to accommodate this requirement by the acquisition of an additional 198,000 acres of land at Twentynine Palms. The land considered for acquisition is approximately 95 percent government-owned, undeveloped, and managed by Bureau of Land Management with the remaining 5 percent owned privately. Acquisition is planned to occur in fiscal year 2012 and fiscal year 2013 through a combination of public land withdrawal and fee simple acquisition pending the successful completion of environmental analysis and documentation. Funding for the acquisition is included in the fiscal year 2008 Future Years' Defense Plan (FYDP), beginning in fiscal year 2012.

7. Senator AKAKA. Secretary Penn, I am not aware of such initiatives in the 2008 budget request, yet if you are serious about growing the force, isn't this an essential part of that effort?

Mr. PENN. Having adequate, state-of-the-art training facilities is absolutely critical to our requirement to train marines for current and future MAGTF operations. The expansion of the Marine Corps' premier training facility at Twentynine Palms is a key element in being able to meet this requirement, particularly in our efforts to grow the force. Fiscal year 2007 appropriations included funding to begin the National Environmental Policy Act (NEPA) process, real estate assessment, and encroachment control plan development for the expansion effort at Twentynine Palms. Approximately $50.3 million has been programmed for this initiative in the fiscal year 2008 FYDP.

MARINE CORPS "GROW THE FORCE" PROJECTS

8. Senator AKAKA. Secretary Penn, the President's budget requested $361 million as a lump sum place-holder for Marine Corps "Grow the Force" military construction projects, plus an additional $57 million for unspecified family housing construction funds. The Department has yet to provide the necessary information to Congress on the locations or specific projects for which these funds are being sought. Please provide this information as soon as possible.

Mr. PENN. The Marine Corps is currently completing a cost review of the individual military construction projects associated with the $361 million lump sum place-holder. The detailed project documentation will be provided once this cost review is complete this month.

The Marine Corps included project documentation for the individual family housing projects with the detailed budget submission provided to Congress in February 2007.

9. Senator AKAKA. Secretary Penn, is an environmental impact statement (EIS) required before these funds can be executed? Please provide a proposed timeline for any such EIS.

Mr. PENN. The Marine Corps will comply with the requirements of the NEPA in executing Grow the Force actions for both temporary and permanent beddown of marines.

An EIS will be required for proposed Grow the Force actions at MCB Camp Lejeune, MCAS New River, and MCAS Cherry Point, NC. At this time other Marine Corps installations are planning environmental assessments and the use of categorical exclusions where appropriate.

ARMY "GROW THE FORCE" PROJECTS

10. Senator AKAKA. Secretary Eastin, the President's budget requested over $2 billion in lump-sum amounts for military construction and family housing as a place-holder for the Army's "Grow the Force" proposal. Please provide the specific locations and projects for which these funds are being sought, including the intended function of the new companies or other units that would be based in these new facilities. Please provide this information as soon as possible.

Mr. EASTIN. Detailed project information for the $2.3 billion requested for Army growth in fiscal year 2008 was provided to Congress at the end of March 2007. This $2.3 billion in military construction funding includes $1.76 billion in critical Combat Support and Combat Service Support requirements, $266 million for family housing privatization, and $77 million in Army National Guard training requirements.

11. Senator AKAKA. Secretary Eastin, is an EIS required before these funds can be executed? Please provide a proposed timeline for any such EIS.

Mr. EASTIN. No, execution of these finds is not dependent on an EIS. The Army takes compliance with the NEPA very seriously. Many of the fiscal year 2008 projects are already covered in environmental assessments or EISs, or are categorically excluded. Those that require some analysis or documentation will be completed in the near future. All growth projects requested for fiscal year 2008 are expected to be awarded within the fiscal year.

12. Senator AKAKA. Secretary Eastin, I understand the funds requested in fiscal year 2008 to "Grow the Force" are not related to the six new combat brigades the Army proposes to add. What then is the rationale for adding these units and these projects?

Mr. EASTIN. Growing the Force is more than building six new brigade combat teams (BCTs). The fiscal year 2008 funds will support projects for the growth of fiscal years 2007–2009 Combat Support and Combat Service Support (CS/CSS) units such as Military Police, Engineer, Explosive Ordnance Disposal, Transportation, Chemical, and Personnel Service Units. This initiative will grow and rebalance capabilities in order to mitigate high demand/low density shortfalls and increase CS/CSS capacity.

13. Senator AKAKA. Secretary Eastin, please identify the location estimated cost of any temporary facilities the Army plans to use in conjunction with these projects or with the overall plan to "Grow the Force."

Mr. EASTIN. The Army will use existing facilities across all installations to the maximum extent possible, temporarily use facilities vacated by deploying units and, when absolutely necessary, use relocatables. We will provide details on the costs and locations for required facilities, to include relocatables if necessary, by the end of the year.

TRAINING RANGE EXPANSION AT FORT POLK, LOUISIANA

14. Senator AKAKA. Secretary Eastin, the proposal to increase the size of the Army by adding six light infantry brigades is likely to require additional training space. I understand the potential exists to significantly expand the Army's Joint Readiness Training Center for light infantry units at Fort Polk, LA, if Forest Service land can be acquired. What is the Army doing to reach the agreements necessary to expand this training range and then fund those agreements?

Mr. EASTIN. In December 2006 the Army's maneuver land shortfall was 2 million acres. It is projected to be 4.9 million acres after base realignment and closure (BRAC), Army Modular Force (AMF), and Global Defense Posture Realignment (GDPR). While the Army's requirement for training land grows, the capacity of, and accessibility to Army lands is decreasing. There are significant challenges that must be actively addressed to sustain Army training readiness. The Army is competing with its neighbors for access to land, airspace, and frequency spectrum. Urbanization and urban sprawl are encroaching on military lands and creating "islands of biodiversity" on Army installations. Urbanization concentrates endangered species and their habitat on areas traditionally used for military training. Increases in the concentration of endangered species at Army installations cause increased environmental restrictions. Environmental restrictions tend to translate into reduced accessibility to training land.

In 2003, Headquarters, Department of the Army G–3, approved the Range and Training Land Strategy (RTLS). The purpose of the RTLS is to address the increasing land deficit facing the Army. The RTLS serves as the mechanism to prioritize Army training land investment, and helps to optimize the use of all Army range and training land assets. The RTLS provides a long-range plan for the Army to provide the best range infrastructure and training land to units. The deliberate phases of the RTLS provide the framework for the Army to select the most appropriate course of action to address training land shortfalls. The options that the Army can pursue include focused management to maximize existing land holdings, buffering through partnerships, utilization of other Federal lands where possible, and land acquisition. Fort Polk is an installation where the Army would want to assess the potential for expansion. Current agreements with the United States Forest Service provide much of the training land used by units at Fort Polk. A detailed assessment could result in a request for acquisition should it be deemed feasible. We base any specific project on the doctrinal need, availability of large contiguous parcels, cost of land, and a number of environmental issues.

15. Senator AKAKA. Secretary Eastin, I am not aware of such initiatives in the 2008 budget request, yet if you are serious about growing the force, isn't more training land for light infantry forces an essential part of that effort?

Mr. EASTIN. Analysis being conducted to support upcoming Grow the Army stationing decisions include evaluation of installation facilities and training resources, particularly maneuver land and range sustainability. The Army currently has available space at multiple installations to build facilities for additional Army Growth combat and combat support brigades. From a training perspective, the stationing analysis for the six BCTs will include consideration of training land and ranges as a significant factor. However, while the Army's requirement for training land grows, the capacity of, and accessibility to, Army lands is decreasing. There are significant challenges that must be actively addressed to sustain Army training readiness. Ur-

banization and urban sprawl, endangered species, and environmental restrictions are encroaching on military lands at Army installations.

AUTHORIZED MILITARY CONSTRUCTION PROJECTS ADDED BY CONGRESS

16. Senator AKAKA. Mr. Grone, it is my understanding that under the fiscal year 2007 spending plan for military construction, family housing, and BRAC submitted to Congress by Deputy Secretary England on March 15, 2007, pursuant to section 113 of the Revised Continuing Resolution, 2007 (Public Law 110–5), no military projects that were authorized in the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364) that were added by Congress and not contained in the original fiscal year 2007 budget request submitted by the President in February 2007 were funded or will be carried out with fiscal year 2007 military construction or family housing appropriations. Is that correct?

Mr. GRONE. Yes, that is correct.

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

BASE REALIGNMENT AND CLOSURE

17. Senator PRYOR. Secretary Eastin, BRAC and GDPR can yield significant gains in military effectiveness and efficiency in future conflicts and crisis and will enable the U.S. military to fulfill its many global roles. What is the Army doing to ensure this transformation runs smoothly and does not adversely affect readiness and training?

Mr. EASTIN. The Army is working hard to execute BRAC and GDPR actions, along with other MILCON projects, to adjust our global footprint. The resulting changes in our strategic posture will enable the Army to better execute the National Defense Strategy, support operational deployments, and sustain operational rotations.

The Army synchronizes and integrates its BRAC and GDPR actions with all of its other title 10 activities, such as training and readiness, manning, and equipping, through the Army Campaign Plan (ACP). The ACP directs planning and execution of Army operations and transformation within the context of ongoing strategic commitments. Additionally, the ACP Management process, codified within the ACP, provides an active, Army Senior Leader forum to coordinate, integrate, and synchronize BRAC, GDPR, and other title 10 functions with operational requirements, ensuring there are no adverse affects on readiness and training.

With respect to BRAC and GDPR specifically, the Vice Chief of Staff, Army (VCSA) chairs a Senior Stationing Review Group (SSRG) monthly to ensure the Army synchronizes ongoing BRAC, GDPR, and MILCON actions with operational requirements. This forum proactively manages the execution plans for BRAC and GDPR based on changing conditions, such as delays in funding and changes in unit deployment schedules to meet increased operational requirements. Additionally, the Army reviews the results of these SSRGs monthly in the broader ACP forum to ensure synchronization of BRAC and GDPR actions across the Army. The VCSA also chairs this forum and senior representatives from every major Army Command attend via worldwide video teleconference. In combination, these forums ensure the Army's execution of BRAC and GDPR actions is smooth, timely, and efficient and does not adversely affect our ability to provide trained and ready forces to combatant commanders.

18. Senator PRYOR. Secretary Eastin, how is funding for the global war on terror affecting BRAC, housing, military offices, and training facilities?

Mr. EASTIN. Full and timely funding is essential to meet the Army's increasing global commitments, facilitate growth, and ensure soldier and family quality of life. Any delay in receiving supplemental funding negatively impacts the Army's carefully synchronized stationing plan and puts BRAC, Army growth, and global war on terrorism operations at risk. If $2 billion BRAC funding is not restored, the Army must re-prioritize projects, which puts at risk the Army's requirement to complete all BRAC actions by September 2011.

The fiscal year 2007 supplemental request includes $844 million in Active Army MILCON for projects supporting global war on terrorism operations in accordance with combatant commander requirements. These projects provide theater force protection, airfield facilities, operational facilities, support facilities, billeting, fuel handling and storage, utility systems, and roads.

In addition, $445 million requested in the supplemental funds replacement for a critical intelligence facility recently destroyed by fire at Fort Meade, MD, site preparation for a BCT at Fort Riley, KS, and facilities to Grow the Army.

There are no Army family housing requirements associated with the fiscal year 2007 supplemental funding; thus, delayed receipt of the supplemental has no impact on the Army family housing appropriation.

19. Senator PRYOR. Secretary Eastin, the Army's modular force initiative transforms units into a more powerful, adaptable force built on self-sufficiency and the ability to rapidly deploy. In order to provide quality training for new modular units like a BCT, the Army must significantly expand its range facilities. What is the plan for acquiring more land for training purposes?

Mr. EASTIN. Analysis being conducted to support upcoming Grow the Army stationing decisions include evaluation of installation facilities and training resources, particularly maneuver land and range sustainability. The Army currently has available space at multiple installations to build facilities for additional Army Growth combat and combat support brigades. From a training perspective, the stationing analysis for the six BCTs will include consideration of training land and ranges as a significant factor. However, while the Army's requirement for training land grows, the capacity of, and accessibility to, Army lands is decreasing. There are significant challenges that must be actively addressed to sustain Army training readiness. Urbanization and urban sprawl, endangered species, and environmental restrictions are encroaching on military lands at Army installations.

20. Senator PRYOR. Secretary Eastin, as you've said, BRAC 2005 implementation strategy is an extremely complex plan that manages numerous construction projects and re-stationing actions. How does the Army determine which critical MILCON projects have priority?

Mr. EASTIN. The Army established a banded hierarchy with priority for BRAC MILCON projects to the operational Army, followed by training base consolidation, industrial base realignments and lastly, headquarters moves. We then synchronized the construction program to accommodate deployment schedules and sequential moves necessary to free up space at gaining installations required to meet BRAC law.

QUESTIONS SUBMITTED BY SENATOR JOHN ENSIGN

USE OF SERVICE CONTRACTS TO ENTER INTO PROPERTY LEASES

21. Senator ENSIGN. Mr. Grone, the DOD Inspector General (IG) released a report in January of this year which highlighted their concerns about the award of a service contract by the Department of the Interior on behalf of the DOD's counter intelligence field activity to provide leased office space and the installation of communication and other equipment. The DOD IG contended that "the 10-year, $100 million lease was disguised as a service contract and exceeded all thresholds that require congressional notification and approval." As a result of the DOD IG review, the DOD Comptroller is currently conducting an investigation to determine whether any violations of the Anti-Deficiency Act (ADA) may have occurred. Do you know the status of the internal DOD investigation into ADA violations?

Mr. GRONE. Under the Department's established potential ADA investigation process, the Department completed the preliminary review and has determined that a formal investigation is now required.

22. Senator ENSIGN. Mr. Grone, if not, please provide a current status, the estimated completion date, and at the conclusion of the investigation, the results and any punitive or corrective measures.

Mr. GRONE. The formal investigation will commence shortly and the estimated completion date is no later than January 2008.

23. Senator ENSIGN. Mr. Grone, what is the current DOD policy on the use of service contracts to enter into property leases?

Mr. GRONE. Our policy is simple and straight forward. We do not condone the use of services contracts to procure office space or to construct or improve facilities.

24. Senator ENSIGN. Secretary Eastin, the DOD IG also identified the use of a service contract to lease and install an administrative facility at Fort Belvoir, VA. The Department of the Army has since determined that this contract for the build-

ing may have been awarded in violation of the ADA. Please provide a current status of the investigation, the estimated completion date, and at the conclusion of the investigation, the results and any punitive or corrective measures.

Mr. EASTIN. This case, Army 06–02, is currently under investigation. Once completed (anticipated end of August), we will provide the results and any punitive or corrective measures to the proper oversight authorities.

BRAC ACTIONS AT WALTER REED ARMY MEDICAL CENTER

25. Senator ENSIGN. Mr. Grone, in 2005, the DOD recommended, and the BRAC Commission concurred, on the closure of Walter Reed Army Medical Center and the transfer of its functions primarily to Bethesda and Fort Belvoir by September 2011. In light of the recent disclosure of poor facility conditions and outpatient processes at Walter Reed, certain Members of Congress have introduced legislation to delay or reverse that BRAC decision. Is the closure of Walter Reed still the right thing to do?

Mr. GRONE. Yes, the closure of Walter Reed is still the right thing to do. The Department's decision to realign Walter Reed was based on a rigorous assessment of the capacity, military value, and beneficiary population of the National Capital Region's four inpatient hospitals at Walter Reed, Bethesda, Andrews Air Force Base (AFB), and Fort Belvoir. The analysis indicated that excess capacity (including surge) exists in the region, Walter Reed and Andrews had the lowest military value of the four facilities, the beneficiary population lives primarily south of the Potomac River and Fort Belvoir and Walter Reed suffer from significant space, functional, and building system deficiencies. These assessments (and the projected savings) supported the Department's recommendation to realign Walter Reed by creating state-of-the-art facilities at Bethesda and Fort Belvoir.

26. Senator ENSIGN. Mr. Grone, what would be the impact of a reversal or delay to a 2005 BRAC decision on the Department's ability to carry out the decisions of the 2005 BRAC round?

Mr. GRONE. Reversing this or any other recommendation would adversely impact the overall BRAC process. The BRAC process, as authorized by Congress, requires that both the President and Congress approve or disapprove the Commission's recommendations in their entirety to allow the process to remain apolitical. Legislating a specific change to a BRAC Commission recommendation would adversely affect the integrity of the BRAC 2005 process. Additionally, legislatively overturning a BRAC action establishes a precedent that could open the door to other recommendations being overturned.

27. Senator ENSIGN. Secretary Eastin, the Department of the Army is responsible for ensuring that adequate facilities are constructed at receiving locations to transfer functions from Walter Reed and to maintain at a minimum the same capabilities as the existing campus. In recent testimony before this committee, Army leadership has voiced concerns that the current plan may not accomplish this goal due to funding restrictions. Is the construction plan to support the closure of Walter Reed fully funded to ensure all functions and capabilities transferred to new locations will exceed current capabilities? If not, what parts of the plan are not fully funded and why?

Mr. EASTIN. The BRAC decision did not intend to exceed current capabilities of Walter Reed Army Medical Center. The Army plan to execute the BRAC decision was fully coordinated with the Navy, Air Force, Medical Joint Cross Service Group, and the Office of the Secretary of Defense (OSD) TRICARE Management Activity and Health Affairs. All concurred that the scope and cost of the projects provide adequate capabilities and facilities required at the designated receiving locations. The DOD-approved plan, as is, fully funds the BRAC decision.

28. Senator ENSIGN. Secretary Eastin, in your answers to our advance policy questions for this hearing, you did not provide a response on whether you support a congressional initiative to accelerate construction related to the closure of Walter Reed. Why?

Mr. EASTIN. At this time, we are analyzing our ability to accelerate construction related to Walter Reed National Military Medical Center (WRNMMC) and Fort Belvoir and will provide our position as soon as we complete that analysis.

(Note: Subsequent to the hearing, on May 1, 2007, the Acting Secretary of the Army signed a memo that affirms the Army's support for the facility enhancements and construction acceleration proposals for WRNMMC and Fort Belvoir for a total

cost of $443 million above BRAC-approved project costs to accelerate construction related to the closure of Walter Reed Army Medical Center. Accelerating the National Capital Region military health system projects will allow construction completion in late fiscal year 2010, vice the currently projected May 2011. Earlier completion of construction will afford more time to complete initial outfitting of the buildings and allow more time to transition staff and patients from Walter Reed Army Medical Center to the new WRNMMC and Fort Belvoir community hospital.)

