

**MILITARY CONSTRUCTION AND VETERANS
AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2011**

THURSDAY, APRIL 22, 2010

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

The subcommittee met at 10 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Tim Johnson (chairman) presiding.
Present: Senators Johnson, Pryor, Collins, and Murkowski.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF HON. LOUIS JEROME (JERRY) HANSEN, DEPUTY ASSISTANT SECRETARY OF THE ARMY (STRATEGIC INFRASTRUCTURE) AND SENIOR OFFICIAL PERFORMING DUTIES OF ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND ENVIRONMENT)

ACCOMPANIED BY:

JOSEPH F. CALCARA, DEPUTY ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND HOUSING)

BRIGADIER GENERAL JIM BOOZER, DIRECTOR OF OPERATIONS, OFFICE OF THE ASSISTANT CHIEF OF STAFF (INSTALLATION MANAGEMENT)

MAJOR GENERAL RAY CARPENTER, ACTING DIRECTOR, ARMY NATIONAL GUARD

JAMES SNYDER, ASSISTANT CHIEF, ARMY RESERVE

OPENING STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. This hearing will come to order.

I welcome everyone to today's hearing to discuss the President's fiscal year 2011 budget request.

Today we will hear from two panels of witnesses representing the Army and the Air Force and their Reserve components.

The first panel will be the Army. Secretary Hansen, Secretary Calcara, General Boozer, General Carpenter, Mr. Snyder, thank you for coming today. General Carpenter, I am always happy to see a fellow a South Dakotan. We will look forward to your testimony.

Senator Hutchison has asked me to let you know she has a conflict this morning and will not be able to attend this hearing, but I will submit her statement and questions for the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Good afternoon, Mr. Chairman. Thank you for holding this hearing today as we examine the President's budget request for military construction and family housing for the Department of the Army and the Department of the Air Force. I would also like to welcome our witnesses and guests: Mr. Hansen, Mr. Calcara, Major General Carpenter, General Boozer and Mr. Snyder. I look forward to discussing military construction and family housing needs with you.

I am very pleased that we are nearing completion of the Base Realignment and Closure program. The Department is entering its final year of Milcon before the September 2011 statutory deadline for all BRAC projects. For the last several years, I have emphasized the importance of fully funding and effectively implementing the BRAC program, which has evolved into a \$32 billion Milcon program for the Department.

Mr. Hansen and General Boozer, as we begin the budget process for fiscal year 2011, the Department of the Army is facing several challenges within its military construction budget, such as changes to our Global Defense Posture, which we will discuss shortly, and changes to the Army's recapitalization strategy. As you have heard me say many times, I believe we should all strive to station as many of our troops as realistically possible within the United States, and in modern facilities we can all be proud of.

Overall, the Department of the Army budget proposes a 9.7 percent increase, and the Department of the Air Force budget proposes a 7.2 percent decrease. There are big differences in these accounts, and considering the big disparities in the Guard and Reserve accounts, I am anxious to discuss the rationale for these budget decisions. I want to be sure we are providing our soldiers, sailors, airmen, and marines with the infrastructure they and their families deserve.

GLOBAL DEFENSE POSTURE

Another issue I hope to discuss today is our Global Defense Posture as it relates to our Milcon requirements. First, I hope our witnesses will explain the DOD policy of Building Partnership Capacity in Europe. I hope by partnership you mean that our allies will share in the financial burden as we build military infrastructure in Europe. Our specified overseas Milcon request is \$2 billion for projects not directly related to the war in Afghanistan. When you add in projects for Afghanistan, overseas Milcon totals \$4 billion. That is huge.

As I have said many times, I believe we should be restationing our troops in the United States, but the proposed 2011 budget contains a Milcon request for \$513 million for Germany, which includes \$186 million for Wiesbaden Army Base and \$75 million for four new barracks at Grafenwoehr—a training facility—just as examples. As the services consolidate our forces in fewer facilities to save on operational costs, I know we have to build some new consolidated facilities, but I would like our witnesses today to give us the rationale behind these proposals and a sense that there is a strategy driving our Milcon requirements and not the other way around.

In Korea, the Department is looking at "tour normalization," which would greatly increase the number of U.S. citizens on the peninsula and require expanding our support infrastructure in Korea. I understand that you are currently executing phase 1 of a 3-phase consolidation operation and that phases 2 and 3 will require more substantial U.S. funding. I look forward to your remarks concerning the costs of future infrastructure requirements and the Korean Government's financial contributions associated with this consolidation effort.

QUADRENNIAL DEFENSE REVIEW (QDR)

The Quadrennial Defense Review recommends retaining four brigade combat teams in Europe, rather than the current stationing plan to reduce the number to two. I have raised this issue before with the Secretary of Defense and the Army Chief of Staff because I am concerned that this decision will disrupt our commitment to return our forces to the United States, where we can provide better training and a better quality of life for them and their families. I am concerned it will also disrupt the extensive military construction already in progress at Fort Bliss. The sooner we can get our service-men and -women home and into new, state-of-the-art facilities, the sooner we will live up to our commitment to provide for them in a way that is commensurate with their service to our Nation. Our troops can deploy to any region of the world from the United States just as easily as they can from Europe, and in some cases more so. We need to return our troops to the United States, but just as importantly, we need to be fiscally responsible when we decide on a strategy to do this.

ARMY NATIONAL GUARD AND ARMY RESERVE

The services have always maintained that the Reserve components play a vital role in meeting our defense mission and in enabling us to manage the stress on the Active Force. The QDR calls them "equal partners". The fiscal year 2011 budget request reduces funding for the Army Reserve by 26 percent, the Air National Guard by 52 percent, and the Air Force Reserve by 93 percent. I do not recall the Air Force Reserve only receiving one project in the entire budget request. Every year Congress has to add programs to these accounts because the Department, in my opinion, does not fund them as robustly as it should. This is a challenge. I look forward to the Army's remarks concerning the impacts of these budgetary reductions.

CLOSING

The budget before us poses some challenges, but I do commend the Department of the Army for making quality of life a top priority. Even if we discuss different ways to best support our troops, we all have the same goal in mind and that is keeping our soldiers first.

Thank you again Mr. Chairman for holding this hearing. I look forward to discussing these and other issues with our witnesses.

Senator JOHNSON. The Army's 2011 budget request for Active and Reserve Military Construction and Family Housing, Base Realignment and Closing, and Overseas Contingency Operations is \$7.9 billion. Included in this budget is a historically high funding request for the Army Guard, \$873.7 million. I commend the Army for investing so heavily in the Guard and I hope you will bring the same commitment to the Army Reserve in future budget requests.

This is also the final year to execute the 2005 BRAC program. I understand that the Army has several projects that could be at risk of missing the statutory deadline. I hope we will receive an update on the status of these projects.

Last year, the subcommittee provided additional funding to expand the homeowners assistance program which I have a keen interest in. I hope that you will be able to update us on the progress of the program and let us know how well the funding is being executed.

Secretary Hansen, I look forward to your opening statement, but before you begin, Senator Collins, would you care to make an opening statement?

Senator COLLINS. Thank you, Mr. Chairman. You have explained that the ranking member, due to an unscheduled event, is unable to join you today. So I am very happy to act in her capacity as we review the fiscal year 2011 Milcon request for the Army and the Air Force. So I look forward to working with you. Thank you.

Senator JOHNSON. Thank you, Senator Collins.

Secretary Hansen, again I welcome you and your colleagues to this subcommittee. I understand that yours will be the only opening statement. Your prepared statement will be placed in the record, so I ask you to summarize your remarks to allow adequate time for questions. Secretary Hansen, please proceed.

SUMMARY STATEMENT OF HON. JERRY HANSEN

Mr. HANSEN. Thank you, Mr. Chairman. We will be brief.

Chairman Johnson, Senator Collins, distinguished members of the subcommittee, I am Jerry Hansen, the designated senior official currently performing the duties of the Assistant Secretary of the Army for Installations and Environment. It is my pleasure to appear before you today on behalf of the Secretary of the Army to

discuss the Army's fiscal year 2011 military construction, base realignment and closure, and family housing budget requests.

I would like to first thank you for your continued consistent support to our soldiers, families, and Army civilians serving the Nation across the globe. The Army's strength lies in the people who serve. We work with your ever-important support to ensure that we provide a quality of life commensurate with the quality of their service.

I would also like to thank you for the legislative expansion of the housing assistance program. As the DOD executive agent for the program, I am pleased to report that in the first 6 months since the expanded HAP authority was implemented, we have paid benefits of over \$125 million to more than 1,000 military families. The program has and will continue to save many families from financial ruin. Currently we believe we have enough funding on hand, but we do continue to see growth in eligible applicants.

Our Milcon budget request for fiscal year 2011 represents the minimum level of funding required to provide the Army with the facilities needed to support the mission accomplishment while preserving an All-Volunteer Force. We remain an Army at war that continues its largest transformation since World War II. As we withdraw forces from Iraq, build up forces in Afghanistan, and then begin that drawdown as well, we are simultaneously completing transformation to a modular brigade-centric force, growing the Army and completing both global defense posture realignments and Base Realignment and Closure 2005.

In addition, we remain committed to our previously stated timelines of funding adequate barracks for all permanent party soldiers by fiscal year 2013 and trainees by fiscal year 2015 with occupancy completed 2 years later.

Our fiscal year 2011 budget request supporting these initiatives totals \$7.9 billion across all components. This reflects an expected decrease in BRAC 2005 appropriation requirements of about \$3 billion from that of last year, as we anticipated that fiscal year 2010 would be the final year of BRAC construction. The Army remains fully committed to meeting the BRAC timeline, intensely managing those remaining actions with tight construction schedules. Funds requested in fiscal year 2011 will be used units and personnel and to outfit our new facilities as they come on line. With full funding, we expect all actions to be completed on time without degradation of training or readiness, although we recognize that fourth quarter fiscal year 2011 will be extremely busy.

Last year, you appropriated \$30 million in additional military construction funding for both the Army Reserve and National Guard. We thank you for that initiative. The funds are being used to address critical requirements. Included in the overall fiscal year 2011 request is \$874 million of military construction for the Army National Guard and \$318 million for the Army Reserve. Collectively, this represents 149 percent increase from the fiscal year 2010 request for our reserve components, a very significant increase for the Guard, but a slight decrease, as you indicated, for the Army Reserve. This is balanced, however, by an increase in our sustainment, restoration, and modernization funding for the Reserves. This funding will ensure that the Guard and Reserve are

able to continue transformation to operationalized forces. I cannot overstate how important the readiness and availability of our reserve components remains to our national defense.

Another high priority for fiscal year 2011 is energy security and implementing energy efficiencies in facility construction. As stewards of a significant portion of our national resources, the Army requires that new military construction projects attain a minimum of leadership in energy and environmental design, Lead Silver standards, that we achieve compliance with energy efficiency mandates and we incorporate smart building technologies where cost effective.