PROPER USE OF FUNDS FOR FACILITY REPAIRS

29. Senator ENSIGN. Secretary Eastin, on the issues of Walter Reed, in my review over the past 2 months into the facility conditions at Walter Reed Army Medical Center, I have come to the conclusion that the appalling conditions in Building 18 were the result of a failure in leadership to respond to and correct identified deficiencies. We heard witnesses testify that the Army and Defense Health Affairs did receive adequate resources from Congress, despite the pending BRAC decision to close Walter Reed by 2011, to maintain this facility at an acceptable level. In fact, over $630,000 was spent on renovations for this facility between 2000 and 2005. What struck me is that in order for this money to have been spent in Building 18, a military engineer needed to have walked through the facility, talked to building residents, and identified problems. So, this wasn't an issue of lack of oversight, it was an issue of misplaced priorities. My concern is that this prioritization still exists today in the deteriorated barracks at Fort Bragg, Fort Stewart, and Fort Sill, just to name a few. What is the Army doing to ensure we don't waste $630,000 on the next Building 18 by, to use a little known veterinary term, putting lipstick on a pig?

Mr. EASTIN. The Army is continuously challenged to balance facility sustainment, restoration, and modernization projects to meet mission and life/safety/health requirements. This sometimes means some projects must be phased over a period of years using available funding rather than being completed as a single project in a single year. Phasing certain projects is the most practical way to meet overall facilities requirements within constrained resources and competing priorities. I view the problems with Building 18 as an anomaly in an otherwise well-run prioritization system for facilities sustainment, restoration, and modernization.

30. Senator ENSIGN. Mr. Grone, Secretary Eastin, Secretary Penn, and Secretary Anderson, Congress provides operations and maintenance funds to the military services for facility sustainment with the understanding that these funds will be applied wisely by military leaders to address the most urgent requirements: on dormitories to fix failing roofs instead of new drapes and carpets for senior officer quarters; on deteriorated runways to protect our pilots and aircraft instead of upgrading golf courses; and on piers, ranges, and motor pools that are in such poor condition that training and readiness are significantly impacted. What is each Service doing to ensure we direct the taxpayers' funds to ensure there are no more building 18s out there in the DOD inventory?

Mr. GRONE. Each military Service has developed specific tools, systems, and processes suitable to its mission to identify, prioritize, and fund its facilities' requirements. Significant effort is invested in this process, and often involves a combination of centralized control of large-scale projects and local control of smaller-scale requirements. Typically, installation commanders make the final decisions on the best use of sustainment funds to support their mission readiness, and Service Chiefs hold them accountable for these decisions as for their stewardship of their people and any other resources in accomplishing their missions.

Mr. EASTIN. For the last 2 years, the Army has protected and focused sustainment funding on those facilities most critical to our high-priority missions and those in the worst condition. The Installation Management Command (IMCOM) has developed and implemented a Project Prioritization System to assist in focusing discretionary funding on the most urgent facilities requirements. Barracks are among our highest-priority facilities and have received over $400 million of sustainment, restoration, and modernization work over the last 2 years. To ensure this money is spent wisely, IMCOM developed a focused facility inspection system that gives a higher priority to living space and bathrooms in barracks. The Installation Status Report-Infrastructure (ISR–I) is a very valuable tool in assessing the condition of facilities. The ISR–I condition reports are used extensively in focusing funding on our worst-condition facilities.

Mr. PENN. The Marine Corps executes its Facilities Sustainment, Restoration, and Modernization funding through two tracks to ensure that day-to-day repairs are accomplished and the highest priority major repairs are completed. The first track lies

with the base commander who receives funding to cover day-to-day maintenance requirements. The commander has full control of these funds to apply them to cyclic maintenance and emergent small repairs. The second track lies with Headquarters Marine Corps who field validates and selects all major repair projects. Readiness ratings and quality of life concerns, along with base priority, arc major factors in project selection. We believe this process protects and repairs the facilities most needed for mission readiness and quality of life. But even given our emphasis on spending money properly, there are still problems. The Marine Corps has approximately a billion dollars worth of repairs and improvements needed to improve facilities to an acceptable readiness condition. This is a result of historic underfunding that occurred before the sustainment metrics and other facilities metrics were developed that have resulted in increased funding for facilities. Because of this, as you travel around bases, you will, from time to time, see buildings in a poor state of repair.

The Navy ensures that facilities sustainment funding is directed to maintenance and repair of class I and II real property by closely monitoring the execution of maintenance and repair programs at the installation, region, and Navy level. Commander, Navy Installations Command distributes funds to regions based on detailed requirements generated by the OSD approved Facilities Sustainment Model, which provides facility sustainment requirement details down to the facility level. Accounting records are systematically reviewed to ensure that funds are expended in the proper accounts.

Mr. ANDERSON. The Air Force is committed to making the best use of every taxpayer dollar so that each one goes towards only those programs providing the highest mission capability rate and quality of life for our airmen.

We have a keen interest in caring for our facilities because of the unique emphasis the Air Force places on its installations, which are our warfighting platforms. Our bases provide stable training environments and force projection platforms for the Nation's combatant commanders.

Within the Air Force, the single person responsible for this warfighting platform, as well as the readiness of the unit, is the wing commander. He or she is responsible for ensuring limited facility dollars go towards only our most critical requirements—the appropriate roofs, runways, and dorms that best support the unit mission and the airmen.

To help these commanders care for the facilities, we've increased funding in both our restoration and modernization and facility sustainment accounts in fiscal year 2008.

In regards to our medical facilities, it has been a long-standing practice of my engineers to put "eyes on" as many facilities as possible when they visit bases. This practice includes our medical facilities. My team has personally inspected five facilities this year looking beyond the front lobby and doctors' offices to the patient care areas, staff locker rooms, loading docks, mechanical rooms, et cetera. Additionally, the Air Force recently completed a full review of all our medical facilities in the wake of the Walter Reed Army Medical Center situation.

FUNDS FOR THE SUSTAINMENT OF FACILITIES

31. Senator ENSIGN. Secretary Eastin, Secretary Penn, and Secretary Anderson, on the issue of facility sustainment, you note, Secretary Eastin, in your answers to advance policy questions that in fiscal year 2008 the Army has proposed a budget that funds 86 percent of requirement, as opposed to the 100 percent goal established by the DOD. Secretary Penn, in your witness statement, you note that the Navy only actually funded 79 percent of your facility sustainment requirement in 2006 after having proposed a budget to Congress for 95 percent of the total requirement. Secretary Anderson, in your testimony, you state that the Air Force is "accepting manageable risk" by reducing facilities and infrastructure funding in order to bolster other accounts. My concern is that this chronic underfunding of facility sustainment accounts has resulted in deteriorated facility conditions in barracks and working facilities around the DOD that don't become an issue until the public sees them or they result in a tragic accident. In your view, are we spending enough money on facilities to ensure our servicemembers have safe and adequate facilities to live and work? If not, how do we fix it?

Mr. EASTIN. Quality of life is a top Army priority to ensure soldiers and families have safe and adequate facilities to live, work, and train. The Army has made substantial progress in the last 4 years increasing Base Operations Support 41 percent and Facility Sustainment/Restoration and Modernization 15 percent since 2004. Although we are still not doing as much as we would like in this time of war and

constrained resources, we continue to make consistent and steady progress towards improving the installation services necessary to sustain the All-Volunteer Force.

Mr. PENN. Given competing priorities, the Department of the Navy views the reduced investment in sustainment as an acceptable risk. The overall strategy to reduce this risk is an effort to aggressively validate facilities sustainment requirements, and reducing footprint in order to reduce sustainment costs.

Mr. ANDERSON. I assure you Air Force facility programs have my personal attention as I'm watching them close to ensure they support the highest mission capability rates and quality of life for our airmen. That's what I meant when I said we're accepting "manageable" risk.

We built this budget by carefully balancing our facility sustainment, restoration, and modernization and MILCON accounts to make the most effective use of available funding to support Air Force missions. We did this by making a conscious decision to take some risk in the MILCON program for the next couple of years. This is not a permanent reduction to the program; we just chose to delay some facility investment for a few years to help us re-capitalize the aircraft fleet. In the meantime, to ensure our facilities did not deteriorate to an unacceptable level, we increased funding to our restoration and modernization account and funded our facility sustainment program to 92 percent of the requirement. This will allow us to "keep our good facilities good" as we re-capitalize the fleet.

32. Senator ENSIGN. Secretary Eastin, are we tracking the increasing backlog of facility maintenance and repair requirements in order to inform investment decisions?

Mr. EASTIN. The Army tracks the backlog of facility maintenance and repair requirements via the Installation Status Report, a system designed to improve installation management and decisionmaking by providing information on the condition and readiness of facilities, infrastructure, and services. Investment decisions are also influenced by the Army's operational requirements to restation and reconfigure units as a result of BRAC, GDPR, and AMF transformation.

Strong congressional support for the Army's MILCON and base support programs has helped tremendously to offset and decrease the facility maintenance backlog.

33. Senator ENSIGN. Secretary Eastin, how is each Service assessing the risk to readiness and training associated with underfunded facility accounts?

Mr. EASTIN. The Army uses the Installation Status Report, portions of which are incorporated in the Defense Readiness Reporting System, to assess risk to readiness and training in several ways.

First, ratings for mission support, quality, and quantity provide commanders a picture of the health of facilities and infrastructure at each installation, both for individual facility types and for a broader view of all facilities. The associated quality and quantity improvement costs provide a means to quantify funding required to improve facility quality to standards and reduce existing facility deficits.

Second, a more focused facilities assessment on readiness and training impacts is rendered by the Commander's Readiness Ratings for nine separate facility classes. They are based on the commander's experience, judgment, and knowledge of current and future mission requirements and take into consideration ratings for mission support, quality, and quantity, as well as any other factors the commander considers appropriate.

A C1 readiness rating means facilities fully support primary unit missions without limitations to readiness. A C2 rating means facilities support the majority of primary unit missions with only minor limitations to readiness. A C3 rating means facilities present challenges to primary unit missions with impaired mission performance, requiring units to establish alternative means to support readiness. A C4 rating means facilities present significant challenges to the primary unit missions, requiring units to expend considerable additional effort to compensate for shortcomings. These considerations collectively provide a clear vision of factors which enable commanders and the Department of the Army to assess the impact of underfunding on readiness and training.

REQUEST FOR NEW CONSTRUCTION

34. Senator ENSIGN. Secretary Eastin, in your written statement you advocate for congressional support for the authorization in 2008 for $237 million to construct a new headquarters complex for Southern Command (SOUTHCOM) in Miami, FL. The Army is proposing to build this complex on land leased from the State of Florida. The lease for part of the land will expire in 2015, with four 10-year options

upon mutual agreement by both parties. The lease requires that the new construction must be used for a SOUTHCOM headquarters, or the lease is terminated. Finally, upon termination of the lease for any reason, ownership and control of the headquarters complex will revert to the State of Florida, and the State has the option to require the DOD to tear down the headquarters at DOD expense and to restore the land to a pre-existing condition. The lease also requires SOUTHCOM to grant the State of Florida access and inspections rights to any part of the headquarters complex, including areas for classified and coalition forces operations. Does the Department of the Army or DOD have any policy or guidelines for the construction of facilities on land that is subject to these types of conditions? If so, please provide.

Mr. EASTIN. Yes, the Army and DOD have general policy for construction of facilities where the interest in land is leasehold contained in Army Regulation 405–10 (Acquisition of Real Property and Interests Therein) and DOD Instruction 4165.71 (Real Property Acquisition).

35. Senator ENSIGN. Secretary Eastin, does the Department of the Army have a precedent for this type of request? If so, please provide details.

Mr. EASTIN. Yes, the Department of the Army has leased land for a construction project. For instance, the Army leased 20 acres of land under a 50-year minimum term at a nominal rental consideration of $1.00 at the Manhattan Regional Airport, Manhattan, KS. This lease supports a fiscal year 2006 Fort Riley, KS, project to construct a $5.5 million Deployment Facility Ramp Expansion, which includes an airfield operations building, aprons, staging area, and vehicle parking.

36. Senator ENSIGN. Secretary Eastin, did the Department of the Army ever request an outright deed transfer of the land from the State of Florida in order to secure ownership? If so, what was the State's response?

Mr. EASTIN. The Department of the Army has not requested an outright deed transfer of the land from the State of Florida in order to secure ownership. However, USSOUTHCOM has been conducting discussions with the State of Florida regarding a deed transfer. Early feedback is that the State of Florida may transfer title to the land if approved by the State Board of Trustees and if the U.S. Government pays fair market value or exchanges land of comparable value.

37. Senator ENSIGN. Secretary Anderson, currently, Homestead Air Reserve Base (ARB) supports the training and operation of the 482 Fighter Wing and 24 F–16 Falcons. The Marine Corps recently decided to locate USMARSOUTH headquarters at Homestead ARB. I've also heard that the Air Force is considering new missions for Homestead, to include the stationing of C–130 aircraft and Active-Duty Forces as part of total force integration initiatives. Please provide a brief review of the current proposals to be considered for Homestead and their status.

Mr. ANDERSON. As part of our Total Force Integration effort, numerous associations were explored to maximize the utilization of our installation and range infrastructure. The Air Force routinely explores scenarios as to the viability and effectiveness of the proposals. Some proposals advance beyond the concept stage to site surveys and opportunities. Others prove not to be viable early in the concept exploration stages, often as a result of costs, equipment availability, or infrastructure environmental incompatibility. Other non-Air Force units exploring locating on Homestead ARB are required to go through a site survey approval process to ensure their proposed relocation does not interfere with ongoing or planned actions at Homestead ARB. As such, there we have no announced proposals for new mission activities at Homestead ARB beyond those identified in BRAC 05.

Turning to the question on the Marines, United Stated Marine Corps South (MARFORSOUTH) is currently located in leased facilities in Miami, FL. Due to planned demolition of these leased facilities in 2010, MARFORSOUTH is evaluating other locations in the Miami vicinity. Analyses are still ongoing. The final decision is pending determinations of these analyses and other options under consideration.

38. Senator ENSIGN. Secretary Anderson, if the Air Force decided to station Active-Duty Forces at Homestead ARB, what facilities supporting military community services would be required to be constructed at Homestead?

Mr. ANDERSON. Construction requirements would depend on the number of Active-Duty Force that might be assigned to Homestead ARB. No such plan is currently being contemplated.

TOTAL COSTS TO GROW THE FORCE

39. Senator ENSIGN. Secretary Eastin and Secretary Penn, regarding the decision to grow the Army by 74,000 personnel and the Marine Corps by 27,000 marines over the next 5 years, do you have an estimate of total investment required in equipment, facilities, and increased base operating expenses to complete the growth for each Service?

Mr. EASTIN. At this time, we are refining estimates for the overall cost to Grow the Army (GTA). Once stationing decisions for the six additional BCTs are made later this year, we will have greater fidelity on the expected costs and can provide an estimate for GTA at that time.

Mr. PENN. The total estimated fiscal years 2008–2013 cost to grow the Marine Corps by 27,000 was initially calculated at $30.8 billion. That amount was reflected in our fiscal years 2008–2013 President's budget submission. Within that amount, $7.025 billion was for the procurement of equipment, $3.230 billion was for MILCON and family housing projects, and $620.6 million was for additional base operating expenses.

40. Senator ENSIGN. Secretary Eastin and Secretary Penn, is the Army and Marine Corps planning to address these costs as an increase to each Service's top line, or do you anticipate that other existing requirements will have to be deferred?

Mr. EASTIN. The Army's top line will increase to accommodate GTA.

Mr. PENN. The President's decision to increase Marine Corps end strength to 202,000 was accompanied by a top line increase of $30.8 billion across the FYDP (2008–2013).

41. Senator ENSIGN. Secretary Eastin and Secretary Penn, what do you expect will be the impact to the MILCON account over the next 5 years in terms of recapitalizing existing deteriorated facilities and infrastructure?

Mr. EASTIN. GTA construction funding will provide facilities for the incremental increase in the strength of the Army. The Army will utilize existing facilities wherever possible and build new facilities when mission requirements dictate. While an indirect impact of construction will be a general overall improvement in the condition of Army facilities, GTA funding will generally not recapitalize existing deteriorated facilities and infrastructure. There may be some cases where deteriorated infrastructure will have to be replaced or upgraded to support construction of new facility complexes, but this will only be done on an "as needed" basis. If any existing requirements must be deferred to fund growth, the existing requirements will be reviewed during development of the fiscal years 2010–2015 FYDP. For this reason, it is important that the GTA requirements be fully funded.

Mr. PENN. Many of the projects in the Department of the Navy baseline and supplemental requests will recapitalize some of the existing deteriorated facilities in anticipation of new marines arriving at our installations. As we begin to build new structures in 2010 and beyond, these new facilities (as they come on line and are added to the Marine Corps plant value) will actually increase our recapitalization requirements in the future.

42. Senator ENSIGN. Secretary Eastin and Secretary Penn, are the Services considering the increased use of privatization authorities for unaccompanied housing as a tool to address the challenge of a constrained budget environment?

Mr. EASTIN. The Army will execute five privatized unaccompanied personnel housing projects for single staff sergeants and above. The first project at Fort Irwin, CA, includes 200 apartments. The second project is at Fort Drum, NY, and includes 180 apartments. The remaining three projects are based on the lack of available adequate off-post housing for single staff sergeants and above at Fort Bliss, TX; Fort Bragg, NC; and Fort Stewart, GA. Apartment quantities at these three locations will be determined during the development of the privatization plan at each installation. We expect the existing Residential Communities Initiative developers to execute these projects.

Mr. PENN. The Marine Corps has no planned unaccompanied housing privatization projects. Thus far the unaccompanied housing privatization projects have not been cost effective or feasible for the Marine Corps. Under current rules, the Marine Corps would be unable to assign young single marines to barracks. This would negatively impact the unit integrity and unit cohesion that are so important in developing the camaraderie essential to unit readiness.

43. Senator ENSIGN. Secretary Eastin, does the Department of the Army have available land on your military bases in the United States in order to support the

basing, training, and operations of additional combat and support brigades? If not, what plans are underway to satisfy the land requirement?

Mr. EASTIN. Analysis being conducted to support upcoming GTA stationing decisions include evaluation of installation facilities and training resources, particularly maneuver land and range sustainability. The Army currently has available space at multiple installations to build facilities for additional Army growth combat and combat support brigades. From a training perspective, the stationing analysis for the six BCTs will include consideration of training land and ranges as a significant factor. However, while the Army's requirement for training land grows, the capacity of, and accessibility to, Army lands is decreasing. There are significant challenges that must be actively addressed to sustain Army training readiness. Urbanization and urban sprawl, endangered species, and environmental restrictions are encroaching on military lands at Army installations.

44. Senator ENSIGN. Secretary Penn, does the Department of the Navy have available land on your military bases in the United States in order to support the basing, training, and operations of additional combat and support brigades for the United States Marine Corps?

Mr. PENN. Yes. The basing, training, and operations of additional combat and support brigades will be sited on existing Marine Corps installations.

IMPACT OF CHANGES TO SCORING RULES FOR PRIVATIZED PROJECTS

45. Senator ENSIGN. Mr. Grone, according to the August 2005 memo by the Office of Management and Budget (OMB), the DOD will be required beginning in 2010 to follow traditional scoring rules for approval of co-owned limited liability corporation structures for privatization of family and unaccompanied military housing. What do you see are the near-term and long-term impacts from this guidance on the ability of the DOD to use privatization as a tool to address the military housing challenges emerging from recent end strength increase initiatives?

Mr. GRONE. In the near-term, the August 2005 OMB memorandum should not affect the Department's pursuit of the 2007 goal to eliminate DOD-owned inadequate housing within the continental United States. New projects or modifications to executed projects supporting troop increases can be pursued through fiscal year 2010 according to current scoring rules provided to DOD by OMB in June 1997. In the long-term, it is not clear what impact the limitations will have. The August 2005 OMB memo does not define traditional scoring, so if a military Service proposes any Military Housing Privatization Initiative projects for execution after fiscal year 2010, DOD will seek clarification of scoring rules to be applied. In any case, the restriction applies primarily to the use of partnerships and would still allow use of lease agreements such as those structured in current Air Force projects.

BRAC PROPERTY RE-USE POLICIES

46. Senator ENSIGN. Mr. Grone, I have a question about the DOD's policy related to the proposed use by the local community of land made available by the 2005 BRAC round. In your testimony before this committee last year, you stated "The Department will not dictate a re-use approach to the community. We will not dictate the form of disposal. It is a partnership and a collaboration." This was good news for the committee and the local communities affected by BRAC. But recently, the Department of the Army stated in a formal letter signed on March 16, 2007, to local communities that "the Army will select the methods of property disposal" and furthermore "the Army will employ a highest and best use analysis of your redevelopment plans." These statements seem to contradict your position stated to this committee last year. Do you agree?

Mr. GRONE. Regarding the seeming contradiction between the Army's letter and the Department's policy, let me clarify that the Department's policy is to work in close collaboration with affected communities throughout the closure, disposal, and redevelopment process. The Department takes great care to ensure Local Redevelopment Authorities have information on surplus property for the community's consideration in their formulation of a redevelopment plan, including data derived through military department site assessments and highest and best use studies. At the same time, DOD strives to preserve local ownership of the uses identified in these plans and does not subject redevelopment plans to any highest and best use analysis. On the contrary, the Department views the redevelopment plans as the community's foreseeable use of the property and uses it to inform any highest and best use analysis of the property. In disposing of surplus property, the Department is careful to

not preclude any disposal method until a redevelopment plan is completed. As part of the NEPA decision, the military departments give substantial deference to the Local Redevelopment Authority's redevelopment plan and flexibly apply disposal methods from our "mixed tool kit," ranging from those that may be at no cost or discounted consideration to those that yield fair market value to the Department, to be responsive to the Department's BRAC and community redevelopment needs.

47. Senator ENSIGN. Mr. Grone, has the DOD changed their policy on the relationship between the local community and each military department regarding proposed use of BRAC property? If so, how?

Mr. GRONE. The Department's policy on the relationship between the local community and each military department has not changed from that expressed in my prior testimony and the DOD BRAC implementation policy guidance contained in the Base Redevelopment and Realignment Manual issued March 1, 2006.

48. Senator ENSIGN. Secretary Eastin, if a conflict exists, will the Army clarify its position in writing? If so, will you ensure that this committee is notified of any future guidance provided to local communities regarding this matter?

Mr. EASTIN. As the disposal agency, the Army has the responsibility of selecting the methods of disposal. However, the Army does give substantial deference to the redevelopment plan submitted by the redevelopment authority when preparing decision documents. If a disposal decision is inconsistent with the approved redevelopment plan, the Army will clarify its position to the community in writing. The Army is working diligently with local communities to preclude this from happening. We will notify the committee of any future guidance provided to the local communities regarding this issue.

SCOPE REDUCTIONS FOR BRAC CONSTRUCTION ACTIVITIES

49. Senator ENSIGN. Mr. Grone, in the area of funding for MILCON related to the 2005 BRAC round, the military services testified last year about a significant shortage of funds planned for BRAC construction activities. I note that the 2008 budget request seems to address that issue. My concern is that as each military Service attempts to keep BRAC construction costs for each project in check, they are reducing the scope of construction for each project by as much as 40 percent to stay within the pre-determined budget. This unacceptable approach will result in realigned units and functions to be moved into new facilities that do not meet their requirement and may detrimentally affect their mission and operations. Who has the responsibility to determine whether the size and capability of a new facility built as a result of BRAC decisions will meet mission requirements?

Mr. GRONE. The component responsible for implementing a BRAC recommendation is also responsible for ensuring that necessary MILCON projects are properly sized/scoped to meet mission requirements and that it is fully funded and justified in the budget documentation provided to Congress. Additionally, the Department continues an important oversight role of the Infrastructure Steering Group (ISG). This senior group reviews and approves all business plans to ensure the Department's resources are effectively applied to implement recommendations efficiently and in a manner to ensure the Department's missions are supported.

50. Senator ENSIGN. Mr. Grone, what is the DOD position or guidance on adhering to the project scopes as described in BRAC business plans?

Mr. GRONE. The DOD position is that the responsible component should adhere to the scope of a MILCON project as described in the approved BRAC business plan. Recognizing that the requirements necessary to support the operations of the DOD are fluid, changes to project scope may be necessary. Those changes should be evaluated by the component business manager assigned to that recommendation and forwarded for review and processing for approval along with other business plan updates. The Department continues the important oversight role of the ISG which reviews and approves all business plans to ensure the Department's resources are effectively applied to implement recommendations efficiently and in a manner to ensure the Department's missions are supported.

51. Senator ENSIGN. Mr. Grone, are BRAC 2005 construction projects subject to the statutory requirement provided by section 2853 of title 10, U.S.C., for authorized cost and scope of work variations?

Mr. GRONE. The Department provides congressional notification of changes to BRAC 2005 MILCON projects through the annual reporting requirements specified

in the BRAC Act (Public Law 101–510, as amended). Specifically, as directed by Section 2906A(c), the Department notifies Congress of any changes to BRAC construction projects, explaining the differences between what was included in the budget justification material and what actually occurred, with appropriate explanation of changes, including changes to cost or scope.

SUSTAINABLE DESIGN STANDARDS IN DOD FACILITIES

52. Senator ENSIGN. Mr. Grone, regarding the concept of sustainable design standards incorporated into MILCON projects, Congress is currently considering a bill which would require all Federal facilities to achieve certain standards for energy efficiency and environmental impact as dictated by the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, as developed by the U.S. Green Building Council. What is the current DOD policy on incorporation of LEED standards into MILCON projects?

Mr. GRONE. Department of Defense Instruction (DODI) 4170.11, Installation Energy Management, states: "The DOD components shall strive to obtain the U.S. Green Building Council's LEED level of performance or equivalent. " DODI 4170.11 also requires sustainable development cost to be documented on DD Form 1391, the form used for MILCON projects. Additionally, Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management, requires new construction and major renovation to comply with the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings set forth in the Federal Leadership and High Performance Buildings Memorandum of Understanding, which established several energy conservation and environmental compliance requirements.

53. Senator ENSIGN. Mr. Grone, what is the Department's position on the mandatory compliance with LEED standards?

Mr. GRONE. Through DODI 4170.11, Installation Energy Management, the Department has established LEED level of performance as the standard for new construction.

54. Senator ENSIGN. Mr. Grone, what are the costs and benefits associated with mandating the standard?

Mr. GRONE. Empirical evidence shows the cost of complying with LEED level of performance varies with facility type and location, but in general adds 1 to 3 percent to the overall building cost. In return, we gain the benefit of a proven industry-based standard for reducing energy demand and improving building performance. Evidence shows the combined energy and environmental benefits generally cover the costs over the life of the facility.

DOD POLICY ON USE OF TEMPORARY FACILITIES

55. Senator ENSIGN. Mr. Grone, I am concerned that the massive amount of MILCON required over the next 5 years to support current operations, BRAC, Army modularity, the Global Base Posture Realignments, and now Grow the Force, will not be constructed in time to meet the demand of incoming forces at each affected location. As a result, the military departments will turn to the acquisition of temporary facilities and trailers as a last minute solution, and once we ask our military personnel to live and work in these trailers, they'll be forgotten as the Services turn to other priorities. What policies and programs can the DOD implement to ensure the minimum use of and the quick replacement of temporary facilities with permanent construction?

Mr. GRONE. The most important practice is to fully identify the need for permanent facilities and program for them as early as possible, which is what was done in the Department's rebasing plans submitted last year. The Department is prepared to execute those plans. When relocatable (or "temporary") facilities are required, permanent facilities are programmed to replace them as soon as feasible.

For example, in July 2004 the Army approved 91 temporary buildings for an incoming BCT at Fort Drum, NY. Eight MILCON projects have been programmed for permanent facilities to replace the temporary buildings. Three of these projects were started this fiscal year, three will be awarded in fiscal year 2008, and the remaining two are programmed for fiscal year 2011. These projects will include all the necessary facilities for a complete BCT complex, including brigade headquarters, battalion headquarters, company operations facilities, and other buildings.

56. Senator ENSIGN. Mr. Grone, please provide DOD's definition of a temporary facility.

Mr. GRONE. "Temporary Facility" is not a defined DOD term. DOD uses the term "relocatable" to refer to facilities filling a temporary need. Relocatable facilities are facilities designed to be readily moved, erected, disassembled, stored, and reused.

57. Senator ENSIGN. Secretary Eastin, what is the Department of the Army's current status and plan to eliminate trailers and other modular facilities purchased in the last 4 years to support emerging modularity requirements?

Mr. EASTIN. The Army continues to utilize relocatable facilities to accommodate modular force transformation. Our strategy is to phase out relocatable facilities and replace them with permanent construction. In our fiscal year 2007 base budget, we requested funds which Congress supported to begin this effort at several of our installations. For the fiscal year 2008 budget, the Army is requesting funds to construct permanent facilities to continue replacing these relocatable facilities, and requesting funds to accommodate Army growth in permanent facilities rather than purchasing relocatable facilities.

58. Senator ENSIGN. Secretary Eastin, please provide a schedule detailing the plan, timing, and costs to replace the temporary facilities in the United States acquired in the past 4 years.

Mr. EASTIN. The Army will use a phased approach to replace relocatable facilities acquired in the past 4 years as quickly as possible within available funding. Later this year, we can provide details on the plan, timing, and costs once our analysis is complete, but, in essence, we have already begun to construct permanent replacement facilities beginning in fiscal year 2007 and will continue to request funds in succeeding budgets.

DOD POLICY ON LOCAL COMMUNITY SUPPORT RELATED TO BRAC 2005

59. Senator ENSIGN. Mr. Grone, as the DOD gets into the heart of carrying out the decisions of the 2005 BRAC, Congress is seeing an increasing call by local communities for assistance related to housing, roads, and schools to support those bases that will experience a significant increase in their military and civilian populations. Can you provide a review on how the Department is handling requests by local communities seeking Federal assistance with the construction of roads and schools to support incoming personnel?

Mr. GRONE. Upon request from affected State and/or local government officials, the Office of Economic Adjustment (OEA) will tailor a responsive program of technical and/or financial assistance in light of their specific needs and resources. This assistance may include organizational staff, growth management planning, and follow-on specialized studies: for example, planning for public facilities, schools, roads, and other community development initiatives. OEA may also coordinate other Federal agency support and participation to assist locally.

As specific needs for assistance are identified for road and/or school support, the involved military department and OEA will work with the cognizant Federal programs, State, local resources, and private sector to develop a responsive program. Generally, each location will present a unique situation and a responsive program will likely involve Federal, State, local, and sometimes private participation.

60. Senator ENSIGN. Mr. Grone, in you opinion, will the availability of local housing, roads, and schools in communities gaining large populations have an impact on the DOD's schedule and implementation of the 2005 BRAC decisions?

Mr. GRONE. The Department intends to meet the statutory deadline of September 15, 2011 for BRAC 2005 implementation.

61. Senator ENSIGN. Mr. Grone, this committee continues to hear complaints from local communities that the Department still cannot provide accurate projections for incoming populations and school-age children. This uncertainty seriously impacts the ability of local communities to plan for and to address the need for schools, roads, and support services. What is the DOD doing to address this problem?

Mr. GRONE. The Department is working with the Services to refine the timelines and schedules of military, DOD civilian, and associated contractor movements to include student projections. The Department, through the OEA and the Economic Adjustment Committee, is working to link the Services with the Department of Education, Military Community and Family Policy (MC&FP), in the Office of the Under Secretary of Defense for Personnel and Readiness and local community initiatives

so those trying to respond to this growth have adequate information on the nature, timing, and scope of military growth.

In November 2006, DOD, through MC&FP, provided a Report on Assistance to Local Educational Agencies for Defense Dependents Education, which contained student growth projections at continental United States (CONUS) installations. An update to this report is due in January 2008. In May 2007, the Department, through the Army, provided Congress and the Department of Education with an update on CONUS military personnel increase projections (student projections included). It is anticipated that as projections change DOD will provide both Congress and communities the most current information.

CONSTRUCTION OF OUTLYING LANDING FIELD, WASHINGTON COUNTY, NC

62. Senator ENSIGN. Secretary Penn, the Department of the Navy has a requirement to acquire land and to construct an OLF on the east coast of the United States to support aircraft operations at Naval Air Station (NAS) Oceana, VA, and Marine Corps Air Station (MCAS) Cherry Point, NC. For the past 4 years, the Department has studied an area in Washington County, NC, as the preferred location approximately half way between NAS Oceana and MCAS Cherry Point by air. As required by the NEPA, an EIS was prepared by the Department to study the impact of a new OLF on the local environment and nearby nature preserves in North Carolina. This study has been the subject of intense scrutiny and a lawsuit, which eventually resulted in a Federal court order to the Department of the Navy to expand its scope of the environmental study.

The Department of the Navy has included in the budget request for fiscal year 2008 MILCON funds totaling $10 million to be used to acquire land and initiate construction activities. This is the fourth year in which the Department has requested funds for this project, and in each of those years, Congress has rescinded funds due to the inability of the Department to obligate them in a timely manner. What is the current status of the Navy's SEIS actions?

Mr. PENN. The Draft SEIS was released for public comment on 23 Feb 07. Public hearings have been conducted in each of the six counties in Northeastern North Carolina that could be impacted by a final decision on the OLF site. At the request of Senator Dole, a seventh public hearing will be held in Charlotte, NC, on 17 April. The public comment period is scheduled to end on May 9, 2007. The Navy is collating and cataloguing the public comments which will be included in the Final SEIS along with the Navy's response where appropriate.

63. Senator ENSIGN. Secretary Penn, what is the estimated date for a release of a record of decision?

Mr. PENN. The Final SEIS is expected in fall 2007, to be followed by a Record of Decision in late 2007.

64. Senator ENSIGN. Secretary Penn, what further actions are required by the U.S. Government to satisfy the Federal court order and to be able to proceed unencumbered with the land acquisition and construction of the OLF?

Mr. PENN. The Navy must complete and publish the Final SEIS and the Record of Decision to satisfy the Federal court order. At Record of Decision the Navy can advertise for a construction contract and can begin to acquire the necessary property interests at the selected OLF site unless there is further litigation and an injunction that prevents us from proceeding.

65. Senator ENSIGN. Secretary Penn, in light of the results of the EIS and continued opposition by certain representatives in the local community, has the Department given consideration to a reassessment of the final location of the OLF? If so, would this reassessment include reconsideration of the 2003 decision by the Department of the Navy to base eight squadrons of F–18 Superhornets at NAS Oceana and another two squadrons at MCAS Cherry Point?

Mr. PENN. While the Washington County, NC, location remains the Navy's preferred site among the five OLF alternative sites in Northeastern North Carolina considered in the Final EIS and the draft SEIS, the views that have been expressed about those alternatives by the citizens of North Carolina and their elected leaders deserve our most careful consideration before final decisions are made. If the Navy receives new information about additional sites that potentially meet our OLF siting requirements, the Navy will consider and evaluate that new information and determine whether adjustments in the current SEIS process are warranted to enable formal analysis and consideration of additional sites under the NEPA.

There is no plan at this time to reconsider the aircraft homebasing decision.

66. Senator ENSIGN. Secretary Penn, does NAS Oceana have the capability in terms of aircraft parking ramps, hangars, and support facilities to be able to accommodate the basing of all 10 F–18 squadrons? If so, would a revised decision to base all 10 squadrons at NAS Oceana expand the range of potential locations for construction of a new OLF to meet the training requirements for carrier pilots?

Mr. PENN. The two F/A–18 E/F Super Hornet squadrons scheduled to be homebased at MCAS Cherry Point could be based at NAS Oceana in currently available facilities (and will be while facilities at MCAS Cherry Point are being upgraded to support these two squadrons), but permanent stationing would require additions to two hangars to meet recommended Facilities Planning Criteria.

Siting all 10 F/A–18 E/F Super Hornet squadrons and the Fleet Replacement Squadron at NAS Oceana does not expand the range of potential locations for construction of a new OLF based on current OLF siting criteria. The study area radius around a homebase is based primarily upon fuel consumption rates for flights to and from the OLF, performing field carrier landing practice, and the required safety margin.

FUTURE STATUS OF FOB #2, ARLINGTON, VA

67. Senator ENSIGN. Mr. Grone, DOD has proposed legislation for consideration in the National Defense Authorization Act for Fiscal Year 2008 that would amend existing law to delay from January 1, 2010, to January 1, 2013, the transfer of certain real property to Arlington National Cemetery (ANC) that is currently under the control of the Washington Headquarters Service (WHS). The property, known as FOB #2, contains multiple office buildings currently occupied by military tenants displaced by the ongoing renovation of the Pentagon. These office buildings are scheduled to be torn down prior to transfer of the property to the ANC. The justification accompanying the legislation states that "the proposed change is necessary to take into account more recent projections on ANC out-year requirements as well as realignments mandated under the BRAC process." What projections have changed in reference to out-year requirements for ANC that supports the delay in the transfer of the property?