In addition, water conservation is being pursued through a comprehensive program which includes water management plans, adoption of best management practices, establishment of waterless urinals as a standard in new Army construction, increased metering, and improved asset management of water distribution systems. We take energy conservation very seriously and continue to look for ways to implement innovative energy initiatives.

Finally, I would like to address the concerns of the subcommittee regarding the return of two brigade combat teams from Europe to the United States. Currently, the Army cannot provide specific plans for the BCTs as we await guidance from the Secretary of Defense on the strategic posture in Europe. This guidance will allow the Army to review current plans for returning these brigades to the United States and make any adjustments that might be required. None of these projects in our fiscal year 2011 request are planned to support keeping brigades in Europe. There will be minimal impact to State-side projects should the decision be made to keep one or both brigades in Europe. Once the decision is made, our out-year military construction programs will be adjusted accordingly.

I am accompanied today by Mr. Joe Calcara, the Deputy Assistant Secretary of the Army for Installations and Housing; Brigadier General Jim Boozer, Director of Operations from the Office of the Assistant Chief of Staff for Installation Management; Major General Ray Carpenter, Acting Director, Army National Guard; and Mr. James Snyder, Assistant Chief of the Army Reserve.

PREPARED STATEMENT

We thank you again for the opportunity to appear before you this morning and for your continued support to the Army, and we look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. JERRY HANSEN; JOSEPH F. CALCARA; GENERAL JAMES C. BOOZER; GENERAL RAYMOND W. CARPENTER; AND JAMES SNYDER

Mr. Chairman and members of the subcommittee, on behalf of the more than 1 million Active, Guard, and Reserve soldiers, their families, and the civilians of the United States Army, I welcome the opportunity to discuss the Army's Military Construction, Family Housing, and Base Realignment and Closure budget requests for fiscal year 2011.

The Army's strength is its soldiers—and the families and Army civilians who support them. I would like to start by thanking you for your 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 their ability to perform their missions successfully depends upon the staunch support of the Congress.

Our Nation has been at war for nearly 9 years. The Army continues to lead the war efforts in Afghanistan and Iraq, as well as in defense of the homeland and in support of civil authorities in responding to domestic emergencies. Over time, these operations have expanded in scope and duration, stressing our All-Volunteer Force and straining our ability to maintain strategic depth. During this period, the Congress has responded to the Army's requests for resources, and that commitment to our soldiers, their families, and civilians is deeply appreciated. Continued timely and predictable funding is critical as the Army continues to fight two wars, meet other operational demands, sustain an All-Volunteer Force, and prepare to protect against future threats to the Nation.

OVERVIEW

FACILITIES STRATEGIC CONTEXT

The Army continues its largest organizational change since World War II, as it transforms to a Brigade centric modular force and grows the force to achieve an Active component end strength of 547,400, a National Guard end strength of 358,200, and an Army Reserve end strength of 206,000 soldiers. At the same time, we are restationing about one-third of the force through a combination of Base Closure and Realignment (BRAC) and Global Defense Posture Realignment (GDPR) actions.

The Army is executing a tightly woven, operationally synchronized plan integrating BRAC, GDPR, and Grow the Army (GTA); facilitated by Military Construction. The strategy includes aligning facilities to support a CONUS based Army Modular Force (AMF) structured expeditionary Army; completing facilities to implement and comply with BRAC 2005 law by 2011; completing GDPR by 2013; completing GTA by 2013; and completing AMF new unit facilities builds. Facilities modernization for AMF units converted from the legacy force structure extends beyond 2015.

ARMY IMPERATIVES AND FACILITY INITIATIVES

The fiscal year 2011 Milcon request is crucial to the success of the Army's strategic imperatives to sustain, prepare, and transform the force. The Army has developed military construction facility initiatives that support the Army imperatives.

Sustain

To sustain the force, the following initiatives provide for the recruitment and retraining of soldiers; care of soldiers, families, and civilians; care of wounded warriors; and the support of families of fallen comrades:

Family Housing.—Provides housing services, preserves the balance of military owned housing and the distinction of privatized on-post housing commensurate with U.S. civilian community standards.

Barracks.—Provide quality barracks for Army soldiers including: permanent party, training, and warriors transition complexes. We owe single soldiers the same quality of housing that we provide married soldiers. Modern barracks are shown to significantly increase morale, which positively impacts readiness and quality of life across all components. The Army intends to buyout the original inadequate permanent party barracks by 2013 with full occupancy by 2015, and will continue to budget to maintain all permanent party barracks as adequate.

Army Medical Action Plan.—Provide command and control, primary care and case management for Warriors in Transition (WT) to establish a healing environment that promotes the timely return to the force or transition to civilian life.

Soldier Family Action Plan.—Provides soldiers and families a quality of life commensurate with their service; provides families a strong, supportive environment where they can thrive; and provide quality, standardized facilities.

Prepare

To Prepare our Army to meet the challenges of the current operations and the full spectrum of combat operations, the Army has funded projects in the Grow the Army, Mission and Training, and Trainee Barracks initiatives.

Grow the Army.—Provide facilities to support the increase of the Army end strength to 1,111.6K (74.2K increase) across all components to fill key force capability shortfalls and increase Active component dwell time. GTA facilities include operations, maintenance, and training facilities; barracks, and facilities to improve the quality of life for soldiers, families, and civilians in the Active Army, Army Reserve and Army National Guard. The Army's strategy is to complete all facilities requirement to support this initiative by fiscal year 2013.

Mission and Training.—Provides facilities to support unit operations, maintenance, and training. Ranges and training land to support individual, and unit collec-

tive training in support of the Army Force Generation (ARFORGEN) training cycle are included in Mission and Training facilities.

Training Barracks.—Provides initial entry and advance individual training quality barracks and eliminates all inadequate trainee barracks spaces. The goal is to fund all trainee barracks requirements by fiscal year 2015 and full occupancy of the barracks in fiscal year 2017.

Operational Readiness Training Complex.—Fiscal year 2011 is the start of the Army's investment in unit facilities in support of the ARFORGEN training cycles of the Active and Reserve components. ORTCs are complexes with operations, maintenance and storage facilities, barracks, dining facility, and equipment parking.

Transform

To meet the demands of the 21st century, the Army is transforming via the AMF, GDPR, and BRAC initiatives. Collectively, these initiatives allow the Army to shape and station forces to provide maximum flexibility.

Army Modular Force.—The Army continues to reorganize the Active and Reserve components into standardized modular organizations, increasing the number of Brigade Combat Teams (BCTs) and support Brigades to meet operational requirements and create a more deployable, versatile and tailorable force.

Global Defense Posture Realignment.—The GDPR initiative ensures Army Forces are properly positioned worldwide to support our National Military Strategy and to support the mission in Afghanistan. GDPR will relocate over 48,000 soldiers and their families from Europe and Korea to the United States by 2013. As part of the fiscal year 2011 program, the Army is requesting \$188.7 million to construct facilities in Bagram, Afghanistan, and Forts Benning, Bliss, and Riley.

Base Realignment and Closure.—BRAC 2005 enables the Army to reshape the infrastructure supporting the operating force, the generating force, the Reserve component and enhance the repositioning of those forces making them more relevant and combat ready for the Combatant Commander.

FISCAL YEAR 2011 MILCON OVERVIEW

The Army's fiscal year 2011 Military Construction and Overseas Contingency Operations budget requests include \$7.9 billion for Military Construction, Army Family Housing, and BRAC appropriations and associated new authorizations.

The details of the Army's fiscal year 2011 request follow:

Military construction authorization	Authorization request	Authorization of appropriations request	Appropriation request
Military Construction Army (MCA)	\$3,665,662,000	\$4,078,798,000	\$4,078,798,000
Military Construction Army National Guard (MCNG)	836,601,000	873,664,000	873,664,000
Military Construction Army Reserve (MCAR)	289,275,000	318,175,000	318,175,000
Army Family Housing Construction (AFHC)	55,329,000	92,369,000	92,369,000
Army Family Housing Operations (AFHO)		518,140,000	518,140,000
BRAC 95 (BCA)	73,600,000	73,600,000	73,600,000
BRAC 2005 (BCA)	1,012,420,000	1,012,420,000	1,012,420,000
Overseas Contingency Operations (OCO)	761,950,000	929,996,000	929,996,000
Homeowners Assistance Program (HAP)	16,515,000	16,515,000	16,515,000
TOTAL	6,711,352,000	7,913,677,000	7,913,677,000

FISCAL YEAR 2011 BUDGET REQUEST

MILITARY CONSTRUCTION, ARMY

The Active Army fiscal year 2011 Military Construction request for \$4,078,798,000 (for appropriation and authorization of appropriations) supports the Army Imperatives of Sustain, Prepare and Transform.

Mission and Training (\$866 million).—Operations, maintenance, and training facilities and ranges are the cornerstones to "Prepare" the Army for current operations. The fiscal year 2011 request includes \$269 million for operations facilities, \$65 million for maintenance facilities, \$212 million for ranges and \$213 million for training facilities. Utilities and other support facilities complete the mission and training request at \$107 million.

Army Modular Force (1,268 million).—The fiscal year 2011 request of \$1.584 billion will provide permanent operations and maintenance facilities and barracks to support the conversion of existing forces into new modular force units in the Active Army (1.268 billion) and Army National Guard (0.316 billion). The Army strategy

is to use existing facility assets where feasible and program new construction projects when existing facilities are inadequate.

Grow the Army (\$698 million).—The Grow the Army request in fiscal year 2011 is for 34 projects. The total includes \$148.7 million for maintenance facilities, \$215.4 million for operations facilities, \$259 million for Barracks, and \$74.6 million for training ranges and training support facilities. The Army's gap analysis for Grow the Army, following the fiscal year 2009 Secretary of Defense decision on the number of Brigades, confirmed that these facilities were essential to support growth in the Army's combat support and combat service support force structure and establish the appropriate training support infrastructure.

Barracks Modernization (\$891 million).—The Army is in the 18th year of modernizing permanent party barracks to provide about 148,000 single enlisted soldiers with quality living environments. Because of increased authorized strength, the requirements for barracks modernization have increased in several locations. The fiscal year 2011 request will provide for 5,115 new permanent party barracks spaces that will meet DOD's "1 + 1" or equivalent standard and eliminate common area latrines. These units provide 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. The \$891 million in barracks projects includes projects requested in the GTA, GDPR, and AMF initiatives. We are on track to fully fund this program by fiscal year 2013. The last inadequate permanent party spaces will be removed after the new barracks are fully occupied in fiscal year 2015.

Trainee Barracks Modernization (\$191 million).—The \$350 million provided by the Congress in the 2010 appropriations for trainee barracks is greatly appreciated. The additional funding will accelerate the Army's ability to provide necessary quality barracks. The request in fiscal year 2011 will provide 1980 new training barracks spaces for our soldiers. Six trainee barracks are going to be constructed at four installations (Forts Benning, Bragg, Jackson, and Leonard Wood).

Warrior in Transition (\$18 million).—The WT complex at Fort Eustis completes the Army's plan for WT complexes in the United States.