Mr. GRONE. The ANC stated they do not require the land prior to 2014 at that time they will begin to prepare the land for gravesites for use in 2020 or later. The Navy currently has 900 occupants in FOB #2 which must relocate to the Arlington Service Center. Our request to defer this transfer until January 1, 2013 is economically prudent since occupants of that building are included in BRAC relocations currently programmed to occur in 2011. Demolition of the facility and site preparation will occur in 2012 once it is vacated. The Army will receive the property from WHS after the buildings are demolished and the site is cleaned at which time it will be made available to ANC for the use of gravesites. Extension of the transfer date prevents needless double moves of Department of the Navy and Missile Defense Agency (MDA) relocating under BRAC, as well as hundreds of personnel relocated back to the Pentagon upon completion of the Pentagon Renovation in late 2011. Loss of FOB #2 in 2010 would needlessly cause thousands of employees to be temporarily moved at a very high cost.

68. Senator ENSIGN. Mr. Grone, which functions and how many personnel currently occupy FOB #2?

Mr. GRONE. Current population - 3,464.

	Population
Pentagon Force Protection Agency (PFPA) to Pentagon (PNT) @ closing of FOB #2	225
WHS to PNT @ at closing of FOB #2	26
MDA BRAC'd to Huntsville, AL and Fort Belvoir	838
Marine Corps to PNT (after renovation)/Arlington Service Center (ASC) (after BRAC)	908
OSD to PNT after renovation	25
Navy to ASC after BRAC	880

Functions—Administrative policy/management/manpower for the USN/USMC.

69. Senator ENSIGN. Mr. Grone, since the Pentagon's renovation is on track to be completed in December 2010 and BRAC actions are required by law to be completed by November 15, 2011, specifically which functions and how many personnel are planned to occupy FOB #2 in 2011 and 2012?

Mr. GRONE. FOB currently has a total population of 3,464, broken out by entity as follows: PFPA (225); WHS (26); MDA (1,400); Marine Corps (908); Navy (880); and the OSD (25). The Department will relocate all entities affected by BRAC by the statutory deadline of September 15, 2011. The Department will relocate all other entities, upon completion of the Pentagon renovation, currently anticipated to occur in October 2011. After the completion of both actions, there will no longer be any tenants in FOB #2. Demolition of FOB #2 and site preparation for the cemetery will occur once the facility is vacated, and is expected to take approximately 12–14 months. The departure of tenants in September–October 2011 together with the 12–14 month demolition and site preparation timeline, generates the requirement to retain ownership of the facility until Jan. 1, 2013.

70. Senator ENSIGN. Mr. Grone, the DOD justification accompanying the request for legislation states that "in a period of 2 years alone, office space at FOB #2 will cost approximately $20 million less than the equivalent office space elsewhere in the National Capitol Region." Exactly how was this estimate developed in terms of estimated lease costs and operating costs of the existing buildings?

Mr. GRONE. The cost to relocate personnel, prepare new space, and procure furniture for a 2-year period is dramatically more expensive than the personnel remaining in FOB #2 until the new space is complete. Total program cost comparison is: FOB #2 Option = $113.25 million vs. Leased Space Option = $186.4 million. The comparable lease costs were calculated by analyzing over 100 current leases which WHS has and applying a projected increase in current lease costs based on antiterrorism/force protection compliance issues (setback, hardening of building, et cetera) and historic inflationary increases. In essence, the cost to relocate everyone to more expensive space is far more than is currently incurred. Being housed in a federally-owned building limits "rent" to the cost of operation and maintenance of the building. These costs are significantly lower than the rent and General Services Administration fees currently paid. In addition, costs associated with vacating in 2009 (such as furniture, moving costs, et cetera) are estimated to total over $91.7 million that when added to the additional rents yield a significant result in unnecessary expense to the Department and the taxpayer.

FAMILY HOUSING FOR U.S. MILITARY FORCES IN KOREA

71. Senator ENSIGN. Secretary Eastin, the DOD has proposed legislation for consideration in the National Defense Authorization Act for Fiscal Year 2008 that would amend existing law to increase the amount the Secretary of the Army can pay to lease a house for a military family stationed in the Republic of Korea. Currently, the Secretary has the authority to lease up to 5,200 housing units in Korea. For those units, the Secretary has the authority to pay up to $34,481 annually for each unit or approximately $2,873 per month. The proposed legislation would permit the Secretary to pay up to $51,824 per year per house, or $4,319 per month per house for 2,800 of those units. The Congressional Budget Office recently determined that this provision, if adopted, would have a budget impact equal to $530 million in potential additional expenses. Congress previously gave the authority to the Secretary of the Army to be able to enter into lease agreements for a 15-year time period with the intent that the longer period would provide an opportunity to seek a lower annual lease cost. We would also anticipate that the Secretary would be able to negotiate a lower lease cost per house if soliciting for a large block of housing to be constructed on land already owned by the Federal Government, which is the plan for new housing in Korea. This committee is also aware that a favorable contracting climate in Korea has resulted in the MILCON projects we have authorized for Korea over the past 3 years being awarded at approximately 60 percent of their planned amount, meaning construction costs are relatively cheap right now in Korea. With all these factors affecting the potential cost of a lease, why does the Department estimate they will need to spend up to $4,319 per month per house, which exceeds most monthly mortgage costs for a decent house even in this area, one of the most expensive in the country?

Mr. EASTIN. Actually, the leasing authority in Korea at the $34,481 annual level you mentioned pertains to the 1,175 units authorized at the $25,000 lease cap, the substantive majority of which are currently encumbered. The proposed legislation is solely for the 2,800 units authorized and intended by Congress to provide the leased housing required to honor the various agreements between the United States and the Republic of Korea. The leased housing will not reside on land owned by the United States Federal Government, and every effort will be made to ensure the lowest leasing costs under competitive sourcing.

While it is true that there has been a favorable bidding climate in Korea in the past for construction projects funded by Congress, some of this can be attributed to the differences between the official exchange rate and the market rate of exchange in the time interval between the budget request and award. The planned housing is similar to three to five bedroom condominium units that include underground parking and similar other amenities typically found in condominium common areas. The $4,319 per month per house figure you cite is the maximum possible for the 2,800 units authorized and includes the base rent, operations, utilities, maintenance, taxes, insurance, and management costs. Moreover, Army leases in Korea are paid in Korea Won, so the dollar cost of these leases rises with dollar depreciation. A weaker dollar translates into higher adjustments in the annual lease cap, which is determined by a formula under existing statute.

72. Senator ENSIGN. Secretary Eastin, in you opinion, is $4,319 per month per house an acceptable amount to pay in a build-to-lease (BTL) transaction?

Mr. EASTIN. Yes, the figure is acceptable for two reasons. First, there has been significant and sustained depreciation of the U.S. dollar against the Korean Won since the original authority for the $35,000 lease cap was enacted in the National Defense Authorization Act for Fiscal Year 2003. The depreciation of the dollar since fiscal year 2002 has resulted in a reduction of 20 percent in purchasing power. Second, the dollar figure incorporates all the costs associated with newly constructed housing for Army families including all utilities, operations, maintenance, and repair of the facilities over the lease term. I want to stress that this is the maximum authorization for this housing, and the Army intends to remain under this ceiling. The final project costs will be determined by a number of factors, including the business conditions of the local Korean real estate market, private financing available, the currency exchange rate, and the cost of labor and materials.

73. Senator ENSIGN. Secretary Eastin, can you briefly summarize where the Department of the Army has entered into similar BTL arrangements around the world and the costs to the Department of the Army for these leases?

Mr. EASTIN. The Army has successfully completed several BTL projects in Germany and is finalizing negotiations for a project in Italy. However, there are differences between all of the BTL projects that affect the cost structure of the leases. These cost structures are influenced by local market conditions and the manner in which the Status of Forces Agreements in the various theaters are governed. For example, besides differences in exchange rates, labor, and materials costs, the Germany BTL projects are in rural locations that are not expected to see increases in population comparable to Camp Humphreys, and the lease is between the owner and the German government with a real property obligation document held between Germany and the United States. The distinct differences between legal and economic conditions worldwide have demanded unique approaches to leasing in overseas theaters. The annual costs for the active BTL project at Grafenwoehr, Germany, are currently about $21,000 per unit per year.

74. Senator ENSIGN. Secretary Eastin, has this government estimate been validated by any actual contracting action which would allow the market to competitively bid on the lease cost? If not, why not?

Mr. EASTIN. Yes, construction cost estimates based on recently constructed Army family housing, as well as market and economic analyses, constitute the basis for the requested lease authorization for our BTL Army family housing program. We have not competed under current authorities because our estimates indicate this program would not be financially viable. Further, our timeline to meet our treaty obligations is a solicitation during fiscal year 2008 with the first units available for occupancy in fiscal year 2010.

JOINT BASING

75. Senator ENSIGN. Mr. Grone, the 2005 BRAC Commission approved a recommendation by the DOD to establish 12 joint bases. This decision will result in the consolidation of installation management activities at multiple military bases of close proximity to each other in the United States. In his written statement for this hearing, Secretary Anderson noted that "The Air Force believes that for the welfare of the warfighter and their families that joint basing must be a raging success." Yet, this committee has received testimony today that the Air Force is concerned about the potentially detrimental impact of implementing the joint basing decision. Can

you describe the intent and goals of the DOD in implementing the BRAC decision related to joint basing?

Mr. GRONE. The goal is to ensure that the Department fully implements the BRAC 2005 Joint Basing recommendations in a way that expeditiously achieves the optimal level of long-term savings, while preserving or enhancing the Department's warfighting capabilities. Currently, the Department is developing guidance to establish a comprehensive framework for joint basing implementation to capture and continue the most practical savings for DOD through the consolidation of installation support functions while meeting mission requirements.

76. Senator ENSIGN. Secretary Anderson, can you comment exactly what concerns the Air Force has with the intent, goals, and implementation of the decision?

Mr. ANDERSON. The Air Force is committed to making BRAC and joint basing a raging success. However, several joint basing policy elements currently under development by OSD run counter to the spirit, efficiencies, and costs savings intended under the joint basing construct. The Air Force believes total obligation authority and real property transfer would serve as a disincentive to cost savings, efficiency, and effective execution of customer expectations. Installation customers, specifically operational commanders, should define the requirements necessary to execute the mission and manage the funds to meet their needs, regardless of the activity that executes those requirements. The Air Force believes that joint basing provides a unique opportunity to actually improve the quality of life for every soldier, sailor, airman, and marine, including their families, by establishing the highest standards at each joint base.

The Air Force is very concerned that as we move into the joint basing construct, that quality of life and support to the warfighter are paramount in this process and that neither is degraded as a result of joint basing. In our approach to reach common standards for these joint bases, we cannot move to some mediocre level of quality or service, but we must strive to either maintain existing high levels or improve low levels to a common performance level that supports everyone on a joint base, every soldier, sailor, airman, marine, civil servant, and most importantly, their families.

The Air Force will continue to work with the OSD and our sister Services to establish policy and guidance to the field that supports these goals. We look forward to pressing on with these endeavors and developing the anticipated efficiencies and reduction in duplication that these consolidations will produce, however, we need to establish the common standards first, or this will fail.

77. Senator ENSIGN. Secretary Anderson, is your statement that joint basing "must be a raging success" ultimately determined by the impact to the Air Force, or to the entire DOD?

Mr. ANDERSON. The Air Force is fully committed to making joint basing a raging success in providing quality installation support as efficiently as possible. The Air Force has been working diligently with the OSD as well as our sister Services in developing policy to implement joint basing that will benefit all the installations involved, not just the Air Force. Joint basing is an opportunity to drive the highest standards that will impact the Air Force and all our sister Services . . . every soldier, sailor, airman, and marine as well as their families. To ensure joint basing is a raging success, we must guard against accepting standards that are least common denominator or an average and we must allow the natural tension between customers and suppliers to exist by keeping the buying power and ownership with those acquiring and needing the services, our commanders.

The success of joint basing will be ultimately judged based on whether we take this opportunity to improve the quality of life of every individual who puts on the uniform and their families. At the same time, this effort will be evaluated based on whether operational commanders retain the ability to impact all inputs necessary to execute their assigned mission.

78. Senator ENSIGN. Mr. Grone, can you respond to this committee what the DOD is doing to address the concerns of the Air Force related to this matter?

Mr. GRONE. The OSD has been working closely with all the military Services to ensure their concerns are addressed in the development of implementation guidance.

CLOSURE OF WALTER REED ARMY MEDICAL CENTER

79. Senator ENSIGN. Mr. Grone, in light of the recent concerns about the quality of care at the Walter Reed Army Medical Center in Washington, DC, this committee has been reviewing the business plan to close Walter Reed as required by the 2005 BRAC round and to establish a joint National Medical Center at the current Naval Medical Center in Bethesda, MD, and to construct a new community hospital at Fort Belvoir, VA. I have substantial concerns that the costs to establish fully integrated and state-of-the-art facilities for the new hospital complexes are not fully funded within the amounts included in the BRAC budget request for fiscal year 2008 and subsequent years. Can you confirm whether the Department of the Navy and/or Army has identified additional requirements at Bethesda or Fort Belvoir needed to provide a state-of-the-art facility to include renovations to existing hospital facilities for realigned support functions from Walter Reed? If so, can you briefly describe the scope of these requirements and the estimated cost of each project to satisfy the requirements?

Mr. GRONE. The Department is in the process of assessing the requirements and costs necessary to accelerate the establishment of the National Military Medical Center at Bethesda and the community hospital at Fort Belvoir. The types of projects and a range of associated costs will be provided to Congress after the internal review is completed.

80. Senator ENSIGN. Mr. Grone, what is the Department's plan to accomplish this work?

Mr. GRONE. As previously noted, the Department is in the process of assessing the requirements and costs necessary to accelerate the establishment of the National Center at Bethesda and the community hospital at Ft. Belvoir. The Corps of Engineers and the Naval Facilities Engineering Command have begun to work on the detailed planning and contracting activities necessary to execute the construction projects associated with these efforts. The Assistant Secretary of Defense for Health Affairs and the Departments of the Army and Navy are working closely to ensure the projects adhere to the accelerated schedule and all necessary funds are available.

81. Senator ENSIGN. Mr. Grone, will the work be accomplished prior to the final realignment of activities from Walter Reed?

Mr. GRONE. Yes, the work will be accomplished prior to the final realignment of activities from Walter Reed.

SPECIAL OPERATIONS COMMAND AT CANNON AIR FORCE BASE, NM

82. Senator ENSIGN. Secretary Anderson, in May 2005 after 2 years of thorough analysis and review, the Secretary of Defense forwarded his recommendations for base closures and realignments to the 2005 BRAC Commission. One of those recommendations was to close Cannon AFB, NM, which would have saved the Air Force over $206 million annually and over $2.6 billion over the next 20 years. The Commission responded by agreeing to close Cannon by 2009 if the Secretary of Defense could not find "other newly-identified" missions to replace the F–16s currently operating out of Cannon AFB. The Secretary of Defense announced in 2006 that Air Force Special Operations (AFSOC) units would be relocated to Cannon AFB. The Air Force did not conduct a formal analysis of alternatives of other potential receiving installations, as is done with all other Air Force weapon system beddowns. The Air Force is currently preparing an EIS to study the environmental impact of basing various aircraft and missions associated with the AFSOC mission at Cannon and on the Melrose training range. This study does not consider alternative locations for AFSOC missions, as most EISs do, but only addresses Cannon AFB. If the record of decision for the EIS concludes that the introduction of AFSOC aircraft operations at Cannon AFB will result in unacceptable impacts to the environment, what is the Air Force's plan for Cannon AFB?

Mr. ANDERSON. The Air Force is currently preparing an EIS on moving an AFSOC mission to Cannon AFB, which should be completed in the fall of 2007. If the EIS process finds impacts to the environment that cannot be overcome, the Air Force would be compelled under BRAC law to either identify another mission for Cannon, or close the base.

With that being said, and for clarification on the genesis of this mission search, I offer the following background information in support of the potential AFSOC mission relocation to Cannon AFB.

AFSOC has desired for some time to base assigned forces in the western United States. In support of that effort the command has evaluated several bases, finally focusing on both Davis-Monthan AFB and Cannon AFB. Site surveys have been conducted at each.

AFSOC's search for another base began back in the mid-1990s with a plan called Commando Vision. This plan looked at several locations in the western United States. Unfortunately, the plan could not get enough support to implement. Since Commando Vision was originally conceived, AFSOC has added 4 AC–130, 9 U–28 (light administrative airlift), medium unmanned aerial vehicles (UAVs), 12 MC–130W, and CV–22s to their inventory, and they are continuing to grow.

The relevance of special operations in the war on terror is demonstrated in the approximately 30 percent growth in the Special Operation Forces (SOF) ground components and the addition of a U.S. Marine component to SOCOM. Steps are being taken to ensure SOF airlift capability grows commensurate with the other SOF components in order to guarantee the level of support they need to conduct operations. A key factor is that any additional aircraft and personnel will need a home and place to train.

Also being considered by AFSOC is the implications of the Secretary of Defense's global defense posture that could bring OCONUS special operation groups based at Kadena AB, Japan, and RAF Mildenhall, U.K., back to the United States, which will drive beddown/training requirements.

AFSOC's challenge can be summed up by considering range, ramp, and weather conditions at their current location at Hurlburt Field, FL.

AFSOC's primary range is the Eglin range. This range is saturated and cannot support additional training requirements.

The Hurlburt ramp is also quickly reaching maximum capacity. By fiscal year 2008, the ramp will be full. Another limiting factor is Hurlburt Field is located in the middle of hurricane alley. There is no alternate location to train or operate should Hurlburt be devastated by a hurricane.

As mentioned, AFSOC conducted site surveys at both Davis-Monthan AFB, and Cannon AFB. Using Hurlburt Field as a base line, each location was evaluated on its ability to support the addition of an AFSOC mission, based on the areas highlighted below. Hurlburt is the benchmark as it has been a SOF base since AFSOC's inception.

OPSEC

Ability of base to support low visibility operations with joint/other customers. SOF prefer to train as far away as possible from the general populous to avoid curiosity seekers wanting to see what is going on when different looking individuals, aircraft, or vehicles are operating nearby. Hurlburt was rated moderately desirable due to its location in a relatively remote area of the Florida gulf coast, within close proximity to Highway 98. Davis-Monthan was rated least desirable due to its location within the Tucson city limits and near a major interstate. Cannon was rated most desirable due to its location 8 miles from the nearest built up area and its ability to support low visibility operations.

Weather

Number of Visual Flight Rule (VFR) flying days. Hurlburt was rated moderately desirable. Both Davis-Monthan and Cannon were rated most desirable. Although all three bases have over 300 good days of VFR flying weather (Hurlburt = 307, Cannon and Davis-Monthan both over 325 days), the southeastern United States is plagued by daily thunderstorms particularly in the spring/summer. This affects the Hurlburt local flying area and along the low-level training routes in Florida, Alabama, and Tennessee.

Encroachment

Proximity of civilian population and possible limitations on day and night operations. Population density near a base limits its ability to expand as new capabilities or facilities are added to an installation. Persons located under the runway flight path or aircraft traffic pattern are the first to express their displeasure of aircraft operating over their property. This is of course compounded when aircraft are operating late at night when people are normally trying to sleep. Having a base located away from population minimizes the potential noise complaints and allows room to expand the base if needed. Hurlburt and Davis-Monthan were rated least desirable due to proximity of civilian populace and quiet hour restrictions. Davis-Monthan AFB observes ACC "Quiet Hours" from 2230 to 0600 local time. Cannon was rated most desirable due to its remote location and least restrictive flying limitations (no quiet hours imposed).

Training/Mission Essential Task List

Ability to accomplish SOF-unique training requirements. Hurlburt was rated moderately desirable due to the competition for range time on the Eglin range complex. Davis-Monthan was rated moderately desirable because AFSOC forces would have to compete for range priority due to the number of customers using the Barry M. Goldwater Range (BMGR). Cannon was rated most desirable because AFSOC forces would be replacing the 27th Fighter Wing as the primary user and would control usage of Melrose range. Melrose/BMGR and the terrain features in the States of New Mexico/Arizona provide more efficient training opportunities than those found in the Florida panhandle. Training sorties are more efficient because of the short distance to training ranges. Although approximately 95 percent of the mission training events that are required to keep SOF combat ready can be accomplished in very close proximity to both Cannon and Davis-Monthan, the Cannon/Melrose combination is highly desirable because ability to own a range and to be able to lure other SOF components to New Mexico and train with Cannon-based units (for hours at a time) vice Cannon-based units burning up scarce flying hours to go to someone else's base and conduct training on someone else's limited range time.

Community Support

During site visits, the AFSOC team was received favorably by all communities. No differentiation was made between the bases.

Flexibility

Ability of AFSOC to control operations on the base and local ranges. Ownership/control of airspace and range operating hours were major factors. Hurlburt and Davis-Monthan were rated moderately desirable due to competing with other users for the same airspace/ranges under AETC/ACC/AFMC control. Cannon was rated most desirable because AFSOC would own/control the base and Melrose range.

Melrose is 70 percent utilized and BMGR is 85–90 percent utilized. Approximately 95 percent of the Melrose Range availability is utilized by Cannon aircraft. Once the 27th Fighter Wing leaves Cannon, AFSOC at Cannon would become the primary user and control all operations on the range. This opportunity is highly desirable because controlling the range schedule would mean that the range would operate around SOF training requirements. This would not be the case in the BMGR. Luke AFB range office believes that adding over 100 AFSOC aircraft to Arizona would completely saturate the complex. This would put the AFSOC west base in the same position that the Hurlburt wing faces today with Eglin Range saturation. Additionally, BMGR has only three impact areas that can support live munitions expended by over 18 military squadrons in Arizona. When given a choice, sharing range priority at BMGR with Yurna, Luke, and other Davis-Monthan aircraft is not ideal.

Growth Potential

Availability of land within or adjacent to the base or range to expand the existing base or range complex. Hurlburt and Davis-Monthan were rated least desirable because the bases are surrounded by geographic features or civilian developments. Cannon was rated most desirable due to 400+ undeveloped acres on base and adjacent property on three sides of the base to support other growth. Additionally, Melrose range could be expanded to support SOF-unique requirements to include projected use by joint Special Forces.

Terrain

Proximity of mountainous terrain to support training. Hurlburt was rated moderately desirable due to the distance to/from mountainous terrain. Davis-Monthan and Cannon were rated most desirable due to the close proximity of mountainous terrain.

Facilities

Availability of facilities to support projected force structure. The force list used to evaluate Davis-Monthan and Cannon were based on a smaller force projection because Global SOF Posture hadn't been approved as of winter/spring 2006. The final Cannon site survey included a more robust force projection (included AFSOC OCONUS forces). Hurlburt and Davis-Monthan were rated least desirable due to the lack of available facilities and the requirement to build all new facilities. Cannon was rated most desirable due the facilities freed up by the 27 FW departure.

MILCON

The QDR move will create a duplicate wing mirroring what is currently at Hurlburt. For this reason, the MILCON projection to build a similar wing was based on the cost to duplicate the Hurlburt wing's Plant Replacement Value (PRV) and

then adjusted for available facilities and local construction costs. Hurlburt's PRV is ~$1.1 billion. Adjusting for increased construction costs in Tucson, the cost to build a similar wing at Davis-Monthan is ~$1.4 billion. At Cannon, the cost is ~$886 million due to available facilities when the 27 FW departs.

In support of the language in the Defense BRAC Report to the President, which stated "seek newly-identified missions . . . for possible assignment to Cannon AFB," the Air Force used an eight-step process to determine the future use of Cannon AFB. During this search process, there were six inquiries of interest that were reviewed. AFSOC was the only permanent re-use proposal for Cannon AFB received. The AFSOC requirement was evaluated by Secretary of the Air Force and Secretary of Defense and Cannon AFB was selected to host the AFSOC mission.

In summary, the selection of Cannon was the primary focus of the mission search due to the language in the Defense BRAC Report to the President, but it was not the only base reviewed by AFSOC for use as a west base.

83. Senator ENSIGN. Secretary Anderson, the Air Force has announced that the AFSOC mission will be established at Cannon AFB starting October 1, 2007, and will include the relocation of UAV operations from Nevada. What regulations and policies must be followed in order to operate an UAV in U.S. airspace and is the Air Force in compliance with all laws, policies, and procedures regarding the operation of UAVs at Cannon?

Mr. ANDERSON. To the maximum extent practical, the DOD conducts UAV operations or more commonly referred to as unmanned aircraft system (UAS) operations in restricted areas or warning areas. For those operations that cannot be contained wholly within restricted areas or warning areas, UAS operations are conducted in accordance with procedures outlined in FAAO 7610.4, paragraph 12–9–3.

In general, specific authorization to conduct unmanned aircraft operations in the national airspace system outside of active restricted, prohibited, or warning area airspace must be requested by the proponent. The two methods of approval are either a certificate of authorization (COA) or the issuance of a special airworthiness certificate. As a public applicant, DOD utilizes the COA process while civil applicants must utilize the special airworthiness process. Although DOD is allowed to self certify under title 10, U.S.C., under the authority of title 49, U.S.C, the Administrator of the Federal Aviation Administration (FAA) may inspect, at any time, any operator issued a COA or special airworthiness certificate for compliance with any provision or limitation specified by this guidance document.

Unless specifically authorized, UAS operations in non-segregated airspace other than Class A airspace would require visual observers, either airborne or ground-based. While considerable work is ongoing to develop a certifiable "detect, sense, and avoid" system, no acceptable solution exists. As a result, compliance with the "see and avoid" aspect of 14 Code of Federal Regulation 91.113, Right-of-Way Rules: Except Water Operations, becomes one of the primary issues in UAS operational approvals. Alternate methods of compliance are required to accomplish the "see and avoid" function. An applicant may propose any reasonable type of mitigation or system, however, the FAA will approve only those UAS flight activities that can demonstrate that the proposed operations can be conducted at an acceptable level of safety.

By summer of 2008, AFSOC plans to conduct MQ–1 Predator and MQ–9 Reaper operations utilizing new airframes from the production line at Cannon AFB and utilize Melrose Range and White Sands Missile Range for this training. Because the aircraft will be based out of Cannon AFB, a COA for Class D operations will be required and COAs will be required to allow the aircraft to transit to/from the ranges.

AFSOC is actively working prerequisites for the COAs to include coordinating with local airspace representatives and base officials to ensure that they have captured all the requirements and have solid operating procedures and guidance in place. Chase aircraft are planned as a mitigation strategy and AFSOC recently held a meeting to explore using Civil Air Patrol to provide chase aircraft.

[Whereupon, at 5:08 p.m., the subcommittee adjourned.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2008

TUESDAY, APRIL 24, 2007

U.S. SENATE,
SUBCOMMITTEE ON READINESS
AND MANAGEMENT SUPPORT,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

READINESS OF UNITED STATES GROUND FORCES

The subcommittee met, pursuant to notice, at 3:04 p.m. in room SR–232A, Russell Senate Office Building, Senator Daniel K. Akaka (chairman of the subcommittee) presiding.

Committee member present: Senator Akaka.

Majority staff members present: Michael J. McCord, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: Derek J. Maurer, minority counsel; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Micah H. Harris and Benjamin L. Rubin.

Committee members' assistants present: Darcie Tokioka, assistant to Senator Akaka; Jon Davey, assistant to Senator Bayh; M. Bradford Foley, assistant to Senator Pryor; Todd Stiefler, assistant to Senator Sessions; and D'Arcy Grisier, assistant to Senator Ensign.

OPENING STATEMENT OF SENATOR DANIEL K. AKAKA, CHAIRMAN

Senator AKAKA. The Subcommittee on Readiness and Management Support will come to order.

Good afternoon to our witnesses, and welcome to what I believe may be one of the most interesting and useful hearings we will have on the current readiness of our ground forces.

My welcome today will be brief, because I want to make the most of our time today to ensure that our witnesses can fully share with us their observations, insights, and opinions, as well as to give our members plenty of time to ask questions.

I also want to welcome the spouses and members of families that we have here today.

Our committee, and, indeed, the entire Congress, shares the concern that our ground forces are under tremendous stress and may be on the threshold of breaking. We have watched with apprehen-

sion as the scope and pace of combat operations over the last 5 years in Iraq and Afghanistan have degraded the readiness of our Army and Marine Corps. All of our military readiness systems are challenged. At the moment, recruiting and retention in general are stable, but not assured. Troops and their families are enduring multiple and longer separations, but not without risk. Equipment is not available to meet all unit requirements, and it is wearing out faster than it can be repaired or replaced. Training is compromised by equipment shortages and compressed time limits to meet accelerated deployment schedules.

This afternoon, we welcome Colonel Michael Beech, U.S. Army, Commander of the 4th Brigade, 4th Infantry Division, at Fort Hood, TX; Colonel Lewis Craparotta, U.S. Marine Corps, Commander of the 1st Marines at Camp Pendleton, CA; and Colonel Timothy Orr, Commander, 2nd Brigade, 34th Infantry Division, Iowa, Army National Guard.

In my preparation for today's hearing, I enjoyed learning about the inspiring accomplishments of your units. It is abundantly clear that your soldiers and marines are proud of what they do, and are eager to write another glorious chapter in your distinguished histories. When you return to your units, in addition to explaining that testifying before the United States Senate is really not too painful, please pass to your soldiers and marines, and especially their families, how deeply we appreciate their service, professionalism, and their sacrifice.

As commanders, today's witnesses are responsible for everything that their units do, or fail to do. These officers are entrusted with the planning, organization, management, and evaluation of their units' preparation for war, and, when called upon by the Nation, they must lead their soldiers and marines in combat. This is an awesome responsibility for which we have the utmost respect and gratitude. We appreciate your willingness to help us better understand the challenges of executing that responsibility, and we look forward to your testimony.

I want to say that our ranking member, Senator Ensign, is not here today, but I know he's here in spirit. He is presently on the floor, participating in a bill that's being considered. So, as a result, not knowing that was going to happen, he has to be there, instead of here, and we'll continue without him. Of course, we'll miss him, as he has a deep interest in what this committee is doing.

I'd like each of you to take a moment to very briefly introduce your units and what they are doing currently and when you expect to deploy next, if that's on the schedule. I would ask you that, if you have any family members here, will you please introduce them before you give your testimony.

So, with that, let me call on Colonel Beech, and ask for your testimony.

STATEMENT OF COL MICHAEL F. BEECH, USA, COMMANDER, 4TH BRIGADE COMBAT TEAM, 4TH INFANTRY DIVISION, FORT HOOD, TX

Colonel BEECH. Thank you, sir.

Chairman Akaka, distinguished members of the committee, it is my pleasure to appear before you today and give my testimony on the readiness of my brigade.

I entered the Army in 1984, and participated in Operation Just Cause, Operation Joint Endeavor, and, most recently, Operation Iraqi Freedom (OIF). I currently command the 4th Brigade, 4th Infantry Division, and have commanded it since its activation in December 2004. I also commanded the brigade for a 1-year tour in Iraq that just recently ended, this past December.

While in Iraq, my brigade conducted security operations in the Rashid district of Baghdad. We were also responsible for securing the international zone, and my brigade was responsible for training and operating with both Iraqi Army and national police units.

My brigade, the 4th Brigade, is a life-cycle manned unit under the Army unit manning system. We are nearing the end of our life cycle, and will change out a significant portion of our leadership by the end of June. We currently anticipate the brigade will redeploy to Iraq sometime within the next year. Our brigade is a fully digitized, modernized, and we are a modularized heavy-brigade combat team with all the latest of Army equipment. We are currently equipped with M1A2 SEP Abrams tanks, M2A3 infantry fighting vehicles, and M109A6 Paladin howitzers.

For the past 3 months, my brigade has been focused on reset and reconstitution, as we have left the majority of our combat equipment in Iraq. We expect to be fully resourced again with the majority of our combat systems, come mid-May. These, along with thousands of other pieces of equipment that we are currently being fielded and issued will be sufficient to conduct our training as we prepare and conduct our training prior to our redeployment to Iraq. However, until deployed, we will continue to have shortfalls in some pieces of equipment which could limit our capability if called upon to perform other strategic contingencies. If called upon to do so, my brigade would require some equipment augmentation or theater-provided equipment.

We have also been conducting sustainment training on our critical individual tasks as we begin again our training cycle in preparation for deployment. This train-up will include crew qualification, counterimprovised explosive device training, and countersniper training. It will include collective training to prepare our combat platoons and our combat companies. Our training will culminate with a mission rehearsal exercise at the Joint Readiness Training Center (JRTC) at Fort Polk, LA. That exercise is currently scheduled for this September. On completion of this exercise, I know our brigade will be fully prepared to redeploy to Iraq and conduct security and counterinsurgency operations.

Although we have optimized our training cycle to suit specific counterinsurgency operations, I believe our training strategy is sufficiently broad to support a variety of other contingencies. However, if deployed in support of other emerging contingencies, I would be concerned with the atrophy of some specific tactical skills unique to the higher-intensity conflicts. My brigade is currently fully manned, near our full authorization of over 3,700 soldiers. I am projected to maintain this current level of manning. However, we

are also going through a significant period of turbulence associated with the end of our life cycle, which is in June.

My most significant personnel challenge is with my new junior officers who are to lead my platoons during the ongoing crew qualification and the upcoming platoon training, in June. We are projected to have these leader shortfalls filled prior to our mission rehearsal exercise in September.

Our soldiers continue to amaze me in their dedication and patriotism that we face in this long and difficult war. Many of my soldiers are preparing for their second or third year-long tour in Iraq. In spite of this, our brigade met all our recent retention goals. We met our first-quarter goal, our second-quarter goal, and we are on target to meet our third-quarter retention goal in all categories.

Recent targeted incentives offered to the population specifically in the mid-careerist and the captain level, where we're experiencing our biggest challenges on retention, are particularly worthwhile investment to the long-term quality of our Army. The strength of our Army has always been in our sergeants and in our junior officers.

In conclusion, I'd like to thank this committee for your time and interest in the training and welfare of our fine young men and women who sacrifice so much for our freedoms. I look forward to answering your questions on the combat readiness of the 4th Brigade.

Senator AKAKA. Thank you very much, Colonel Beech.

Colonel Craparotta?

STATEMENT OF COL. LEWIS A. CRAPAROTTA, USMC, COMMANDER, 1ST MARINE REGIMENT, CAMP PENDLETON, CA

Colonel CRAPAROTTA. Good afternoon, Mr. Chairman. Thank you for the opportunity to speak today.

I currently command the 1st Marines at Camp Pendleton, and I took command in June 2006. During the 10 months that I've been in command, I've had the opportunity to oversee and supervise the training of four subordinate infantry battalions, and three of those battalions are currently deployed; the fourth will deploy this summer; and the regimental headquarters will deploy in December of this year.

During this period, my headquarters and the subordinate battalions have been able to train and to maintain the capability to execute our required mission-essential tasks.

Our number-one priority is to ensure that our marines are trained and ready for deployment. Our current schedule, and the pace of operations, dictates that we primarily focus our training for operations in Iraq.

Now, the deployment schedule requires us to closely manage our training time while ensuring that personnel and equipment are in place and available during that same period. So, the real task is effectively managing personnel and equipment resources in a time-constrained environment.

In my regiment, we've maintained the ability to provide the necessary resources to meet the training requirements. I think that our past readiness reporting indicates that fact. I believe that the current readiness reporting system has allowed us to accurately re-

flect readiness, based both from a numbers and percentages perspective, as well as from an analysis by the commanders.

Our greatest challenge is, and will remain, available training time, and, because that time is limited, our training will continue to focus on the specific mission in Iraq.

This has, and will continue to limit our ability to train for other operations. For example, we do not have time to send units to jungle or mountain warfare training. We have not conducted large-scale amphibious training, and we have not conducted large-scale, high-intensity, combined-arms exercises.

The second challenge is manpower. Again, to ensure we have the personnel in place at the right time to allow us to maximize our training window. Current policies have allowed battalions to reach required staffing between 150 and 120 days prior to deployment. This allows them to execute the necessary training, and then to deploy. I suspect that these policies will remain in place and effective in the future.

My third challenge is equipment availability. Currently, we have enough equipment to train at home station, but they're somewhat limited, in that each battalion does not have its own complete set. Therefore, I'm forced to transfer equipment between units to support training. But, again, we have been able to support all the necessary requirements, and I expect that will continue. In fact, we have a plan to ensure that that continues.