Overseas Construction.—Included in this budget request are high-priority overseas projects at enduring locations. In Germany, we are requesting funds for barracks at Grafenwoehr and Rhine Ordnance, a vehicle maintenance shop and a physical fitness center in Ansbach, an information processing center, sensitive compartmented information facility, command and battle center and an access control point in Wiesbaden. In Korea, we are 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 United States and Republic of Korea Ministry of Defense. Our request for funds in Italy continues construction for a BCT.

Other Support Programs (\$273 million).—The fiscal year 2011 budget includes \$222 million for planning and design. As executive agent, the Army also provides oversight of design and construction for projects funded by host nations. The fiscal year 2011 budget requests \$28 million for oversight 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.

Incremental Funding (\$140 million).—We are requesting the second increment of funding, \$59.5 million, for the Command and Battle Center at Wiesbaden, Germany. In addition, we are requesting the first phase, and second increment of funding, \$30 million, for the Aviation Task Force Complex at Fort Wainwright, Alaska. The budget also includes \$25 million for a Brigade Complex-Operations support facility and \$26 million for a Brigade Complex-Barracks/Community, both projects at Vicenza, Italy.

MILITARY CONSTRUCTION, NATIONAL GUARD

The fiscal year 2011 request for \$873,664,000 (for appropriation and authorization of appropriations) is focused on Army Modular Force, Mission and Training, Grow the Army, planning and design and unspecified minor military construction represents the largest Milcon budget ever requested by the Army National Guard.

Mission and Training.—In fiscal year 2011, the Army National Guard is requesting \$440.5 million for 24 projects which will support the preparation of our forces. These funds will provide the facilities our soldiers require as they train, mobilize, and deploy. Included are four Training/Barracks Facilities, nine Range projects, four Maintenance Facilities, one United States Property and Fiscal Facility, and six Readiness/Armed Forces Reserve Centers.

Army Modular Force.—Our budget request also includes \$316.5 million for 16 projects in support of our modern missions. There are five Readiness Centers, one Armed Forces Reserve Center, five Maintenance Facilities, four Unmanned Aircraft System Facilities and one Aircraft Parking project to provide for modernized facilities.

Grow the Army.—To support the Army National Guard end strength increase, \$79.6 million is requested to construct eight Readiness Centers. The new Readiness Centers will house newly activating units to address the continued high levels of force deployment.

Other Support Programs.—The fiscal year 2011 Army National Guard budget also contains \$25.6 million for planning and design of future projects and \$11.4 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 2011 Military Construction request for \$318,175,000 (for appropriation and authorization of appropriations) is for Preparation, Transformation, other support, and unspecified programs.

Mission and Training Projects.—In fiscal year 2011, the Army Reserve will invest \$76.5 million to prepare our soldiers for success in current operations. Included in the mission and training projects are, four ranges, a tactical vehicle wash rack, a maintenance and equipment storage facility and an Annual Training/Mobilization Barracks Grow The Army. The Army Reserve transformation from a strategic reserve to an operational force includes converting 16,000 authorizations from generating force structure to operational force structure from fiscal years 2009 through 2013. In fiscal year 2011, the Army Reserve will construct 17 Reserve operations complexes in 11 States, with an investment of \$212.8 million to support the transformation. These projects will provide operations, maintenance, and storage facilities for over 3,300 soldiers in 66 newly activating combat support and combat service support units and detachments.

Other Unspecified Programs.—The fiscal year 2011 Army Reserve budget request includes \$25.9 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

The Army's fiscal year 2011 family housing construction request is \$92.4 million for authorization of appropriation, and appropriation. This year's budget continues our significant investment in our soldiers and their families by supporting our goal to continue funding to sustain military-owned housing and eliminate remaining inadequate military-owned at enduring overseas installations.

The fiscal year 2011 new construction program uses traditional military construction to provide 64 new homes for families with a \$34.3 million replacement project at Baumholder, Germany. The Army also requests \$21 million for the completion of the supporting infrastructure for two projects authorized and appropriated in fiscal year 2004 at Fort Wainwright, Alaska.

The fiscal year 2011 construction program also provides \$35 million to make adjustments to two existing Residential Communities Initiative (RCI) family housing privatization projects at Fort Eustis, Virginia and Carlisle Barracks, Pennsylvania.

In fiscal year 2011, we are also requesting \$2.0 million for final design of fiscal year 2011 family housing projects and to initiate design of 2012 family housing construction projects, as well as for housing studies and updating standards and criteria.

Privatization.—The Residential Communities Initiative (RCI), the Army's housing privatization program, continues to provide quality housing which 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 44 locations, with a projected end state of over 85,000 homes—98 percent of the on-post family housing inventory in the United States. At the end of fiscal year 2010, the Army will have privatized all 44 locations. Initial construction and renovation at these 44 installations is estimated at \$12.6 billion over a 3- to 14-year initial development period, of which the Army will contribute close to \$2.0 billion. Although most projects are in their initial development

periods, since 1999 through November 2009, our partners have constructed over 21,000 new homes, and renovated another 16,000 homes.

ARMY FAMILY HOUSING OPERATIONS

The Army's fiscal year 2011 Family Housing Operations request is \$518,140,000 (for appropriation and authorization of appropriations). 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. This request will support almost 17,000 Army-owned homes, at home and in foreign countries areas, as well as leasing more than 9,000 residences and providing government oversight of more than 80,000 privatized homes.

Operations (\$97.3 million).—The operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. All operations sub-accounts are considered “must pay accounts” based on actual bills that must be paid to manage and operate Lily housing.

Utilities (\$69.6 million).—The utilities account includes the costs of delivering heat, air conditioning, electricity, water, and wastewater support for family housing units. The overall size of the utilities account is decreasing with the reduction in supported inventory.

Maintenance and Repair (\$120.9 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 (\$203.2 million).—The leasing program provides another way of adequately housing our military Families. The fiscal year 2011 budget includes funding for 9,036 housing units, including project requirements for 1,080 existing section 2835 (“build-to-lease”—formerly known as 801 leases), 1,828 temporary domestic leases in the United States, and 6,128 leased family housing units in foreign areas.

Privatization (\$27.1 million).—The privatization account provides operating funds for management and oversight of privatized military family housing in the RCI program. RCI costs include civilian pay, travel, and contracts for environmental and real estate functions, training, real estate and financial consultant services and oversight to monitor compliance and performance of the overall privatized housing portfolio and individual projects.

BRAC 95

Since Congress established the first Defense Base Closure and Realignment Commission in 1988 and then authorized the subsequent rounds in 1990, DOD has successfully executed four rounds of base closures to reduce and align the military's infrastructure to the current security environment and force structure. As a result, the Army estimates approximately \$13.5 billion in savings through 2009—and nearly \$1 billion in recurring, annual savings from prior BRAC rounds.

The Army is requesting \$73.6 million in fiscal year 2011 for prior BRAC rounds (\$5.2 million to fund caretaking operations and program management of remaining properties and \$68.4 million for environmental restoration) to address environmental restoration efforts at 147 sites at 14 prior BRAC installations. To date, the Army has spent \$3.1 billion on the BRAC environmental program for installations impacted by the previous four BRAC rounds. The Army has disposed of 183,637 acres (88 percent of the total acreage disposal requirement of 209,292 acres), with 25,654 acres remaining.

BRAC 2005

Under BRAC 2005, the Army will close 12 Active component installations, one Army Reserve installation, 387 National Guard Readiness and Army Reserve Centers, and eight leased facilities. BRAC 2005 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 National Guard Readiness and Army Reserve Centers, BRAC 2005 creates 125 multi-component Armed Forces Reserve Centers and realigns U.S. Army Reserve Command and control structure.

With over 1,100 discrete actions required for the Army to successfully implement BRAC 2005, they must be carefully integrated with the Defense and Army programs of Grow the Army, GDPR, and Army Modular Force. 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 allow the Army to better focus on its core warfighting 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. Results will yield substantial savings over time, while positioning forces, logistics activities, and power projection platforms to respond efficiently and effectively to the needs of the Nation.

The Army fiscal year 2011 budget request for BRAC 2005 is \$1,012.4 million. The Army remains committed to achieving BRAC 2005 Law and is on track to do so. Our request is critical to the success of the Army's BRAC 2005 initiative and does not contain funding for new construction projects. The funding request includes \$887.2 million in Operations and Maintenance (O&M) to support Civilian Permanent Change of Station (PCS), furnishings and equipment for completed BRAC projects, as well as support for facility caretaker requirements. An additional \$51.7 million is requested for information technology and capital equipment procurement to comply with the BRAC 2005 requirements.

In fiscal year 2011, the Army will continue environmental closure and cleanup actions at 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 \$73.5 million, which includes munitions and explosives of concern and hazardous and toxic waste restoration activities.

OVERSEAS CONTINGENCY OPERATIONS

The fiscal year 2011 request includes \$930 million to support Overseas Contingency Operations (OCO). The request funds non enduring mission projects critical to the support of deployed war fighters for example: troop housing, dining facilities, rotary wing airfield facilities, logistical and environmental facilities, command and control facilities, and force protection to ensure safe and efficient military operations in Afghanistan. A total of 48 projects fulfill the Department's immediate mission needs and urgent infrastructure requirements in theater for a total of \$762 million. The OCO request provides \$78.3 million for unspecified minor construction and \$89.7 million for planning and design.

HOMEOWNERS ASSISTANCE PROGRAM

The Army is the DOD Executive Agent for the Homeowners Assistance Program (HAP); that is, the Army requests in its budget the funds needed by the DOD-wide program supporting all of the services. In normal times, this program assists eligible military and civilian employee homeowners by providing some financial relief when they are not able to sell their homes under reasonable terms and conditions because of DOD announced closures, realignments, or reduction in operations when this action adversely affects the real estate market.

The fiscal year 2011 budget requests authorization of appropriations in the amount of \$16.5 million. Total program estimate for fiscal year 2011 is \$49.9 million and will be funded with requested budget authority, revenue from sales of acquired properties, and prior year unobligated balances.

SUMMARY

Mr. Chairman, the fiscal year 2011 Military Construction and BRAC budget requests are balanced programs that support our soldiers and their families, overseas contingency operations, 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 the Army.

Military Construction:

- \$7.9 billion invested in soldier/family readiness;
- \$930 million to support projects for overseas contingency operations;
- \$4,079 million to Active Army;
- \$318 million to Army Reserve;
- \$874 million to Army National Guard;
- \$610 million to family housing;
- 39 new training ranges/facilities;
- 37 new Reserve and National Guard operations and readiness centers;
- 245 families get new or improved housing;
- 8,857 soldiers get new barracks.

Base Realignment and Closure:

- \$1,012 million to support BRAC 2005;
- Statutory compliance by 2011 for BRAC 2005;
- Continued environmental restoration and disposal of excess acres.

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.

HOMEOWNERS ASSISTANCE PROGRAM (HAP)

Senator JOHNSON. Mr. Calcara, I will start with you. Department of Transportation has proposed legislative changes to the HAP language. Can you explain the reasons for the change?