Additionally, ongoing efforts in maintenance, recapitalization, redistribution within the division will improve equipment availability, as will new fieldings and other efforts to replace some of our aging and worn out equipment.

I will close by saying that we're meeting our current requirements. Units that are deploying are trained, manned, and equipped for the mission. In some cases, our nondeploying units are paying a tax in manpower and equipment while we prepare these other units to deploy, but this allows us to meet current requirements and focus on marines preparing for combat.

I believe, as our end strength increases and our deployment cycle improves beyond the current one-to-one dwell, we'll begin to gain additional flexibility in our scheduling, and we'll have more opportunity to train for missions other than Iraq.

Again, I thank the committee for the opportunity to speak today, and I look forward to your questions.

Senator AKAKA. Thank you very much, Colonel Craparotta.

Colonel Orr?

STATEMENT OF COL TIMOTHY E. ORR, USARNG, COMMANDER, 2ND BRIGADE COMBAT TEAM, 34TH INFANTRY DIVISION, IOWA ARMY NATIONAL GUARD

Colonel ORR. Good afternoon, Chairman Akaka and distinguished members of the subcommittee. On behalf of the 3,800 soldiers of the 2nd Brigade, 34th Infantry Division, Iowa National Guard, I want to thank you for the opportunity to address you today and address the readiness of the 2nd Brigade.

I'm currently the commander, and have been for the last 3 years, of the brigade. I'm what we call an Active Guard/Reserve officer, dual status, also serving as a commander. I'm also the Director of

Operations, Training, and Mobilization for the Iowa National Guard.

Since 2001, the 2nd Brigade has provided the Nation with soldiers and units to fit the mission required. Unlike other infantry teams in the Army, the 2nd Brigade has not deployed as an entire combat organization. Instead, the brigade deployed individual battalions, companies, and select individuals of command and staff leaders based on theater requirements. The total number of the 2nd Brigade soldiers that have mobilized is 4,200 soldiers. Over 1,000 of those soldiers have volunteered to mobilize more than once, with the brigade and with other units within the State of Iowa. Currently, the brigade has 765 soldiers deployed with the 1st Brigade, 34th Infantry Division, in Iraq. These troops mobilized in September 2005. They spent 6 months at the main operating base (MOB) station at Fort Shelby, Mississippi, completed 1 year boots-on-the-ground, and have been extended for up to 125 days. By the time these soldiers complete their end-of-tour leave, they will have completed 24 months of continuous Active Duty.

In addition to this mobilization, we have 48 soldiers and leaders mobilizing for the Afghanistan National Army Embedded Training Team mission, two battalions for the Kosovo campaign, and two companies for Iraq. Within the next 3 months, the 2nd Brigade will mobilize over 845 soldiers, and we will demobilize 765 soldiers. As part of our homeland security mission, the 2nd Brigade supported the Midwest snowstorm this past February, with over 200 additional soldiers on State Active Duty.

Despite all these missions and the increased operational tempo (OPTEMPO), the 2nd Brigade has been able to exceed its enlistment, accessions, and retention goals for the last 3 years. Much of this success has been credited to the variety of State and Federal recruiting, retention, and educational incentives that have been offered to our soldiers. However, this success has not been without its challenges. The increased OPTEMPO and the need to cross-level personnel and equipment from nondeploying units to increased readiness of deploying units over the last 5 years has resulted in a decline of readiness in the brigade.

We continue to reset units from deployment, conduct premobilization training, provide equipment sets for postmobilization training, and unit deployment equipment packages, while simultaneously maintaining a capability in the State to react to homeland missions. Our ability as a brigade to perform these missions continues to be degraded by continued equipment shortages, substitutions, and the cross-leveling of equipment between the State and Nation to support our deploying units. These practices hinder our ability of my units to conduct premobilization training to standard and add time at the mobilization station before deployment. It can also slow our ability to respond to disasters and terrorist incidents within the State and the region.

One of the greatest assets of the 2nd Brigade is our extremely dedicated full-time workers. That small team of Active, Guard, Reserve, and military technicians back in our communities look after our soldiers and their families on a day-to-day basis. The lack of full-time manning continues to be a critical issue for the brigade, and with all of our units, which has an adverse effect upon our re-

tention and the quality of life for our soldiers and their families. The 2nd Brigade's current full-time manning is at 59 percent of the Army-validated requirement.

Finally, the current policy on the reintegration of our soldiers and their families back from deployment into the Reserve status hampers our ability to properly identify and meet our soldiers' and their families' postdeployment needs in a timely manner.

Mr. Chairman, the 2nd Brigade continues to answer the call of duty. Given the proper amount of resources, training, and deployment predictability, we will be able to continue our support for our State and our Federal missions while minimizing the impacts on our soldiers, their families, and employers.

I am grateful for this opportunity to address this committee today, and I welcome your questions.

Senator AKAKA. Thank you very much, Colonel Orr.

Before we begin with the questions, I want to introduce a group that's here today. We are visited today by a group of West Point Cadets from the United States Military Academy, Department of Social Sciences. [Applause.]

Will you please rise, Cadets? Thank you very much.

We welcome you all, and thank you for your willingness to serve our Nation as future Army officers. The witnesses that we have today are icons for you, and officers that you can look forward to following, because they've served our Nation now for a number of years.

I think all of you have been serving for about 20 years already, so, let me ask a question to all of you. Congress has consistently expressed concern, as I did in my opening statement, over the readiness of forces, deployed and preparing to deploy, in support of operations in Iraq and Afghanistan. Short dwell time at home station drives compromises in manning, training, and equipment that impact unit readiness and increase risk. I'm quoting: "What keeps you awake at night?" Because you are the billpayers, how would you characterize the readiness of your units for your mission-essential tasks and worldwide deployment? What are the greatest challenges, in terms of people, equipment, or training? Please paint for us a picture of your units' readiness, without getting into details that may be classified?

Colonel Beech, will you begin, please?

Colonel BEECH. First and foremost, what characterizes the readiness of my brigade is the process of reset and reconstitution. Right now, my brigade is in the process of being issued all our major combat systems, so that is the focus of what my brigade is doing. We have not even yet begun the full training cycle for our redeployment to Iraq, which will happen sometime in the next year. So, right now we're in the process of receiving equipment, having change-over in personnel, and then we'll begin our training cycle.

So, as it stands today, my brigade is focused on the reset and reconstitution, and that characterizes everything we're doing.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. Yes, sir. My experience over the past 10 months is that we've had the ability to shift manpower, personnel, and resources to prepare our forces for combat. There is a very short period of time when a unit returns from deployment, where

we send the marines on leave, giving them an opportunity to reunite with their families; during that same period, we reconstitute equipment sets. So, within that 7-month period, there's 6 months where they have adequate time, adequate people, adequate equipment to do the training they need for the next rotation.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, our strength in the brigade is personnel. We continue to have our citizen soldiers and volunteers step up to the plate. Our retention and recruiting—our numbers are good. I think our challenge is the equipment piece. Our challenge here is that when our soldiers leave the mobilization station and go overseas, they're very well-equipped, and they're very well-trained. We have this continuing challenge, since September 11, as a brigade, that was a non-enhanced brigade; we were at about 63 percent of equipment going into the current war. We've currently dropped to about 53 percent, and a lot of that is because we've transferred equipment within the State to support other units. We've also left about 5.7 million in theater as part of what we call the stay-behind equipment, in both Afghanistan and Iraq.

What's concerning, as a brigade commander, is our ability to train. We have four training sets that we're required to use, and the first one is, is to train our soldiers to prepare for mobilization. We then move into what we call the equipment set that we need for the actual mobilization station. They train for a series of days with the equipment set that they'll actually fight with. Finally and foremost, we train for our State mission. The homeland mission, we train with the equipment we need for a natural disaster and any kind of terrorist incident that we could potentially see in our area.

I think what's important here, as a brigade, is that training with equipment builds confidence, and it's more than proficiency, it's their ability to work together as teams and to certify our soldiers. My readiness really revolves around my ability to train on equipment, and equipment availability, sir.

Senator AKAKA. Thank you.

To all of you, our soldiers and marines have tremendous combat experience, but is that enough? What are your observations with regard to the quantity and quality of your mid-grade and junior officers, and your quantity and quality of noncommissioned officers (NCOs) among your subordinate units? Do your officers and NCOs have the education, training, and experience necessary to provide the most effective management and tactical leadership for their soldiers and marines? What steps are you taking to mitigate these challenges?

Let me begin with Colonel Beech.

Colonel BEECH. Certainly, I have seen no degradation in performance or capability of our junior officers and our NCOs. The soldiers, those sergeants, lieutenants, and captains that are on the streets of Iraq in Baghdad, and Afghanistan, and elsewhere, they're where the rubber meets the road in this war on terrorism. It is my experience that the soldiers, the sergeants, the lieutenants, and captains are performing magnificently.

During our recent deployment, I know our NCOs and our officers did everything we asked of them. But the challenge I have is for my NCOs and officers, 40 percent of whom who have been to Iraq

once already and are looking at going back on their second or third time, is retaining those mid-grade NCOs and those junior officers. They're the future of our Army, and they're the decisive element in this war on terrorism.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. Our mid-grade and junior officers, and our NCOs, are in the best shape that I have seen them in 24 years of service. They have combat experience, they're educated. We take the time to send them to professional military education. I have no indication that any of them, in numbers that would differ from generations, are leaving the service to do something else, other than serve their country.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, in 29 years of service, I've probably worked with the best corps of NCOs, enlisted soldiers, and officers that I've ever seen. Not only are they professionals in the military, but they're professionals in their civilian occupation, and what they do for their communities. We currently have 1,000 of the brigade soldiers that have deployed two or more times, which is significant in the eyes of the quality of folks that we have that continue to step up and volunteer to go two, three times. Our retention rate has stayed above an 85-percent, which is very significant. It's lower than the national average for the National Guard, which is at 18 percent.

I think that the significance for our force is the education. The majority of my soldiers and leaders are in the education field, they're going to get an education, and they're taking advantage, and so, we have very highly-qualified educated soldiers that I think that, thanks to our State and the Federal incentives, are staying with our force and helping us through these times.

Senator AKAKA. Each of you have indicated, and have mentioned, the word "retention," especially in the middle grades. What do you think about retention among our mid-grade, junior officers, and NCOs? If you are short in key leaders, what impact does that have on your ability to effectively plan, organize, and manage your material and training readiness? How are you dealing with this kind of challenge on retention?

Colonel Beech?

Colonel BEECH. The shortage I have in junior officers is particularly infantry and armor lieutenants as we go into our crew qualification phase in our platoon lanes. I'm confident that those shortages we do have in those positions will be filled prior to going into our mission rehearsal exercise. So, I'm confident we'll be prepared with qualified leaders for our deployment. However, during this period right now, what we're experiencing is a challenge meeting our retention goals both for junior officers and for mid-grade NCOs. Of course, the targeted incentives at those populations help us significantly to maintain the qualified leaders that we need to conduct our training, conduct operations.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. I have not experienced any shortages of junior officers or NCOs. My recent first-term re-enlistment requirement was raised from 27 to 34 percent of a very small population,

and we're already at 83 percent of that goal. So, retention is not going to be a problem for me, either.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, we continue to maintain our level of the senior leaders, both at the junior grade and at the NCO grade. I think the challenge for us is our families and employers, and that's really where our retention effort helps us carry our soldier on to another term of service. Really, what we're looking at is, there's a lot of incentives that are currently out there that benefit both our enlisted soldiers and our officers. However, I do think there needs to be some targeted incentives at that senior captain to major level, where we're making some decisions at the 20-year mark with their civilian career that causes them to make a decision whether they want to stay in or they pursue their professional degree as part of their civilian career.

So, I think, overall, we've maintained a fairly solid percentage of soldiers that remains in the ranks, both in senior-level officer and NCO. I think we're a solid force because of their experience.

Senator AKAKA. Equipment has always been a concern. What are your general observations about the numbers and state of repair of your most important vehicles, weapons, and communications systems?

Colonel Beech?

Colonel BEECH. Sir, the equipment we are receiving now out of the Army Reset Program—obviously, we receive equipment from many different sources, but I know the equipment that we have received thus far has been fully mission-capable. It certainly has some deficiencies on some items of equipment that our maintenance folks, our technicians, have to repair during the process. However, the vehicles that we're receiving now, particularly the combat systems—the Bradleys, the tanks, and the howitzers, and those issues that are ongoing right now—they are in better shape than the ones that we received 2½ years ago when we started this process.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. Our equipment is old—certainly, the equipment that we have at home station for training. We're wearing it out quicker than we have in the past. At this point, we have had plenty of, certainly, money for maintenance, and we've had no problems maintaining our equipment well above 80 percent.

Senator AKAKA. Colonel Orr?

Colonel ORR. We continue to reset equipment coming back from theater. We receive that weekly in our State. We're also receiving, in the brigade, new equipment fielding, which we've seen more new equipment today than we've ever seen in my history of being in the brigade.

I think our challenge becomes the fact that we move equipment, though, from the brigade to those units that are deploying, as our priority. Our ability to train, and to train to standard, is affected by the fact that we're moving equipment to cover down on these different deployments as we move forces into theater.

Senator AKAKA. I'd like to know a little more about your reset programs. What is your experience with your Service's equipment reset programs? How much of your unit equipment would you say

is working its way through the reset system? Or do you have visibility on its progress? How would you characterize the condition of equipment that comes back to you out of the reset system?

Colonel Beech?

Colonel BEECH. Of course, reset is a complicated process, and I want to start out by saying that I left all my major combat systems in Iraq—tanks, Bradleys, howitzers, uparmored Humvees; that all stayed in Iraq. When I came back to home station, of course, there was some equipment that I was able to repair and bring back to fully mission-capable status myself. Those items that I couldn't do that were turned into a local or field reset program. Then, I was issued new equipment from the Army Support Command for those systems that I left behind.

It's been my experience, thus far—and we are still in the midst of equipment reconstitution—that the major combat systems we're getting from the Army Support Command are in good shape; in other words, they're fully mission-capable. Again, they do have deficiencies, routine-type of maintenance shortfalls on those combat systems, but they are certainly shortfalls that we can repair.

Furthermore, we have been augmented with maintenance technicians to help us overcome any deficiencies that we should find in the early stages of the training process. So, it has been my experience, thus far, within the reset and reconstitution program, that it's meeting the requirement, and I will be able to meet my predeployment training timeline, as we currently have it planned.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. We do not do reset like the Army. When my battalions deploy to Iraq, they do not take their equipment with them. They fall in on equipment sets in the theater. So, the equipment that is left behind, currently two battalion sets that I am maintaining, we turn to on that gear with a maintenance battalion, and repair it, and we won't have any issues having that equipment ready when those battalions return to train for the next round of deployments.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, in my brigade, we've done reset through the National Guard, and in Maine is where we do the reset for our Humvees. We are receiving those back in the State. We're receiving those in pretty good quantity, in pretty good shape.

I think the issue that we have is we continue to leave and transfer weapons systems, night-vision systems, from unit to unit, we're getting the reset equipment, and we're also getting new equipment as part of the transformation effort and the equipment modernization. I think our real challenge is the individual weapons systems and night-vision systems that we pass on to our units that are deploying out the door that pull the readiness away from the brigade.

Senator AKAKA. I'd like to ask you about your training. With regard to training, what are your general observations about the quality of training among your subordinate units? What are your greatest challenges regarding individual skills and occupational specialty qualification? What are your challenges in achieving standards for individual and crew-served weapons qualifications? What are your challenges in providing combat maneuver training for subordinate combat units?

All of these are under training, so let me call on Colonel Beech.

Colonel BEECH. Sir, our training that we're currently ongoing is primarily individual skills. It's focused on medical training and weapons qualification. That's based upon the amount of equipping we currently have, because we don't have complete combat systems for all our units, because we're still in the process of drawing them. We're focused on the individual training. As of yet, based upon the reset program, many of our small arms, of course, are still in the reset program. So, we are doing all the training we can at the individual training level until we have all our combat systems. At that point, later in June, July, and August, we will begin our training cycles that focus on the collective training tasks, and then complete our collective training at the JRTC.

Based upon the current resourcing plan for our materiel, I believe that we'll be able to meet our training timelines as we prepare to go back to Iraq.

Senator AKAKA. Thank you.

Colonel Craparotta?

Colonel CRAPAROTTA. As I mentioned earlier, I think our biggest challenge is time available to train. That forces us to focus specifically on the mission at OIF, in Iraq, and prevents us from doing things that we might have done in the past, large combined-arms maneuver, and amphibious operations.

Our entry-level training allows us to integrate new marines into our units very effectively. They're well-trained. They get a great deal of training on weapons systems that they're going to employ, so it's very easy to integrate them. They go through, I would say, about 90 to 120 days, starting off with basic skills. It's a building-block approach. It's very specific. We end with the Service Assessment at Twentynine Palms Marine Corps Air Ground Combat Training Center, which we call "Mojave Viper," before a unit goes to OIF.

So, our biggest challenge is time. As I mentioned earlier, we're able to address that challenge, and I don't have any concerns with integrating new marines and training them for the mission at hand.

Senator AKAKA. Thank you.

Colonel Orr?

Colonel ORR. Sir, our training focus is what we call premobilization training, focused on individual leader. As we move through, right now, in a transformation process of what we call the "reduction of postmobilization training," we're working very close with the Army and the National Guard Bureau to push training in the premobilization requirements. Slide it to our weekends and our annual training, in order for us to be able to maximize time at home, and allow our soldiers to spend more time with their families, and less time at the mobilization station.

Our challenge becomes, as we move those tasks to the home station for us to train, because we have the quality trainers, and we have the facilities—it's the equipment that we need in order to be able to do that premobilization training.

Our biggest challenge is: to train to standard, you have to have the proper equipment. As we look at the rapid-fielding initiative, we don't see that until we get to the mobilization station, and

that's important for us to build confidence, important for us to be able to train to standard.

Senator AKAKA. On the topic of training, I would like to know a little bit more about what you do with headquarters-type personnel, as well as support services. What are your challenges in getting command-and-control training for your headquarters and your subordinate unit headquarter staffs? Do you have challenges getting the appropriate training for your support personnel and units?

Colonel Beech?