Mr. CALCARA. Sir, are you referring to the start date for the program of July 2006? Is that the legislative change you are referring to? I am not aware of the exact DOT request.

Senator JOHNSON. That is DOT and its short sales.

Mr. CALCARA. Short sales. Sir, I am unaware of the request. Could you provide me some clarity on the request, and I could perhaps—

Senator JOHNSON. Yes, I can.

Has the Secretary made a decision to terminate the temporary expansion of HAP on September 30, 2010, and if so, why?

Mr. CALCARA. Oh, okay. Yes. Sir, as you know, when we started the program, we had a specific amount of resources that we were given to work across three elements of the program, one being BRAC, one being Wounded Warriors, one being permanent change of station (PCS). Initially, to ensure that we had enough resources available for the BRAC migration which would occur down the line, we set aside some funding for that. The remaining dollars allowed us to implement the program for the PCS, for the permanent change of station, portion on a 1-year basis.

As we have now got into the program and we are looking at affordability, it does appear that we will be able to extend it. So currently we have extended it through the calendar year, and depending on how much funding is available after we pay through those quarters, we would again continue it another year. That would be our approach.

So I do not know as we would need legislation to do that. We have the flexibility in the program to do it without the legislation. We certainly would support it. It has always been our intent to cover as many PCS applications as we can. It is just we are trying to make sure we have enough money left for the BRAC portion which is coming down the line in the next 18 months.

ENERGY SECURITY

Senator JOHNSON. Secretary Hansen, energy security on bases is a major. What is the Army doing to protect critical mission assets from the threat of extended disruptions to the commercial power grid?

Mr. HANSEN. Thank you, Mr. Chairman. The Army has \$98.7 million programmed in fiscal year 2011 for installation, facility, energy security initiatives, for example, utilities modernization, ad-

vanced metering, renewable energy project development, comprehensive energy and water management, and energy security planning. That planning includes working very closely with the critical infrastructure protection people to ensure that we are putting a high priority on securing those facilities and those portions of the facilities.

In the Milcon area for new construction, approximately 2 percent of the cost is devoted to energy efficiency additions which address EPA 2005 goals, plus the standard to design the Lead Silver. With restoration and modernization funding, we are incorporating metering for large projects and attempt, where impossible, to include other energy security initiatives, features such as motion sensor lights, solar street lights, LED lighting, and additional insulation. With future years defense program (FYDP) 2012 to 2017, this will be the first POM cycle in which we have been able to address comprehensively energy security initiatives identified in our newly approved Army energy security implementation strategies. We will have much more to come with fiscal year 2012, sir.

Senator JOHNSON. Secretary Hansen, could you provide the subcommittee with a list of potential unfunded Energy Conservation Investment Program (ECIP) projects that could be executed in fiscal year 2011?

Mr. HANSEN. Yes, sir, we will.

[The information follows:]

The following is a list of unfunded ECIP project that could be executed in fiscal year 2011:

Region	Installation	DD 1391	Title	Amount
NERO	Letterkenny AD	75934	Solar Walls	\$1,100,000
PARO	Ft Wainwright	76006	Improve Motors	3,200,000
SERO	Ft Bragg	78034	Retrocommissioning Barracks, HQs, others.	7,200,000
SERO	Redstone Arsenal	76139	Solar Walls	1,582,000
ARNG	Sea Girt, NJ	77795	PV Solar System	5,600,000
SERO	Ft Knox	67393	Photovoltaic, Phase 1	6,100,000
NERO	Ft Drum	75514	Retrocommissioning 27 buildings.	3,650,000
WEST	Ft Bliss	77029	Install Microgrid	5,600,000
WEST	Ft Bliss	76085	Solar Daylighting	2,250,000
WEST	Ft Bliss	76083	Solar Power Facility	4,750,000
WEST	Ft Bliss	76082	Solar Power Facility	2,450,000
WEST	Ft Bliss	76048	Solar Facility	1,200,000
WEST	Ft Bliss	76034	Power Facility	2,400,000
WEST	Ft Bliss	76031	Solar Power Facility	4,050,000
TOTAL				51,132,000

Senator JOHNSON. Secretary Hansen, the Army like all of the services, has experienced large bid savings over the past 2 years due to a competitive bid climate. What is the average percent of bid savings on the fiscal year 2010 projects that have been awarded to date, and what has been the projected level of bid savings for the fiscal year 2011 program if the bidding climate continues to be favorable?

Mr. HANSEN. I know we have had significant savings in some areas, but it has been somewhat erratic, sir. If I may defer to Mr. Calcara, I believe he has more detailed information on that.

Mr. CALCARA. Sir, we have currently executed about 40 percent of the program and we are averaging anywhere between 10 and 25 percent depending on the location. Savings, of course, are very centric to the market and the type of construction and where we are doing the work.

I would tell you this that I think if the current bid climate holds the way it has through the first 6 months of the year—we have two taxes that we are paying. One is a tax that came out of the fiscal year 2010 appropriation. It is about \$230 million, I believe, for the Army that we have to source out of that savings. The other one was dollars that were assessed to us from a GAAP analysis process that was done from the fiscal year 2009 program. We owe about \$160 million on that.

So what we are trying to do is harvest the savings we have against the dollars we have captured so far to pay those two taxes, and then there would be some dollars left over. I know you are looking for a number from me. I think there will be some savings, but it will not be 10 or 15 percent of the total program amount because of those taxes.

Senator JOHNSON. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

BRAC PROPERTY CONVEYANCE

Secretary Hansen, last year I was among those members who worked very hard to put new authority in the defense authorization bill for the military to look at no or low-cost conveyances for economic development purposes of BRAC-related property. Has the Army used that new authority yet?

Mr. HANSEN. Yes, ma'am. We began reviewing all of our conveyances immediately upon receipt of that new authority. I am happy to say that it has given us a lot of flexibility to move more quickly and to create more win-win situations. A case in point is the Kansas Army ammunition plant that we are trying to finalize this year, and we are doing a revenue sharing plan with them for fiscal years 2006 through 2010 with the potential of \$3.5 million coming back to the Army if they are successful and achieve their desired outcomes. Everyone is very enthused about this additional flexibility now, and I think it will allow us to dispose of properties more quickly with much more favorable results.

Thank you, ma'am.

Senator COLLINS. Thank you. I am delighted to hear that.

General Carpenter, let me start by thanking you for coming to Maine last week. I have heard from the employees at the Maine Military Authority, as well as the Maine troop greeters, how pleased they were that you came firsthand to thank the troop greeters who have welcomed back or sent off more than a million members of our Armed Forces over the past few years.

Also, I was delighted that you came to see the capabilities of the Maine Military Authority in Limestone in northern Maine.

Could you share with the subcommittee your professional opinion of the capabilities of the Maine Military Authority?

General CARPENTER. First of all, Senator, let me tell you what an honor and a privilege it was to accompany you up to Maine the other day. The pride that you have in the State of Maine and spe-

cifically the Maine Military Authority and the troop greeters for what they do up there was very obvious, and I appreciate your support for the National Guard across the board. So thank you very much, Senator.

Senator COLLINS. Thank you.

General CARPENTER. We are looking at our visit the other day, and it was a great opportunity for me to see what the Maine Military Authority is all about because I had not visited that particular facility before. As they very eloquently outlined, they have more capability than what is being used up there, and we are really taking a long look at how we parcel out work to that particular effort up there, and I think there are some opportunities to expand what is going on up there in the Maine Military Authority.

As I mentioned when I was up there, our effort here is to be a good steward of the taxpayers' dollar, and what we get from the Maine Military Authority is absolutely a top product for a very good price. So it only makes sense for us, to the extent that we can, to utilize that particular effort up there and to maximize the capacity.

I would also like to say it was a very humbling experience to get a chance to see the troop greeters the other day. There were almost 75 people there and they ranged in age from high school kids to World War II veterans. It was very impressive. They have met every airplane since Desert Storm that has come back from theater, and you can also see how proud they are of that.

So, again, I think we have got some opportunities in the Maine Military Authority, and again, it was a great privilege to accompany you the other day.

Senator COLLINS. Thank you, General. We were very honored to have you in our State.

General BOOZER, I understand that you are also taking a look at the Maine Military Authority. Are you working to identify possible opportunities where the Maine Military Authority might be able to assist the Army in its needs?

General BOOZER. Yes, Senator Collins, thanks for the question.

Based on some of the feedback that I have received, I think I need to make a trip up there to take a look at that facility that General Carpenter just described.

Senator COLLINS. We would welcome you anytime.

General BOOZER. I believe you know that Army Materiel Command CCOM already has a recapitalization program for some of our HMMWV's, our shelter-carrying HMMWV's, and that is about a \$7 million a year program. But Army Materiel Command is also in discussions with MMA about a potential for them to compete in their expanding wheel assembly program. So that has got great promise, and I know AMC has asked MMA for their capabilities and capacities in that regard, and those discussions are ongoing.

There were some folks there too, Senator, from the installation management team, and it looks like there may be a possibility of funneling some of our nontactical fleet to the MMA, specifically our fire fighting equipment that is in dire need of refurbishment that we supply to our installations. So all of that is ongoing.

Senator COLLINS. Great.

Thank you, Mr. Chairman. And I thank the witnesses.

PINE BLUFF ARSENAL

Senator JOHNSON. Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

Thank you all for being here today. I would like to ask, if I can, maybe General Boozer and also Mr. Hansen a little bit about the Pine Bluff arsenal, which is a facility in my State that has a huge chemical stockpile that has been destroyed on schedule and I think even under budget or at least on schedule and ahead of budget. As that thing closes down and that goes away and we lose all of that, it is going to have about a \$100 million impact to the community annually.

The Workforce Transition Office, I think, was established in 2009 between the Army and the Southeast Arkansas Economic Development Authority to address things like retirement counseling, outplacement assistance, training assistance, et cetera. And I will be meeting with them soon. I think it is next week or the week after. I am not sure.

I guess the first question is for both of you all. Are you aware of the circumstances surrounding the Pine Bluff arsenal and the Pine Bluff community? Are you all aware of that?

General BOOZER. Senator Pryor, I am not simply aware of that issue.

I know kind of where we are with the Pine Bluff disposal facility. They have started that campaign that started in about December of 2008, and they are doing great work out there destroying just tons of mustard gas and mustard stuff.

We had not even as an Army begun the closure process because I think we have to go through and figure out what there really needs to be decontaminated and/or demolished and then what are some potential uses as well. So the closure process, at least to my knowledge, has not even begun at Pine Bluff.

Mr. HANSEN. I am somewhat familiar, although you have alluded to some things that I probably need to find out some more about. As you are aware, the chem demil program, established by Public Law 99-145, called for eliminating all chemical warfare-related materials, and a key feature of that program is the requirement for those chem demil facilities themselves to be destroyed upon completion of the mission. At that time, we are looking at each of the buildings and structures there right now to determine which ones might be retained and which ones would be contaminated and have to be destroyed or decontaminated.