Colonel BEECH. Sir, the biggest effect on training my battalion and brigade headquarters is the personnel turbulence that is currently undergoing, and will go through the end of June and into July. Of course, we are a life-cycle unit. The end of our life cycle is in June. We'll see the changes of command of all six of my battalions and the brigade headquarters. We've seen a significant personnel turbulence in our field-grade ranks, those staff officers, those majors at the battalion and brigade level. So, the personnel turbulence associated with the end of my life cycle, which is in mid-June, is the primary detractor from battalion and brigade headquarters training proficiency. Of course, that'll be resolved once the new officers come in to take command of these units, and the new officers are assigned to the staff position.

Likewise, from an equipment perspective, our command-post fielding, those command-and-control mechanisms that the brigade uses to operate its six battalions, and those command posts for the six battalions, will be out of the reset program and be fielded to my units beginning in May and, again, complete in June. Of course, the primary training exercise to get after that is the JRTC mission rehearsal exercise, as well as some intermediate-level command-post exercises at Fort Hood.

From a support capability, we are just now receiving our wheeled vehicle fleet, and we'll have sufficient light-, medium-, and heavy-wheeled vehicles to conduct our training. We will not have all the medium- and heavy-wheeled vehicles we are authorized, but we will have enough to conduct our training.

For my brigade at Fort Hood, the medium- and heavy-wheeled vehicles we have are all light-skinned vehicles. There is a small training set of armored vehicles that we can use to conduct driver's training, but, by and large, the entire set of equipment that I'll be training with is light-skinned vehicles.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. Really, my headquarters goes along two tracks. One is, as I mentioned earlier, to prepare the battalions for deployment. The other is to prepare the regimental headquarters. The current construct, we have our operations center in place. The newest unit-operations center was fielded to us in January. Currently, the headquarters is in the field, conducting the second in a series of exercises. The headquarters will be fully manned by June of this year, which is 6 months prior to deployment. We'll have no problem getting in training that we need on the systems that we'll use in theater. We'll have all the people in place in order to do that training.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, I have a unique challenge, in the fact that, since the beginning of my command time, I've deployed individual units, and our priority has been to push leaders and key members of the staff down to be able to support those units that are deploying. What this causes me is a shortfall at the brigade headquarters in the ability to do what we would call collective staff training.

Now, that being said, the officers I do have I've put through the schooling system, the total Army schooling system. They're qualified in the level that they're expected to perform at. The other piece that's significant here is, in this last deployment, as we're currently preparing, I've sent three teams of Afghan National Army Embedded Training Teams out, and that pretty much takes the majority of my staff and any senior leader that I have remaining in the brigade as we move into this deployment year for the brigade. There's not much left at the brigade headquarters for me to be able to do a collective-level training, though we still assist the units, and their preparation is our priority.

Senator AKAKA. Congress is concerned that the low levels of readiness in our National Guard is handing the States additional risks of public safety. The lack of equipment leaves the States very concerned about the Guard's ability to respond to domestic contingencies and emergencies.

Colonel Orr, how do you report to the National Guard Bureau of the Department of the Army the readiness of your unit for their domestic support missions? How does Iowa measure and monitor the readiness of your unit for your domestic support missions? What are you doing to try to manage your readiness to meet your domestic support missions and reduce risks to public safety for your State?

Colonel ORR. Sir, unlike my wartime mission, we take our State mission and the homeland defense mission as a State mission. So, we collectively monitor the 10 key areas of equipment that we are required to be able to respond, whether it's communications vehicles, water capability, or aircraft. But we monitor that at the State level, and we report it at the State level through our Joint Force Headquarters. So, I don't report it as strictly a brigade level, but it's a State-level reporting system that we use through the Joint Force Headquarters that reflects our ability to respond to the State emergencies.

Just like in February, with the State emergency we had with the winter storms, though I'm missing equipment and I have equipment that's overseas, we, collectively, had to pull together, within the State, the equipment needed for the brigade to be able to go out and accomplish the highway-assist mission and some of the cordon-and-searches we did within our communities. But we still have a shortfall of equipment, and we still have a need that requires us to pull that equipment together in a collective effort.

Senator AKAKA. Each of you report the current readiness of your units using the Global Status of Resources and Training Systems. We have seen reports of units, not yours, in which they have the lowest objective rating for equipment or personnel. But a commander somewhere in the chain, and within their authority, has subjectively upgraded the unit to the highest rating. How has each of you personally used this authority over time? What analysis or

criteria do you use in the application of your professional judgment? What, in your views, are the strengths and the weaknesses of this readiness reporting system? That is, what is it about this system that gives you confidence or frustrates you in communicating your evaluation of the readiness of your command up the chain?

Colonel Beech?

Colonel BEECH. I think the biggest advantage of the current reporting system that I find useful as a commander is the qualitative narrative statements that I communicate to the Army staff and my higher headquarters, my division commander, every month. As I put in what I think are the biggest challenges that I have, in a narrative format, I always see feedback, not only from my division commander and his staff, but, on occasion, I have gotten calls from the Army staff directly to my brigade looking at ways to help or improve the readiness of my unit, particularly as it applies to personnel and readiness. So, those qualitative comments that I write in there, myself, every month, I find very useful.

Less useful in the readiness reporting, on occasion, is the quantitative personnel reporting, because in that reporting, there are often hidden personnel issues, as I send NCOs off to schools for, say, recruiting or drill-sergeant schools, those key leaders might still be assigned to my unit, but they're not available to me to deploy, making me look more healthy than I actually am in personnel. So, those are the types of challenges that we see with the reporting. How I overcome any kind of hidden issues with the quantitative reporting, I address through my commander's narrative to the Army staff.

Senator AKAKA. Colonel Craparotta?

Colonel CRAPAROTTA. I think the strength of the system is that you balance numbers and percentages with the commander's assessment. As Colonel Beech stated, the commander's assessment and those narrative comments are what gets read by our commanders up the chain, it's what I review specifically from my subordinate commanders, but it's a balance between those comments and what the percentages and the numbers are telling you that is the strength of the system.

Senator AKAKA. Colonel Orr?

Colonel ORR. Sir, I report quarterly from the brigade and the State perspective. I believe that the system we currently use is much better than the old system that we replaced within the last year. I think that the commander's card accurately reflects the strengths and weaknesses in my organization and my ability to support the full-spectrum operation brigade.

There's two challenges that I have, and the first one deals with equipment, predominantly focusing on the substitution in the Unit Status Report (USR). Though I have equipment on hand, and it may be old equipment that's outdated that continues to be on our inventory, we're allowed to substitute that for new equipment, which doesn't truly reflect our true readiness and the ability to go do our full-spectrum mission. The other challenge that I have is not within the USR system, but how we reflect the data higher. That is a transmission line called a Secure Internet Protocol Route (SIPR) line, which is a secure line that allows us to send our infor-

mation forward. When you look at Fort Iowa, and we're spread out among all the communities, I have organizations 3 to 4 or 5 hours away from the headquarters, I don't have the capability to transmit the data. It's a significant problem, not just within our State, but across the National Guard, in the fact that the infrastructure and the dollars are not there to provide the SIPR lines. For us, that takes time, and it takes a lot of energy in order to report that data forward.

Senator AKAKA. Colonel Beech, Secretary Gates recently announced that Active-Duty Army combat tours would be extended from 12 months to 15 months. How were the families of your brigade informed of this decision? Did you, or they, know this before the Secretary of Defense announced it in a press conference?

Colonel BEECH. No, sir. We learned of this when the Secretary of Defense made the announcement. Of course, that was followed up widely in the media, even out there at Fort Hood, TX. Of course, we've been communicating with our junior leaders ever since. That has not specifically changed the situation for my brigade, as of yet, and we're waiting to see what the impacts of that might be. But we're currently proceeding along our training and preparation original timelines.

Senator AKAKA. Colonel Beech, how is this impacting the morale of the families of your brigade? Has the Army or you put any special programs in place to address the family issues this unanticipated combat tour extension is sure to create?

Colonel BEECH. Right now, sir, we do not have a deployment date, although we expect to deploy sometime in the next year. So, we're anticipating what the results might be of these unit extensions. For my particular families, what this means is that we may have a year or more dwell time at home between rotations. What was challenging to my brigade, as about 40 percent of my junior officers and NCOs have just completed their second tour, looking at their third tour, any short-term turns back to Iraq in less than a year would be very difficult on our families. So, the soldiers are looking forward to the prospect of having additional time at home.

Senator AKAKA. Colonel Orr, until recently involuntarily mobilizations of National Guard and Reserve personnel were limited to 24 cumulative months. Recently, the Secretary of Defense changed this policy to limit each mobilization to 12 months, but removed the 24-cumulative-month limitation. As a result, National Guard and Reserve units who have already served their complete tour are being mobilized again. How do the families of your brigade feel about this change in policy? Do you think it will have an impact on your soldiers' civilian employment?

Colonel ORR. From the brigade's perspective, we have nobody that's currently being remobilized under that new policy. The folks that we currently are sending out to the MOB stations, we've known for approximately a year, year and a half, of their deployment. We do have units within the State, outside of the brigade, that fall into that category. I think that there's always that issue, dealing with families and employers, when we turn around and we send a unit back-to-back, but I think what's probably more important here is what I would call—is the deployment cycle support, and that is, is the ability, when we bring soldiers home, to reset

them, and their families and their employers, for the potential next deployment. I think there's some work that we need to do, as an organization and as a State, to help facilitate that. The current policy, the hands-off policy, eliminates us from being able to voluntarily get to our soldiers, upon return home from mobilization, for 90 days. We're finding that the problems that are surfacing from deployments, whether medical, physical, psychological, family, occur between the time they take leave from returning from deployment, to about that 90-day window. Compound that, along with the fact that we're spread over, in my case, a battalion's worth of 211 communities, we have some unique challenges there to communicate with our soldiers. It's important that we have a reintegration process very similar to Colonel Beech, 4th Infantry Division, and the Active Army, where we're able to bring the families, the soldiers, in sooner, and have funding that can support that, so we can do a reintegration and take care of their physical and family needs prior to finding about it 90 days later, and when they return back to duty.

Senator AKAKA. Colonel Orr, do you think that we need new or different programs for families of National Guard personnel who are mobilized a second time?

Colonel ORR. Sir, I think that, in dealing with the families, we have a pretty solid family support program, as long as we continue to fund our family support personnel, and that we continue the support programs that are there. I think, as I mentioned in my earlier statement, the challenge becomes, for us, is the hands-off policy in the reintegration of our families. Many of the States—specifically, Minnesota, went out for the 1st Brigade that—to include some of the soldiers from my battalion that belong with them—they were extended for 125 days. They've worked very hard with their congressional folks to receive additional funding in order to be able to support a reintegration program that engages the families, prior to the soldiers arriving, and then, through a series of engagements after the soldier and their families come home. I think that really is the key for us to maintain readiness, retention, and really take care of our families and the employers, that early engagement with our soldiers and their families.

Senator AKAKA. I want to thank you, Colonel Beech, Colonel Craparotta, and Colonel Orr, for your thoughtful and frank testimony today. As I expected, this has been an interesting and very useful hearing. Although your units face serious readiness challenges, we can see that you are trying to deal with them in a realistic and creative way. You have given us much to think about as we consider how best to support you, your soldiers and marines, and your families in this year's National Defense Authorization Bill. So, all of this information you've given us will help us do that.

I want to tell you that we are proud of you. We are proud of what you're doing and proud of your soldiers and marines and what they're doing for our country. These training programs are so important to prepare them for whatever the mission will be. So, the effort here is to try to learn what is there, the status of training at this point. You have given that to us, and we hope we can then prepare the proper National Defense Authorization Bill that will

help you continue to do the good job that you're doing with your brigades.

So, with that, I want to say thank you so much, again, for being here today, and I want to also extend that to your families and to all the soldiers and marines that you command. So, thank you very much.

This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR MARK PRYOR

TRAINING

1. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, how adequate is your training for convoy operations?

Colonel BEECH. Before the end of this fiscal year every one of my platoons will have completed a very detailed and deliberate train-up on convoy procedures, counter-improvised explosive device (IED) operations, counter ambush, and medical treatment and evacuation. In June and July, all of our platoons will execute a basic-level IED identification and reaction course where they will drive a route in convoy and attempt to identify and react to IEDs similar to those found in theater. Following this, platoons will move to a more complex situational training exercise where they will have to react to enemy snipers, more sophisticated IEDs, and a complex enemy ambush. Platoons will be externally evaluated in this exercise and will have to deal with local civilians and treat and evacuate wounded personnel. In order to familiarize soldiers with the unique challenges of operating in a dense urban environment, we will require every platoon to conduct a convoy operation (unarmed) through the traffic in our surrounding communities. This will teach convoy leaders how to maintain cohesion and communications in a high traffic environment and how to treat locals appropriately while maintaining force protection. Our logistics patrols have a unique burden in Iraq given the nature of the threat and will receive additional training. In July we will conduct a series of convoy live-fire exercises for each one of the logistics elements in this brigade. This scenario will build on the force-on-force exercises in June but employ live ammunition. Logistics convoys will have to respond to a series of threats first while stationary and then on the move. They will have to develop methods to synchronize and distribute their fires, discriminate between hostile and non-hostile targets, and take all the appropriate safety precautions inherent in live-fire training. Finally, prior to deployment every soldier who will occupy the commander's or gunner's seat in a combat vehicle in Iraq will be required to qualify in a series of externally evaluated live-fire gunnery tables on the type of vehicle that he will operate in Iraq.

Our greatest challenge in the training of convoy operations is the lack of uparmored M1114 HMMWVs at home station because of the demand in theater. I currently do not have any uparmored trucks of any kind in my brigade. The M1025 Scout HMMWV is our surrogate vehicle for training purposes but lacks the weight and other characteristics to adequately replicate driving this armored truck. The shortage of M1025 and M1026 HMMWVs also limits crew training and qualification. In my brigade we have attempted to mitigate this by pooling and rotating a training fleet of M1025s among units to accomplish required predeployment training.

Colonel CRAPAROTTA. Marine Corps convoy operations training is sufficient for the current operating environment. Marines receive the level of convoy operations training commensurate with their deployment assignment. In our Pre-deployment Training Plan (PTP) block approach, all marines deploying to the Central Command (CENTCOM) theater, regardless of assignment, are required to receive Blocks I and II training which include driver and convoy operations training. Blocks III and IV contain unit-specific convoy operations training.

The training and education continuum begins with entry level training and ascends through formal schools, home station, professional military education, and culminates with a final exercise such as Mojave Viper, Desert Talon, or Mountain Warrior. This ascending-levels-of-competency approach allows marines of all ranks to be trained at the right level, at the right time, and the right place. This further provides a disciplined approach to studying, thinking, and discussing the profession of arms. The threading of convoy operations training throughout the continuum ensures that all marines will be well-prepared for the types of challenges they may face.

Finally, a rapid, continuous lessons-learned process ensures the latest enemy and friendly tactics, techniques, and procedures are used in training. Above all, the Marine Corps takes pride in ensuring much of the individual training, and virtually all unit training, is conducted with the oversight of combat experienced NCOs and Officers.

Additional Information:

- Block I: Mandatory for all deploying marines, this block is conducted at home station to establish mastery of basic warfighting skills. These skills include:
  - Enhanced Marksmanship Package
  - Common Combat Skills
  - Annual Training Requirements (Physical Fitness Test, Gas Chamber, Swim Qualification and Rifle Range)
  - Military Occupational Specialty Proficiency Skills
  - Incidental Driver Training
  - Vehicle Familiarization and Preventive Maintenance
  - Immediate Action Drills
  - Basic Driver Skills
  - Crew-served Weapons Training
  - Weapons Assembly/Disassembly and Maintenance
  - Weapons Loading, Unloading, and Immediate Action
- Block II: Mandatory for all deploying marines, this block is conducted at home station with a focus on current operating environment skills. This training includes:
  - Marksmanship
  - Improvised Explosive Devices-Defeat
  - Motorized Operations
  - Urban Tactics Techniques and Procedures Orientation
  - Vehicle Control Point/Entry Control Point/Escalation Of Force/Law Of War
  - Pre-combat Actions
  - Aspects of Culture
  - Fixed Site Security
  - First Aid
  - High Risk of Capture
- Block III: Focused training for combat support units with the following tasks in their Mission Essential Task List (METL) (these are collective tasks, usually involving convoy operations, conducted at service level training events):
  - Conduct Defensive Actions
  - Conduct Relief in Place
  - Forward-deploy Units
  - Conduct Intelligence Operations
  - Perform Logistics and Combat Service Support (CSS)
  - Exercise Command and Control
  - Protect the Force
  - Conduct Civil Military Operations (CMO) in the Joint Operating Area (JOA)
  - Train Forces and Personnel
- Block IV: For ground combat elements, combat aircrews, and those that will be exposed to hostile action on a recurring basis. This block is conducted at service level training events. These units will typically have the following tasks in their METL:
  - Conduct Offensive Action
  - Control or Dominate an Operationally Significant Area
  - Clear Enemy Forces from an Area
  - Conduct Defensive Action
  - Conduct Relief in Place
  - Interdict an Area or Route
  - Forward Deploy Units
  - Conduct Intelligence Operations
  - Provide Fires in Support of Maneuver
  - Perform Logistics and CSS
  - Exercise Command and Control
  - Protect the Force
  - Conduct CMO in JOA
  - Train Forces and Personnel

Training culminates in a full-scale, intelligence-driven, controlled, and evaluated mission rehearsal exercise conducted at Twentynine Palms, Bridgeport, Yuma, or a joint venue.

Colonel ORR. Convoy operation training is integrated into both our weekend and annual training requirements. The requirement is for every soldier to complete convoy operation training within an 18-month cycle of weekend and annual training events. Every unit conducts a minimum of two 8-hour convoys annually as they travel to their annual training site. Once we get to the annual training site, I require every soldier in the brigade to participate in a live-fire convoy lane as part of their annual training program. Within this training program, every soldier is qualified on individual and crew served weapons, has completed advance weapons marksmanship, and completed numerous iterations of convoy training in a crawl, walk, and run methodology. In addition, my units will conduct numerous convoys throughout the 2 weeks as they conduct combat and logistics operations. My greatest challenge is the lack of equipment to train my soldiers to standard. Many times, I am forced to train my soldiers on a convoy lane without the proper individual weapons, vehicles, and crew served weapons. I can train soldiers and give them some experience, but once they get overseas, they will usually have to retrain with the updated equipment and vehicles.

2. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, how are you training to identify and defeat IEDs?

Colonel BEECH. As I stated above, IED identification and reaction are two of the most basic and important individual skills that we will train prior to redeployment to theater. The 4th Infantry Division has invested a great deal of resources into developing appropriate training lanes that teach soldiers how to detect, avoid, and respond to IED threats. I have added the completion of this IED lane to our routine gunnery certification requirement so that it receives the attention that it deserves from every vehicle crew in the brigade.