We do not know an exact closure date. We have not finished that process at this time, but we do expect to work very closely with your authority to make sure that people are taken care of to the extent possible.

Senator PRYOR. Great. I do not know if you all have plans for all the equipment and weapons that will be coming back from Afghanistan and Iraq in terms of reset and all that, but I would suggest the Pine Bluff arsenal may be a good place that a lot of that could be done. If you are familiar with the facility, you will know why I say that because they just have a great workforce, a lot of infrastructure there, and a lot of resources there that I think could really be helpful on that.

Let me also ask about the Army National Guard itself. I know that if you look at the Army National Guard installations, I think the average age is maybe 41 years old. I think 24 percent are over 70 years old, and I think we have 37 facilities that are over 100 years old. I know that last year when we did the stimulus and the Recovery Act, we discussed the needs for the Guard Bureau to be able to have resources to upgrade or improve their situation. I think that they gave us a list of over 100 priorities that were shovel-ready projects. I think they totaled about \$1.2 billion, if my memory is correct.

But anyway, unfortunately I think that most of this—not all of it, but most of it—was just ignored by the Army. So I guess my first question is do we know why a lot of these shovel-ready projects were not funded. Let me just start with that question. Do we know why they were not funded, why the shovel-ready projects were not funded?

ARMY NATIONAL GUARD

General CARPENTER. Senator, as we worked through the process when the stimulus package was being formulated, a call went out to all components of the Army to provide potential projects that would be shovel-ready, and from the Army Guard's perspective, we had a number of those. You have identified the list that we submitted, sir. And we forwarded them to the Army for competition.

Senator PRYOR. Did they lose out on that competition, or are they still being considered?

General CARPENTER. Sir, we ended up having, I believe, \$50 million worth of projects funded through the construction piece of the stimulus package, and that amounted to, I believe, about 8 or 10 projects. I would have to provide that information to you for the record.

[The information follows:]

Fiscal year 2009 MCNG Economic Stimulus Package Program (ARRA)—Six projects funded:

- CA, Mather AFB, Airfield Resurface
- NE, Camp Ashland, Dining Facility Add/Alt
- NY, Fort Hamilton, Ready Building
- NC, Raleigh, Armed Forces Reserve Center
- OR, Camp Withycombe, Readiness Center
- WV, Gassaway, Readiness Center

Note: Due to bid savings in the fiscal year 2009 ARRA program, the ARNG is planning to fund four more projects:

- CA, Camp Roberts, Dining Facility
- GA, Marietta Dining Facility Add/Alt
- OR, Camp Rilea, Sanitary Sewer Rehab
- RI, Camp Fogarty, Rigger Facility

Senator PRYOR. So are you saying the Guard Bureau got \$50 million out of that?

General CARPENTER. I believe that is the correct number.

Senator PRYOR. And do you remember what the total was that the military got for the shovel-ready projects?

General CARPENTER. Mr. Senator, I believe total Milcon from the stimulus bill was \$230 million, of which \$50 million went to the National Guard.

Senator PRYOR. I do not know about that ratio. That sounds like that may be close to 20 percent, if I am doing that math right, and

that may be about the right ratio, but at the same time, the Guard and the reserve component is really the key to our readiness today. I mean, we are asking them to do more and more. A lot of them—not all, but a lot of them—are working in antiquated buildings and outdated infrastructure. So I guess I would encourage you all just to continue to try to find ways to get the Guard the resources they need so that you can fund some of these projects. Like I said, it sounds like you maybe funded 8 and you have 100 on the list. Maybe you got eight done.

Mr. SNYDER. I would like to add also, Senator, that the Army Reserve received \$98 million that funded 22 projects in the ARRA.

Senator PRYOR. The Reserve did.

Mr. SNYDER. Yes, sir.

Mr. CALCARA. Sir, if I could, it is important to note that the ARRA program was a DOD-wide look in how the projects competed. Other than a worst first or a fair share type look, there were other aspects that were brought to that: geographic balance, job creation. There were other aspects in the funding of ARRA that are not present in our normal discourse when we decide how to make investments. So I think we did fairly well. If you look across the Army as a portfolio, we got the lion's share of the funding in DOD. So there is some goodness in what happened there, albeit we could always use more.

Senator PRYOR. Thank you, Mr. Chairman.

Senator JOHNSON. Senator Murkowski.

ALASKA MILCON

Senator MURKOWSKI. Thank you, Mr. Chairman.

Gentlemen, good morning. Mr. Hansen, I will start with you. I think we recognize well the opportunities that Alaska presents with its joint training ranges. Some have described them as superlative, and if I could think of a better word, I would go higher than that. But I think we recognize that the opportunity for the Air Force, the Army, now the Navy to conduct synchronized training free from encroachments is a real asset.

Can you comment on the Army's future plans for continued infrastructure development on these training grounds, and how do you plan to maximize utilization of this national asset?

Mr. HANSEN. We had a discussion on that just before the hearing this morning, ma'am. If it is okay with you, I would like to defer to Mr. Calcara on that. I think he has more detailed information.

Mr. CALCARA. I did not have the discussion this morning, Jerry.

Senator MURKOWSKI. They discussed that you were going to speak to it.

Mr. CALCARA. I am going to defer to General Boozer.

Senator MURKOWSKI. All right. Pass it on down.

General BOOZER. That is what I get, Senator, for sitting at the end of the table.

Ma'am, I know in the 2011 request there is some substantial Milcon in Alaska which I think goes to show that we believe that when you just stated is that there are great training opportunities up there in Alaska. A little over \$300 million in the 2011 request. A lot of that goes toward some multiple purpose machine gun range, a simulation center which gets right at the heart of training,

and I think an urban assault course as well. And I believe the Army will continue to invest in both Forts Greeley and Wainwright or Fort Richardson as well in Alaska for a long time to come.

Senator MURKOWSKI. Well, we continue at the State level to try to do what we can to further open up training ranges. Our legislature just met and are working to provide for some transportation corridors that I think will be helpful to you.

Let me ask a question, and again, I do not know whether this is to you, Mr. Hansen, or to others, but this is regarding improper classification of construction workers. The Department of Labor has initiated a pretty major effort to ensure that businesses do not improperly classify construction workers as independent contractors rather than employees. I was just visited yesterday in my office by some in the Alaska construction trades that are concerned that some of the contractors that utilize construction workers on Alaska Army bases may be engaging in this process of misclassification.

Does the Army have a process for investigating these complaints and enforcing compliance with wage and hour laws, and if they do not, should they?

Mr. CALCARA. I guess I will take that one, ma'am. It is hard to make a general statement whether we are talking about military construction projects or repair projects done through an RCI. But the Department of Labor does routinely conduct wage rate interviews, and that is the process. Essentially when DOL comes in and does a wage rate labor classification interview and they have a finding, then the Army would address it. So I believe there is a process in place. I have not heard about the issue you just mentioned, but I will certainly take it back and follow up with your staff and see what I can do about it.

Senator MURKOWSKI. Well, I would appreciate that, and if we can give you more specifics to which to respond, we will do so.

Mr. Calcara, we will just keep going with you here. You are certainly aware of the concerns that have been expressed previously by many in the Fairbanks community about the use of out-of-State contractors and construction workers by the Actus Lend Lease there at Wainwright. I had a chance to discuss this issue with Dorothy Rabin a few weeks ago and she suggested at that time that the issues that I raised were concerns that were uncommon in privatized housing projects, and she basically suggested that I ask the various services.

I know that you do have small business utilization goals, but that does not necessarily ensure that the local workers get the construction jobs. So the question is, do you think it is good policy to encourage housing privatization partners to use the local contractors and local construction workers for the privatization work, or is the Department indifferent on this as an issue?

Mr. CALCARA. We absolutely think it is good policy. Just to follow up, as you know, I have been personally engaged in this.

Senator MURKOWSKI. Which we appreciate.

Mr. CALCARA. And I have done a deep dive on the metrics across the programs. So I want to throw a couple numbers out there for the record. Of the \$5.7 billion in the portfolio in construction through December 31st of last year, \$3.6 billion, or over 60 percent

of it, has gone to small and local businesses. In Alaska, we are beating that by about 15 percent. We are in the 75 to 80 percent range.

So where is the issue? Because you are obviously getting feedback. My understanding is that while we have State-licensed contractors, they may, in fact, have corporate headquarters in other parts of the country. They may, in fact, be augmenting staff with folks that are coming in from other areas of the country.

I am not sure there is much that we could do through policy or incentivization to that. The developers and the service providers are incented to hit small business and local goals. They are also incented to be efficient and effective in the pricing and the delivery of the construction. And to the extent that someone who is locally licensed wants to hire someone from Washington State to work in Alaska on a project, there is really not much we can do about that. So that is kind of how I look at it, ma'am.

MILITARY HOUSING PRIVATIZATION

Senator MURKOWSKI. So you do not think it is necessary or perhaps appropriate to change the laws governing the military privatization to require that some level of local contracting be utilized.

Mr. CALCARA. Well, I guess if you define local as people who are born or living, I would say no. If you define local as someone who has a State license there, again, we are hitting two-thirds of the portfolio, three-quarters in Alaska local and small business. So it is how you define "local" I guess.

Senator MURKOWSKI. Well, as you know—and again, I appreciate your engagement in this—it has been an issue that has generated some controversy and a great deal of discussion. At least there has been more full-on debate and discussion about it of late, and I think that we are making some gains and that is good.

Another issue that is in the same category—and Mr. Chairman, if I just can have another 30 seconds to finish up here, I will conclude with my questions.

But I had a chance to bring this up again a couple weeks ago as it related to those who are not lawfully eligible to work here in the United States. We had a situation last year where on one of our Alaska bases there was an investigation of some of the individuals that were working on construction of building hangars, and it was determined that 4 out of the 30 individuals were not lawfully eligible to work in the United States. One was determined to have a criminal history in the State of California, and of course, the big brouhaha was this is on a military base. It is supposed to have secure areas, and we had a situation, an example, where not only were the people not eligible to work here in the United States getting through the gate, but with criminal backgrounds.

So the question that I had asked and I will ask of you is, is the Army doing anything to ensure that those working in its facilities are lawfully here working in the United States and whether or not, for security reasons, we need to be doing more to ensure a level of compliance?

Mr. CALCARA. Well, as you know, ma'am, all our bases are generally in controlled access areas. So all contractors have to have badges and, at some point, have to provide a copy of a contract that

they have with the Federal Government, as well as the necessary identification to get a badge issued.

Are there anecdotal instances where folks get through that net? It does not surprise me that you have uncovered some. I guess from here on out, we will reissue policy to ensure that we are diligent in checking those credentials. Obviously, contractors have to have an active contract to get on a post. Ultimately, that is the compliance measure that we use. We just have to get a little tighter, I guess, and catch those 4 out of 30 that appeared to get through the net.

Senator MURKOWSKI. And I think part of this issue was, again, it was a contractor who brought up folks from outside. It goes back to the local hire issue, and that is why they come to my attention.

Mr. CALCARA. Yes, ma'am.

Senator MURKOWSKI. And I in turn bring them to yours. So I look forward to working with you on some of these details.

With that, Mr. Chairman, I thank you for the time.

ADDITIONAL COMMITTEE QUESTIONS

Senator JOHNSON. To this panel, thanks for your service to our Nation. You may be excused.

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

QUESTIONS SUBMITTED TO HON. JERRY HANSEN

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

ENERGY EFFICIENCY IMPROVEMENT

Question. What is the Army doing to improve energy efficiency on its bases and increase the use of green building practices, in particular green or cool roof projects?

Answer. In order to provide energy efficient and sustainable new facilities, the Army continues to require all military construction (Milcon) achieve the SILVER criteria of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating tool. Projects are evaluated in 6 LEED major credit areas: Sustainable Sites, Water Efficiency, Energy & Atmosphere, Material & Resources, Indoor Environmental Quality, and Innovation & Design Process. Army also requires new facilities to be 30 percent more energy efficient than the industry standard defined by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1-2004. As such, new buildings will incorporate appropriate engineering solutions (insulation and windows), design features (cool roofs and daylighting), technologies (LED lights and ground source heat pumps), and energy efficient mechanical systems (Energy Star® rated motors) where life-cycle cost effective.

All Sustainment, Restoration and Modernization (SRM) funded projects for repair, maintenance, and new work are also required to comply with and, where applicable, contribute toward the goals specified in the Energy Policy Act of 2005 and incorporate sustainable design features where life-cycle cost effective. For instance, all new roofing or planned re-roofing SRM projects in climate zones 1 to 5 are required to install reflective "cool" roofs over air conditioned spaces in buildings.

ENERGY SECURITY

Question. Energy security on bases is a major concern. What is the Army doing to protect critical mission assets from the threat of extended disruptions to the commercial power grid?

Answer. The Army Energy Security Implementation Strategy communicates the Army's energy security vision, mission, goals, and sets forth the framework to address the five key components of security—surety, survivability, supply, sufficiency, and sustainability. The Army is developing a template to ensure installation energy security plans have a standard to identify critical loads, methods and plans to sup-

ply backup utilities in the event of an emergency, and identify actions needed to harden utility systems to improve their energy security posture. Using American Recovery and Reinvestment Act (ARRA) funding, the Army is developing an Energy Security Audit Model which will provide a consistent methodology to identify potential energy security vulnerabilities and prioritize energy security risks and mitigation projects. The Army is also expanding the use of renewable energy through the Energy Conservation and Investment Program and alternative financing programs to reduce our reliance on the grid. Alternative financing programs for partnering with the private sector include Enhanced Use Leases, Power Purchasing Agreements, Energy Savings Performance Contracts and Utility Energy Services Contracts.

ENERGY CONSERVATION INVESTMENT PROGRAM

Question. The Army's share of the fiscal year 2011 Energy Conservation Investment Program (ECIP) is \$43.4 million. Could you execute additional funding?

Answer. Yes, the Army could execute as much as an additional \$51,132,000 if received early in the fiscal year.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

BARRACKS PRIVATIZATION

Question. Will the current Army Milcon and SRM investment funding plans provide single enlisted soldiers the same quality of housing we provide married soldiers by a date certain?

Answer. Yes, we are providing safe, convenient, high-quality housing for our single soldiers just as we are with the married soldiers. The Army is currently in year 17 of its 20-year Permanent Party Barracks Modernization Program. By fiscal year 2013, all funding will be in place for this barracks program with occupancy estimated for fiscal year 2015, every single soldier will be provided with a quality living space. The Permanent Party Barracks Modernization Program is the foundation for providing our warriors with the best facilities possible. Following the completion of the modernization program, the Army will program the replacement of older legacy facilities to ensure all soldiers remain adequately housed.

Question. Does budgeting to attempt to maintain permanent party barracks as "adequate" under current Army standards meet the obligation to provide single soldiers the same quality of housing as their married counterparts?

Answer. Yes, we are budgeting to maintain safe, convenient, high-quality housing for our single soldiers just as we are with the married soldiers. The sustainment requirements for Permanent Party barracks are generated through the Department of Defense Facilities Sustainment Model (FSM). The FSM calculates the funding requirement in order to sustain facilities at an adequate level or condition. The Office of Secretary Defense mandates that all facilities are funded to at least 90 percent of the Army requirement generated by the FSM. The buyout of inadequate barracks remains the top priority among facility programs in the Army.

QUESTIONS SUBMITTED TO JOSEPH F. CALCARA

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

HOMEOWNERS ASSISTANCE PROGRAM

Question. This subcommittee has provided a total of \$855 million in funding to expand the Homeowner's Assistance Program, or HAP, to help military families who face massive losses on the sale of their homes when they are required to relocate during the current mortgage crisis.

Could you outline the status of the expanded HAP program and the expenditures to date?

Answer. The U.S. Army Corps of Engineers began receiving applications in February 2009. Payments to beneficiaries began in October 2009. Eligible applications submitted to date total 5,918. Benefits totaling \$183.2 million have been paid to 1,445 eligible applicants.

Question. DOD has proposed legislative changes to the HAP language. Can you explain the reasons for these changes?

Answer. Presently, the law requires the Government to purchase an applicant's home when the applicant's home value is less than their mortgage payoff. This proposal would allow the Government to pay only the difference between the price for

which an applicant sells his/her home and the mortgage payoffs rather than purchasing the home and then immediately selling the home to the applicant's buyer. This legislation will simplify and speed claim payment and improve HAP fund management.

Question. DOD claims this proposal will have no budgetary impact. Would you please provide the subcommittee the detailed budgetary analysis on which that conclusion is based?

Answer. The proposal will substantially reduce claim processing time, slightly reduce transaction costs, and improve funds management by eliminating the current requirement for the Government to acquire the applicant's home and immediately re-sell the home to the applicant's buyer. Under the current law, this dual, sequential transaction forces the Government to fully fund the acquisition of the home and deposit the full Government "re-sale" proceeds in the HAP account, where they must be re-apportioned by OMB before they can be used by the program. That process of deposit and re-apportionment takes approximately 90 days and reduces available funds accordingly. The proposed legislation will have little budgetary impact, but will greatly simplify and improve the transaction by allowing the Government to merely pay the claim payment at the applicant's closing.

Question. The expanded HAP authority gives the Secretary the discretion to compensate homeowners through September 30, 2012, with the discretion to terminate the program earlier. However, the HAP Web site has been updated to say that the permanent reassignment orders must be received by September 30, 2010, to be eligible for compensation.

Given the continuing turmoil in the real estate market—especially in States like Florida, Arizona and Nevada which host large military installations—it seems very possible that military families will be struggling to sell their homes for some time to come.

Has the Secretary made a decision to terminate the temporary expansion of HAP on September 30, 2010, and if so, why?

Answer. DOD is currently assessing the availability of HAP funds to pay benefits for claims from members who move under Permanent Change of Station (PCS) orders. HAP claim payments for PCS applicants are averaging \$126,000, which is 60 percent greater than \$77,000 per claim cost originally forecast. However, DOD will assess what date PCS applications should be terminated after evaluating the number and rate of claim growth through the summer fiscal year 2010 PCS move cycle. Additionally, there is flexibility in the HAP budget plan that would allow payment of more PCS claims from HAP funds currently targeted for BRAC 2005 claim payments, if those BRAC claims lag forecasted volume.

Question. Do you foresee a requirement for any additional funding to compensate military families under this program if the expanded benefits extend beyond 2010?

Answer. The mortgage crisis has been extensive and costly. However, it is too early to accurately forecast whether current funding will be sufficient to fund the program as originally envisioned. While, claims are more expensive than forecast, it's not clear yet whether the volume of forecasted claims will vary substantially. DOD hopes to have a better analysis of the available funding at the conclusion of the fiscal year 2010 summer PCS cycle.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

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Question. What is the Army plan to move forward with pilot junior barracks privatization projects to resolve these remaining questions once and for all?

Answer. The Army will continue to survey mission commanders and sergeants major regarding unit integrity and warrior ethos in an effort to identify locations where barracks privatization might be a viable option in the future.

QUESTIONS SUBMITTED TO GENERAL JIM BOOZER

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

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Question. What is the Army's plan to move forward with pilot junior barracks privatization projects to resolve these remaining questions once and for all?

Answer. The Army continues to look at all of its options to supplement our barracks modernization program throughout the United States to fix and sustain quality housing for single soldiers over the long term. The Army's Unaccompanied Personnel Housing Privatization Study did show that barracks privatization projects can be financially feasible. But, the Army has concerns that discontinuing Army culture and practices due to introduction of a privatized barracks project would adversely affect soldier training and discipline that currently occurs in this living space. Additionally, there is a challenge of how to fund the Basic Allowance for Housing bill that will be generated by privatization over the next 50 years.

Question. Assuming OMB full upfront scoring is avoided, is the cost of the three pilots in the study of \$22 million in the first year that significant for the Army given the ability to sustain the housing for the long term?

Answer. No. The first year cost of barracks privatization for the three pilots is not significant. However, the 50-year cost of barracks privatization for the three pilots (i.e., the difference between the Basic Allowance for Housing (BAH) and traditional funds available for barracks construction, renovation, sustainment, operations and management) is significant. In the study, we estimated the differential to be a total close to \$1.7 billion more than traditional funds available for the three projects over 50 years.

Question. Are there not additional offsets to those costs, such as the current BAH costs from issuances of certificates of non-availability that are not reflected in the financial analysis in the Army study?

Answer. Yes. There may be some additional, minor costs on “both sides of the equation” that were not considered in the study. However, we believe we have captured all of the major costs, and we are confident that the estimates in the study are reflective of the cost of barracks privatization.

DEPARTMENT OF THE AIR FORCE

**STATEMENT OF HON. TERRY A. YONKERS, ASSISTANT SECRETARY OF
THE AIR FORCE (INSTALLATIONS, ENVIRONMENT AND LOGIS-
TICS)**

ACCOMPANIED BY:

**KATHLEEN I. FERGUSON, DEPUTY ASSISTANT SECRETARY OF THE
AIR FORCE (INSTALLATIONS)**

**MAJOR GENERAL PATRICK J. MOISIO, DEPUTY DIRECTOR, AIR NA-
TIONAL GUARD**

**MAJOR GENERAL DAVID L. COMMONS, MOBILIZATION ASSISTANT
TO THE CHIEF, AIR FORCE RESERVE**

Senator JOHNSON. I am pleased now to welcome our second panel of witnesses: the Hon. Terry A. Yonkers, Assistant Secretary of the Air Force for Installations, Environment and Logistics; Ms. Kathleen I. Ferguson, Deputy Assistant Secretary of the Air Force for Installations; Major General Patrick J. Moisia, Deputy Director, Air National Guard; and Major General David L. Commons, Mobilization Assistant to the Chief of the Air Force Reserve. Thank you all for coming. We look forward to your testimony, and again, your full statements will be entered into the record.