We are enrolling many of our mid-level noncommissioned officers (NCOs) from my two engineer companies into the Route Reconnaissance and Clearance Operators Course (R2C2) taught at the Engineer School in Fort Leonard Wood, MO. This course teaches NCOs the fundamentals of counter-IED and route clearance operations using the latest techniques that are being developed in theater.

Like convoy operations, our biggest challenge with respect to counter-IED training comes down to a shortage of equipment at home station. The Army has fielded some exceptional and specialized route clearance equipment in Iraq including the Buffalo, RG–31, and Husky. Unfortunately, due to resource limitations, these vehicles are not available for home station training. Route clearance platoons will receive a 2-week block of instruction in Iraq on this equipment once we arrive but we will be unable to incorporate these critical tools into our home station train-up and mission rehearsal exercise.

Colonel CRAPAROTTA. To ensure all marines receive appropriate training prior to deploying to theaters of operations and potential combat operations, the Commandant of the Marine Corps established the U.S. Marine Corps PTP in 2006. Within the PTP, unit commanders build on the individual and collective IED-defeat (IED–D) skills learned in the institutional training domain. The hallmark of IED-D training within this domain is the ability of the marine and leader to apply those previously learned individual and collective task skills in increasingly more complex scenarios and situations. This integrated, building-block approach incorporates the traditional crawl/walk/run methodology to create marines, leaders, and units capable of defeating an insurgent IED system and mitigating its effects on operations. This training progression starts with home station training and culminates with a Mission Rehearsal Exercise at the Marine Air Ground Task Force Training Command, Twentynine Palms, CA, or at an approved alternate training venue.

The training and education continuum provides the strong foundation upon which individual marines and units develop tactics, techniques, and procedures to defeat the evolving IED threat. These tasks include both common combat and military occupational specialty-specific individual and collective skills. We are currently developing the standardized master lesson files (MLF) to cover all common IED–D individual and collective skills, and will update these with the evolving threat.

- MLF 1: recognition of IED indicators, reaction to a suspected IED, and reaction to an IED detonation.
- MLF 2: small unit leader training in mounted and dismounted movement in an IED threat environment, including actions to predict, avoid, and protect against various IED threats.

- MLF 3: operation and employment of the new counter radio-controlled IED electronic warfare devices/systems, and an introduction to the fundamentals of ground electronic warfare.
- MLF 4: staff actions for planning, preparing, and executing counter-insurgency operations where IEDs are the enemy's weapon of choice. Staff actions include terrain visualization, predictive analysis, site exploitation, ground EW operations, integrating joint IED enablers, and enemy network surveillance and targeting.

Lastly, in conjunction with the Joint IED–D Organization, we will continue to explore every avenue of defeating IEDs through the paradigm of Defeat the System, Defeat the Device, and Train the Force.

Colonel ORR. IED training is integrated into both our weekend and annual training requirements. The requirement is for every soldier to complete IED training within an 18-month cycle of weekend and annual training events. I have procured a variety of IED simulators that can be used by the units to integrate into their training lanes. I have created a new assignment in the BCT Headquaters and every battalion headquarters for an IED Master Gunner. This person attends a series of training courses at Fort Leonard Wood on IEDs and the proper methods of identifying and defeating IEDs. They come back to the unit and become the IED expert for their units. However, because of how the enemy is always changing their tactics, most of the IED training occurs once my units are at the post mobilization training site and can receive the most current information. Also, once the mobilized unit gets to Kuwait, they spend several weeks receiving training on IEDs, using the newest tactics, techniques, and procedures.

3. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, what new technologies would you like to see employed on the battlefield?

Colonel BEECH. Our brigade was superbly equipped in Iraq with the latest technologies. I am not an expert on the research and development process in the Army and don't have visibility on what is already in the development pipeline.

Certainly the proliferation and expansion of persistent surveillance intelligence collection capabilities among all echelons should continue along with any and all efforts to protect our soldiers from and allow us to defeat IEDs.

As important as new technologies is the full resourcing of unit equipment authorizations. I want to thank the committee for your continued support of the Army in these efforts.

Colonel CRAPAROTTA. The Marine Corps articulates its technology needs in its biennial Science and Technology Strategic Plan. This document provides science and technology objectives across all of the battlefield functions. Representative of these technology priorities are the following:

- Achieve persistent, focused, wide-area surveillance over the battlespace
- Be able to find and pre-detonate IEDs
- Halve the weight of the basic fighting load of infantryman
- Incorporate common electrical power without the variety of short life batteries
- Make infantrymen essentially bulletproof and climatically controlled
- Provide a combat helmet with a pilot-like heads-up display containing optics, protection, data display and communications that is both lighter than the current helmet and which provides more protection
- Develop training simulators that support realistic infantry training requirements
- Provide systems that support combat identification of friendly forces and display of friendly force position location information in near real time
- Develop adaptive camouflage that conforms to any environment and light conditions
- Provide devices that will permit near-synchronous voice translation

Colonel ORR. I think new technology is great, but I would like to see it and the newest equipment get filtered down to my units, prior to mobilization. The Army has done a great job in fielding my units at the mobilization stations with the best equipment and technology, but prior to mobilization we do have the same capability. As I bring units home from deployment, they are either leaving equipment in theater for other units or having to turn it in to supply, so that other units can have it to mobilize. My challenge is to reset the force and maintain our skills from deployment, which is very hard with the lack of equipment and technology. I have tried to procure simulation systems that will provide some relief to the shortage, but it does not fill the gap created by the shortfall in equipment and technology.

4. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, a suicide bomber exploded a truck near a U.S. military outpost in Baqubah, Iraq, yesterday, killing 9 soldiers and wounding 20 others. Do you have the tools necessary in your training to better identify and defeat these bombers?

Colonel BEECH. I am not familiar with this incident beyond what I have read in DOD press releases. I can't say with certainty that my brigade could do a better job of identifying this type of threat than the soldiers of this unit did in April. A committed and well-equipped suicide bomber is a very difficult opponent to stop. We are doing everything in our capability to train and equip our soldiers with the tools to identify this kind of threat and react appropriately. We will train force protection operations during our field exercises at home station and at our mission rehearsal exercise using mock scenarios similar to the one in Baquba. This fall, I am sending my staff engineer officers to a course that will train them on the fundamentals of constructing blast walls and security barriers that can withstand these kinds of attacks. We also train our soldiers to look for intelligence and environmental indicators of pending attacks such as the abnormal behavior or absence of local children. Good force protection is fundamentally about discipline and vigilance and these are skills that our NCOs attempt to instill everyday into the soldiers of this brigade.

Colonel CRAPAROTTA. Yes, in our PTP block approach, all marines deploying to the CENTCOM theater, regardless of assignment, are required to receive Blocks I and II training which include IED–D and Urban Tactics Techniques and Procedures Orientation training. Blocks III and IV contain unit-specific intelligence collection, protect the force. and civil-military operations training.

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Training culminates in a full-scale, intelligence-driven, controlled, and evaluated mission rehearsal exercise conducted at Twentynine Palms, Bridgeport, Yuma, or a joint venue.

Colonel ORR. Suicide bomber is the number one problem in counterinsurgency operations in OIF. Currently there is no official program for defeating the suicide bomber. Defeating a suicide bomber is a very difficult task. We developed an entire spectrum of countermeasures, identified indicators, and continue to train and raise the situational awareness of our soldiers in relation to the threat. But threat tactics continue to evolve in the face of our countermeasures, and we will never come to a point when we are completely protected from suicide bombers. The U.S. Army has a Center for Army Lessons Learned that continues to provide great information on the suicide bomber and how we can defeat it. They have provided to its readers tools to develop a Suicide Bomber Defeat program.

5. Senator PRYOR. Colonel Orr, what readiness challenges do you face when balancing your unit's responsibility to the Department of Defense (DOD) and Department of Homeland Security (DHS)?

Colonel ORR. I have no real challenges when it comes to balancing my DOD and DHS mission. We train every year focused on our war fight mission. The tasks that we are expected to execute overseas are the same tasks that are expected for us to execute in our DHS mission. The only addition to my training program is teaching the civil disturbance training. Over the last 2 years, we have deployed most of the BCT, while supporting several homeland security missions. We supported the Midwest Winter Storms and Operation Jump Start along the border without degrading our ability to support the Nation. The greatest challenge for me is the lack of equipment issue. The same equipment required for pre-mobilization training, post-mobilization training, and the DOD deployment is the same equipment required for a DHS mission. My soldiers have exceeded in every mission they have received from DOD or DHS. I believe if we can perform the warfighter mission, then we will be able to support the DHS mission.

6. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, are your soldiers and marines effectively training for irregular warfare (IrW)?

Colonel BEECH. Yes. Our training strategy is focused on full-spectrum operations. This strategy breaks down into three major components: (1) leader training, (2) individual soldier training, and (3) collective or unit training.

We have an aggressive program to train our junior leaders on a variety of subjects that they will need in Iraq or any other environment. This summer and fall our leaders will attend classes on Cultural Awareness and Sensitivity, Counterinsurgency operations, and antiterrorism. Additionally, all of the senior leaders in the brigade will travel to Fort Polk for a week to study and practice techniques for planning complex operations in an IrW environment.

Our individual training emphasizes the fact that every soldier is a rifleman. We will train marksmanship very heavily this next quarter. Other training will include basic cultural awareness, rules of engagement, IED detect and defeat techniques, and basic first aid.

Our collective unit training focuses on building tough realistic scenarios that replicate the complexity of the irregular battlefield. This summer our focus will be on training at the company level and below so that we build those cohesive and capable teams that are so critical in this type of warfare. The culmination of our collective training will be a deployment to the JRTC at Fort Polk where we will fully exercise all the capabilities of the brigade in a full-spectrum and realistic environment. I think this training strategy adequately prepares us to fight IrW.

Colonel CRAPAROTTA. Yes. The Marine Corps is preparing its operating forces to operate, today and in the future, in IrW environments. The essence of our Maneuver Warfare doctrine is outsmarting a thinking enemy by exploiting key weaknesses to defeat the enemy's center of gravity. In many aspects, this philosophy closely parallels IrW. From forward-looking IrW-related concepts to present day-focused IrW doctrine, emerging lessons learned and training, we instill in marines the importance of understanding the irregular threat and the nature of today's battlefield. Additionally, we maintain close coordination with joint force and external agencies on IrW issues within a variety of forums.

A sampling of some of our ongoing IrW training efforts is provided below:

- We recently published Countering Irregular Threats: A Comprehensive Approach; the Tentative Manual for Countering Irregular Threats: An Updated Approach to Counterinsurgency; and the Small Unit Leader's Guide to Counterinsurgency intended to stimulate debate and facilitate combat development. Our Small Unit Leader's Guide to Counterinsurgency provides a ready reference incorporating recent lessons learned. A similar project is underway to capture lessons in the urban environment. Additionally, the Multi-Service Concept for IrW was published in collaboration with SOCOM; and we are collaborating with the Army on FM 3–24/MCWP 3–33.5 Counterinsurgency providing guidance for battalion level and higher commanders and staff.
- Our Small Wars Center of Excellence Web site (www.smallwars.-quantico.usmc.mil) provides an unclassified, interactive information resource and management tool for the understanding of the history, nature, and relevance of small wars in the 21st century security environment. It supports the marine who is seeking relevant information including cultural intelligence, IrW, counterinsurgency, and after action reports.
- Marine Corps University has placed an increased emphasis on IrW by hosting subject matter experts as guest speakers, incorporating seminar discussion and planning exercises. In 2005, we established the Kim T. Adamson Chair of Insurgency and Terrorism to focus on the theory and nature of terrorism and insurgencies. At the senior level, the Marine Corps War College devotes approximately 84 hours, half its War Policy and Strategy Course, to the study of IrW. The intermediate school, Command and Staff College program of instruction called "Small Wars and Operations other than War" totals 107.5 instruction hours. Students explore counterinsurgencies, transnational threats, stability operations and reconstruction; while also receiving instruction in operational culture, language, interagency issues. At the primary level, Expeditionary Warfare School devotes 3 weeks to an IrW-specific program.
- All new officers receive entry-level training in the operational aspects of foreign cultures and counterinsurgency, and our schoolhouses include IrW in their lesson plans. An IrW/Distributed Operations mission training plan is under development to identify IrW Collective and Individual Training Standards to be incorporated into the relevant training and readiness manuals.
- The Center for Advanced Operational Culture Learning provides pre-deployment training focusing on operational culture and language learning for operating forces and on schoolhouse instruction and curricula support. We are working to establish satellite Language Learning Resource Centers to

support focused pre-deployment language training and to build distance learning products for the Career Marine Regional Studies program.

• Our Marine Air Ground Task Force Staff Training Program supports the operating forces by preparing a Marine Expeditionary Force staff for deployment to any theater of operations. MSTP constructs a five-part exercise package across two of four quadrants of war while tailoring its program to current requirements, notably, IrW.

• The Security Cooperation Education and Training Center is leading the development of formalized Marine Corps civil-military operations training and education for Civil Affairs Groups and Artillery Regiments in their secondary mission of Civil Affairs. They also conduct pre-deployment and IrW, advisor-specific training for all Marine Corps Transition Teams.

• Based on lessons collected from recent operations in Iraq and Afghanistan, the Marine Corps Center for Lessons Learned has identified a number of performance gaps in IrW training. Solution sets for tactical questioning, detainee handling, evidentiary collection, biometrics, civil military operations, advisor training, and non-lethal weapons are under development.

During 2006, we assessed the current state of IrW training and education, and identified gaps and areas of potentially greater risk, to meet the Secretary of Defense and warfighting commanders' requirements for Marine forces more agile and capable of countering irregular threats, and conducting counterinsurgency operations. This is leading to changes to the curricula at schoolhouses and training venues that shift the balance between conventional and IrW, and better prepares marines for the modern battlefield.

Colonel ORR. I train my soldiers to fight in a full-spectrum of operations, which includes IrW. I do not specifically focus their training on IrW only; I try to ensure that we include elements within our training program. Since the beginning of the war, my units have only been executing theater security operations, which are focused on route and convoy security. However, we try to implement elements of training that will help them in the event that their mission changes. As part of the post mobilization training, each soldier receives training in the country's language, culture, and customs. The soldiers I sent to Afghanistan this summer received training for 2 weeks with members of the Afghanistan National Army (ANA). They were part of a new training process focused to help our soldiers learn how to communicate and operate with ANA soldiers, before going into country. This concept of training has proven to be very beneficial and should continue as we develop our teams for deployment. Also, once my soldiers arrived in Afghanistan, they spent one week attending the counterinsurgency academy at Kabul. At the academy, everyone received the most updated information and training on the counterinsurgency operations in Afghanistan. The feedback was very positive from all soldiers.

7. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, do you have access to adequate facilities that specialize in urban warfare?

Colonel BEECH. We have two dedicated urban training facilities at Fort Hood, TX, and several smaller 'shoot-houses' that allow for live-fire exercises. The two large urban sites are adequate for a platoon or smaller company operation. They allow for the development and training of basic small units tactics and procedures for operations in urban terrain. While more and larger facilities would be desirable, our current training resources allow us to effectively train our platoons and companies.

Colonel CRAPAROTTA. Yes, my subordinate battalions have had access to required training sites to conduct necessary urban training. There are currently three sites available at Camp Pendleton to train in urban warfare. These sites were available for my battalions. In some cases we had to share these training sites with other units but we were always able to get the necessary training completed.

Because of the high demand on current urban training sites, the Marine Corps is investing to improve existing sites as well as adding sites on Camp Pendleton. While I don't have all the details, I know there has been construction at the existing site (range 131), and that there are plans which will dramatically improve the other two older sites aboard Camp Pendleton. So while we have had access to required training sites, we have also identified a requirement to improve existing facilities and the Marine Corps is investing significant money to upgrade urban training centers where my units conduct training.

I would add that the Marine Corps has invested significant money into urban training at our training center in Twentynine Palms for both live-fire and non-live-fire training. Both of these facilities are operational and have been for some time. Units train at these facilities as part of our service-level assessment before deployment to Iraq.

My assessment is that there has been adequate availability of urban training sites and that the sites at our training center have improved dramatically. We are also investing now to improve facilities so that we can maintain the best possible facilities for future urban warfare training.

Colonel ORR. I feel that we have the required facilities and simulations to support urban warfare training in a simulated, virtual, and live-fire capacity. In the State of Iowa, we have built a simulation room that allows my leaders the ability to train room-clearing procedures to new soldiers and understand the training principles, before moving into a higher level of training. After the simulation, the soldiers move to a mobile container facility that can be used to teach them the fundamentals of entering and clearing a room using blank ammunition and simunitions. We are also updating our urban training facility with additional buildings, environmental injects, and constructing a live-fire shoot house that can be used to train soldiers under a simulated and live-fire environment. At our annual training site at Camp Ripley, MN, they also have a live-fire shoot house and an urban training facility.

MORALE

8. Senator PRYOR. Colonel Beech, Colonel Craparotta, and Colonel Orr, what effect has the recent decision to extend deployments from 12 months to 15 months had on morale of your soldiers and marines as well as their families?

Colonel BEECH. Our brigade's deployment timeline has shifted in large part because of this policy. This will allow the soldiers and families in this brigade additional dwell time at home station with their loved ones and an adequate opportunity to reset and train the brigade in preparation for the next rotation. Overall this has had a positive impact on my soldiers and their families. I think that, as our deployment date draws closer, more families will become concerned about the long rotation and the impact it will have on their lives. For this reason, I am most concerned about our younger married soldiers.

Colonel CRAPAROTTA. The U.S. Marine Corps has not extended any marines from 12 to 15 months. The morale of our marines is extremely high. Marines and their families are experiencing stress due to deployments, something which we hope to reduce with our goal of a 1:2 dwell time.

Colonel ORR. For my unit, we have fallen under the 1-year mobilization policy, which includes the post mobilization training and deployment. I feel the new policy will greatly enhance the morale of soldiers, their families, and employers. In the past, I have had some units that spent 6 months at a mobilization station training, prior to their 1-year deployment overseas. By the time they return to the States and go on leave, they have been deployed for over 19 months, not including any extensions. I think the new policy will not only minimize the impact for families and employers, but it will allow the State leadership the ability to manage their dwell time for future deployments.

[Whereupon, at 4:08 p.m., the subcommittee adjourned.]

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