Secretary Yonkers, please proceed.

Mr. YONKERS. Good morning, Chairman Johnson and distinguished members of the subcommittee. And thank you for inviting me here today to address the Air Force's military construction, family housing, and BRAC implementation programs.

I would like to begin by thanking the subcommittee for its continued support of the Air Force and the thousands of dedicated and brave airmen, their families serving this great Nation.

Today is the 40th anniversary of Earth Day, and throughout our Nation, businesses, schools, and our military services are working to protect our planet; preserve our air, water, and land; and develop clean alternative sources of energy. And the Air Force is doing its part to realize a more secure and sustainable future.

A clean and safe environment and secure sources of energy are essential for meeting our mission requirements and improving the quality of life for our airmen. The Air Force is proud to be a member of America's ongoing quest to restore and preserve our natural resources and use our energy more efficiently and effectively.

I will now briefly talk a little bit about the Air Force's military construction, family housing, and base realignment and closure programs which form the foundation of our installation structure and provide the direct support responsible for meeting the needs of our airmen and their families.

Our fiscal year 2011 President's budget request contains \$5.5 billion for facility maintenance, military construction, military family housing, and base realignment and closure, which is a 3.8 percent increase above our fiscal year 2010 request. Our facility

sustainment and recapitalization programs represent the largest portion of that request with \$3.1 billion to maintain and modernize our Air Force installations. The \$1.5 billion military construction request prioritizes our requirements and ensures new construction is aligned with weapon system deliveries and strategic basing initiatives, while we continue to accept some risk in our aging infrastructure recapitalization.

Additionally, we continue our efforts to provide quality housing for airmen and their families by dedicating \$600 million to sustain and modernize overseas housing and support housing privatization in the continental United States.

We also request a total of \$252 million to continue completing our BRAC 2005 program requirements, as well as our legacy BRAC programs and especially environmental cleanup.

In regards to our total force military construction program, I do want to mention the difficult decisions we made last year or made this year with regard to the funding of the component and major command priorities. Each component and each Active Duty major command received their top priority project. The apparent disparity among the Active Duty, the Guard, and the Reserve military construction reflects funding in the component's number one project and not the dollar value of these projects.

This year the Active Duty, which is about 87 percent of plant replacement value, received 80 percent of the investment stream. The Air National Guard is about 9 percent of plant-to-replacement value and received 17 percent of the investment stream. The Air Force Reserve is about 4 percent of plant replacement value. This year the Air Force Reserve received their top priority project, a maintenance facility at Patrick Air Force Base, but that only equated to about 2 percent of plant replacement value.

The funding to components and the major commands shifts from year to year and it is important that we take care of the entire total Air Force. We greatly appreciate Congress' continued support of all the Air Force components, particularly in fiscal year 2010 in which the Congress provided a substantial amount of additional funding for the Air Force Reserve.

I would like to close by briefly mentioning the Air Force's efforts in executing the base realignment and closure recommendations. To implement assigned recommendations, the Air Force's plan calls for the execution of nearly 400 separate actions, utilizing a budget that has been and remains fully funded at \$3.8 billion. Two-thirds of this budget is military construction. Our BRAC military construction program will make its last contract award before the close of this fiscal year. In total, we will execute 231 BRAC military construction projects at 56 installations in 36 States. I am confident in telling you that the Air Force will complete that implementation of BRAC 2005 on time and within the budget.

Today I am really pleased to have accompanying me Deputy Assistant Secretary for Installations, Ms. Kathleen Ferguson; Major General Commons, who is the Mobilization Assistant to the Chief of the Air Force Reserve; and also Major General Moisio, who is the Deputy Director of the Air National Guard.

PREPARED STATEMENT

Sir, that concludes my remarks. I thank the subcommittee again for all that you have done for us and your continued support of our airmen and their families, and I look forward to any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF HON. TERRY A. YONKERS

INTRODUCTION

The ability of our Airmen to perform their missions world-wide is directly affected by the quality of resources, access to facilities, a robust logistics infrastructure for sustainment, and a confidence that while they are deployed their families are well taken care of and their needs are being met.

Air Force Military Construction (Milcon), Military Family Housing (MFH), and Base Realignment and Closure (BRAC) programs form the foundation of our installation structure and provide the direct support responsible for meeting the needs of our Airmen and their families.

We recognize we cannot lose focus on critical Air Force infrastructure programs, and we are working hard to ensure we have the proper infrastructure to enable our Airmen to perform their duties while ensuring responsible stewardship of fiscal resources.

Our efforts are in direct support of the Air Forces' five priorities, which serve as a framework for this statement: (1) continue to strengthen the nuclear enterprise; (2) partner with the Joint and Coalition team to win today's fight; (3) develop and care for our Airmen and their families; (4) modernize our air and space inventories, organizations, and training; and (5) recapture acquisition excellence.

OVERVIEW

Our fiscal year 2011 President's Budget Request contains \$5.5 billion for facility maintenance, military construction, military family housing, and Base Realignment and Closure, which is a 3.8 percent increase above our fiscal year 2010 request. Our facility maintenance and repair account represents the largest portion of the request, with \$3.1 billion to maintain Air Force installations. The \$1.5 billion military construction request prioritizes our requirements and ensures new construction is aligned with weapon system deliveries and strategic basing initiatives, while we continue to accept some risk in aging infrastructure recapitalization. Approximately one-third of the military construction request is dedicated to new mission requirements, and in this year's budget all new mission projects are programmed in the Air National Guard and Active Duty components. Additionally, we continue our efforts to provide quality housing for Airmen and their families by dedicating nearly \$600 million to sustaining and modernizing overseas housing, and supporting housing privatization in the Continental United States. We also request a total of \$252 million to continue completing our BRAC 2005 program requirements as well as our legacy BRAC programs and environmental clean-up.

In the course of building the fiscal year 2011 budget request, we made a number of difficult choices among competing priorities. One of these was a necessary but difficult decision to continue taking risk in our military construction as well as our restoration and modernization accounts. We continue to mitigate risk by funding facility sustainment to the 90 percent level in order to ensure that we keep our good facilities good.

We also made difficult decisions regarding the funding of component and major command priorities. Each component and major command received their top priority project. The apparent disparity among the Active Duty and Guard and Reserve MILCON reflects funding of the component's No. 1 project and not the dollar value of those projects. This year, the Active Duty, which is about 87 percent of Plant Replacement Value (PRV), received 80 percent of the investment stream. The Air National Guard is about 9 percent of PRV and received 17 percent of the investment stream. The Air Force Reserve is about 4 percent of PRV. This year the Air Force Reserve received their top priority project, a maintenance facility at Patrick Air Force Base, but that only equated to about 2 percent of PRV. The funding to components and MAJCOMs shifts from year to year and it is important that we take care of the entire Air Force family. We greatly appreciate Congress' continued strong support of all of the Air Force components, particularly in fiscal year 2010, in which

the Congress provided a substantial amount of additional funding for the Air Force Reserve.

The Air Force is also very appreciative of the support provided through the American Recovery and Reinvestment Act of 2009. The Recovery Act contributed significantly to our infrastructure. From this legislation, we received a total of \$1.7 billion to support Air Force projects, including \$1.3 billion for operations and maintenance for facilities sustainment, restoration, and modernization (FSRM); \$327 million in military construction and military family housing for dormitories and child development centers; and \$75 million in research, development, testing and evaluation for projects to improve energy efficiency. In accordance with Congressional intent to allocate the funds quickly, we moved expeditiously to award contracts. By the end of calendar year 2009, we awarded nearly 90 percent of the funding allocated for our FSRM and military construction projects. Additionally, with the funding we saved from competitively bid projects, we funded two additional military construction requirements—a dormitory and a child development center collectively valued at \$33.2 million.

CONTINUE TO STRENGTHEN THE NUCLEAR ENTERPRISE

Since its inception, the Air Force has served as a proud and disciplined steward of a large portion of the Nation's nuclear arsenal. We steadfastly operate, maintain, and secure nuclear weapons to deter potential adversaries, and to assure our partners we are a reliable force providing global stability. The first Air Force priority during the last 2 years has been to reinvigorate the stewardship, accountability, compliance, and precision within the nuclear enterprise. We have made progress in this area and will continue our pursuit of the highest standards of performance.

In addition to ensuring our organizations and human resource plans support this mission, we are also concentrating on the infrastructure and facilities crucial to our success. To support this work, during the past 18 months, Air Force civil engineers have conducted enterprise-wide facility assessments to refine our investment plans, and we are now beginning to execute our long-term investment strategy. Our fiscal year 2011 budget request includes \$22.8 million in military construction for the nuclear enterprise, including a weapons load crew training facility at Barksdale Air Force Base (AFB), Louisiana, and a nuclear security tactics training center at Camp Guernsey, Wyoming. These and similar projects in the years to come will further our goal of a self-sustaining culture of critical self-assessment, continuous improvement, and unwavering excellence.

PARTNER WITH THE JOINT AND COALITION TEAM TO WIN TODAY'S FIGHT

Our Air Force continues to bring air, space, and cyber power to great effect in our conflicts in Afghanistan and Iraq, and our men and women make incredible contributions daily. We currently have almost 40,000 Airmen deployed, including nearly 3,500 Air Force civil engineers. Approximately 20 percent of these Air Force civil engineers are filling Joint Expeditionary Taskings, serving shoulder-to-shoulder with our Joint teammates. Due to their wide array of skills, our Air Force Rapid Engineer Deployable Heavy Operational and Repair Squadron Engineers (RED HORSE) and our Prime Base Engineer Emergency Force (Prime BEEF) personnel are in high demand in several theaters of operation. Additionally, we have more than 150 civil engineers who are supporting relief and recovery operations in Haiti.

In addition to our Airmen's contributions, our fiscal year 2011 budget request invests \$449 million in 40 projects that directly contribute to today's fight. Examples include the following:

- Projects supporting our combatant commanders, particularly in the U.S. Central Command area of operations, that will greatly enhance ongoing operations. These include a medical evacuation ramp expansion, fire station, fighter hangar, and consolidated rigging facility in support of enduring airdrop operations at Bagram Air Base (AB), Afghanistan; and an apron expansion, providing vital Afghan theater of operations with refueling capability out of Isa AB, Bahrain. The Air Force goes through a structured process to ensure that funds are not expended on enduring construction when expeditionary or temporary construction will suffice.
- New operations, maintenance, and training facilities for our Air Support Operations squadrons. Airmen from these units, including Joint Terminal Attack Control specialists, partner with ground forces to integrate airpower in Iraq and Afghanistan. These Active and Air National Guard facilities, located in close proximity to the Army units that they support in both Continental United States and overseas, will further increase our capacity to operate and integrate closely with our Joint partners.

- Improvements at Andersen AFB, Guam. Five projects continue to build our Pacific Air Force Regional Training Center and support the Air Force's "Guam Strike" initiative, consolidating operational capability for fighter and bomber operations at the base.
- Remotely piloted aircraft beddown, operations, and maintenance support infrastructure. Nine projects at various Active Duty and Air National Guard locations that support this rapidly growing field include an operations facility at Cannon AFB, New Mexico; a fire/crash/rescue squadron at Creech AFB, Nevada; a new launch and recovery element facility at Fort Huachuca, Arizona; and MQ-9 infrastructure support at Fort Drum, New York; and others.
- Facility recapitalization efforts. These—our component and major command commanders' "current mission" priorities—will, among other things, provide a modern operations facility for the National Capital Region's Joint Air Defense mission; give our special operations Airmen at Hurlburt Field, Florida, a new logistics facility and school; and provide Kunsan AB, Korea, with a facility to house their new F-16 simulator, due to arrive in 2012.

DEVELOP AND CARE FOR AIRMEN AND THEIR FAMILIES

The All-Volunteer Force provides the required foundation for our flexible and agile force. Our fiscal year 2011 budget request reflects a commitment to preserving and enhancing our force through education and training, while also improving the overall quality of life of Airmen and their families where they work, live, and play.

Developing our Airmen

Our Airmen are the best in the world, and as such they deserve first-class facilities in which they can train and advance their personal and professional development. Our fiscal year 2011 budget request contains five projects totaling \$163 million for this effort. These projects include a flagship Center for Character and Leadership Development at the Air Force Academy, which will provide our future officers with a facility invested with the stature that our Service Core Values demand. Also, renovation and expansion of Air University's Fairchild Research Information Center—the largest military library in the world—will preserve the historical perspective and current research that form the basis for future airpower and Air Force theory, doctrine, and strategy. Additionally, we are continuing to improve facilities that support our newest Airmen at Lackland AFB, Texas, by building a new recruit dormitory, classroom, and in-processing center. These projects continue to improve our Air Force basic military training and provide incoming Airmen with facilities that are commensurate with the commitment that they make to our Nation.

Caring for Our Airmen and Their Families

Because our families are crucial to the success of our Air Force, the Secretary of the Air Force designated July 2009–July 2010 as the "Year of the Air Force Family," to focus on the contributions of the entire Air Force family—military, civilian, spouses, children, extended family, and retirees—and investigate ways to make their lives better. A large part of this is ensuring that our military have first-class homes and dormitories. We also must make certain our base and community environments are safe and secure, and they foster a sense of community. Simply put, our goal is to provide an even safer and more supportive environment for our men and women and their families, especially during deployments and other extended absences.

Billeting

This project, totaling \$62 million, will provide billeting for Airmen in our fiscal year 2011 military construction program. Of particular note is a third phase of billeting construction at Al Udeid AB, Qatar, which will continue our effort to provide Airmen supporting operations in the U.S. Central Command theater with a quality place to live while deployed far from their families. This project will build two billeting facilities.

Dormitories

We remain committed to providing excellent housing for our unaccompanied Airmen, and we continue to reference our 2008 Dormitory Master Plan to make this vision a reality. Our fiscal year 2011 budget request includes four dormitory projects totaling \$71 million. These include dorms at Cannon AFB, New Mexico; Joint Base McGuire-Dix-Lakehurst, New Jersey; Kapaun Annex, Germany; and Aviano AB, Italy. At Aviano, this single new dormitory will not only provide improved quality of life for Airmen, but also enable the Air Force to close an entire community support annex, which will yield savings in facility maintenance, energy, services, and

security costs. Our 2010 Dormitory Master Plan, to be released later this year, will also address dormitories that we gain from Joint Basing.

Military Family Housing

Our fiscal year 2011 budget for military family housing is nearly \$600 million. The Air Force request for housing construction investment is \$78 million to ensure the continuous improvement of over 400 of our more than 16,100 overseas homes. Our request also includes an additional \$514 million to fund operations, maintenance, utilities, and leases, and to manage privatized units for the family housing program.

Housing privatization is central to the success of our stateside—including Alaska and Hawaii—military family housing initiatives. At the start of fiscal year 2011, we will have 38,800 privatized units, to be increased to 52,900 by the end of fiscal year 2011. As of the end of fiscal year 2009, privatization has leveraged a \$423 million investment to \$6.54 billion in development. We plan to privatize 100 percent of our family housing, in the Continental United States, by fiscal year 2011.

Child Development Centers

Due to the elevated operations tempo in the past 8 years of conflict, child care for our families that remain stateside has become an increasingly significant focus area. As part of the American Recovery and Restoration Act, we have been able to allocate \$80 million for eight new child development centers, to help ensure that our force has adequate child care capacity. We have aggressively pursued solutions to eliminate an earlier capacity issue, and we are on course to reduce our child care deficit to zero by 2012.

MODERNIZE OUR AIR AND SPACE INVENTORIES, ORGANIZATIONS, AND TRAINING

Modernizing our force to prepare for a wide range of future contingencies requires a significant investment. For fiscal year 2011, we are requesting \$460 million for a variety of military construction projects, including:

- Eight projects to prepare to beddown our newest fighter, the F-35. This includes four projects at Nellis AFB, Nevada, where we will accomplish a large part of the operational test and evaluation for this aircraft. As we continue to assess F-35 program restructuring, we are closely analyzing the impacts that any delivery delays will have on associated military construction requirements.
- Seven projects supporting our H/MC-130 fleet. These projects will emphasize the newer “J” models.
- Six projects supporting F-22 operations. This effort will continue to modernize our air superiority fleet, including three projects at Hickam AFB, Hawaii, for the beddown of the Air National Guard squadron there.
- Other projects. These will support diverse mission areas, including space control, C-5/C-17 maintenance, and base and airfield operations.

OTHER PROGRAMS OF NOTE

Overseas Contingency Operations

Our fiscal year 2011 Overseas Contingency Operations (OCO) request for military construction supports \$280 million in projects for Afghanistan. This complements our fiscal year 2010 OCO request of \$474 million and our fiscal year 2010 OCO supplemental request of \$279 million to support the recently announced troop strength increase. The fiscal year 2011 OCO projects build upon and expand the operational capacity that was initially provided by the fiscal years 2009/2010 requests. These first military construction requirements provided access to operational areas in the rugged, undeveloped regions of Afghanistan. Our subsequent requests will expand that initial capability by providing primary theater hubs in Afghanistan. As such, they will reduce safety risks, increase throughput capacity of cargo and personnel, and increase the effectiveness and efficiency of air operations. In addition to supporting current operations, logistical facilities are required to sustain operations through the transition to Afghan control and will facilitate the eventual redeployment of our forces. Each project will be of great value to the Joint team, and we are committed to executing them as effectively and efficiently as possible.

BRAC 2005 Implementation

The Office of the Secretary of Defense codified BRAC 2005 implementation requirements and responsibilities through the use of business plans, a process that allows synchronization across the entire Department of Defense. The Air Force leads 64 business plans and is an equity partner in an additional 16.

To implement the assigned recommendations, the Air Force’s plan calls for the execution of nearly 400 separate actions utilizing a total budget that has been, and

remains, fully funded at approximately \$3.8 billion; two-thirds of this budget is military construction. Our BRAC military construction program will make its last contract award before the close of this fiscal year. In total, we will execute 231 BRAC military construction (BRAC MILCON) projects, on 54 installations, in 36 States. The remaining segment of the BRAC budget funds environmental efforts, military personnel costs, training, and operations and maintenance-funded elements.

BRAC 2005: The Air National Guard and Air Force Reserve

Seventy-eight percent of BRAC 2005 implementation actions affect the Air Reserve components. This stands in contrast to BRAC 1995 where just eighteen percent of actions affected either the Air National Guard (ANG) or Air Force Reserve (AFR). Many of the BRAC 2005 actions realigned similar missions or aircraft models to increase the efficient use of manpower, resources, and maintenance budgets. Single mission tasks were combined into Centralized Intermediate Repair Facilities where ANG, AFR, and Active Duty personnel work side-by-side. The Air Force Reserve has effectively managed manpower resources and minimized adverse impacts on personnel at locations such as General Mitchell Air Reserve Station, Wisconsin. The relocated reserve unit from General Mitchell is now fully operational at Pope AFB, North Carolina. The Air National Guard has better positioned units to accept future missions in such vital tasks as Homeland Defense, is more effectively integrated with the Active Force in current front-line fighters, and will share opportunities to accept new weapons platforms.

BRAC 2005: Execution Report Card

BRAC 2005 impacts more than 120 Air Force installations. Whether establishing the F-35 Joint Strike Fighter Initial Training Site at Eglin AFB, Florida, closing Kulis Air Guard Station in Alaska, or transferring Pope AFB, North Carolina, to the Army, the Air Force community as a whole—Active, Guard, and Reserve—benefits from changes BRAC achieves. Among the seven closure installations, two are already considered closed while the others are proceeding according to plan. The Air Force is fully engaged in executing our requirements, nearly a third of assigned business plans are now considered complete and the rest are on schedule to complete by September 2011, completing implementation of BRAC 2005 on time and within budget.

Legacy BRAC: Real Property Transformation

The Air Force remains a Federal leader in the implementation of the management principles outlined in Presidential Executive Order 13327, Federal Real Property Asset Management. We continue to aggressively manage our real property assets to deliver maximum value for the taxpayer, improve the quality of life for our Airmen and their families, and ensure the protection and sustainment of the environment to provide the highest level of support to Air Force missions. The Air Force is achieving these goals through an enterprise-wide Asset Management transformation that seeks to optimize asset value and to balance performance, risk, and cost over the full asset life cycle. Our approach is fundamentally about enhancing our built and natural asset inventories and linking these inventories to our decision-making processes and the appropriate property acquisition, management and disposal tools.

Even though the BRAC 2005 round did not substantially reduce the Air Force's real property footprint, our current transformation efforts seek to "shrink from within" and to leverage the value of real property assets in order to meet our "20/20 by 2020" goal of offsetting a 20 percent reduction in funds available for installation support activities by achieving efficiencies and reducing by 20 percent the Air Force physical plant that requires funds by the year 2020.

Base Realignment and Closure Property Management

To date, the Air Force has successfully conveyed by deed nearly 90 percent of the 87,000 acres of Air Force land directed by BRAC 88, 91, 93, and 95 with the remainder under lease for redevelopment and reuse. With the successful redevelopment of Air Force BRAC property, local communities have been able to increase the number of area jobs by over 31,000.

To complete the clean up and transfer by deed of remaining property, the Air Force is partnering with industry leaders on innovative business practices for its "way ahead" strategy. Of the 32 legacy BRAC bases slated for closure, the Air Force completed 20 whole-base transfers. Eight of the remaining 12 bases are targeted for transfer by the end of fiscal year 2010, while the last 4 (Chanute, George, McClellan, Griffiss) will transfer no later than the end of fiscal year 2013.

As the Air Force transfers BRAC property for civic and private reuse, it is paramount we ensure any past environmental contamination on the property does not endanger public health or the environment. The Air Force will continue to fulfill

this most solemn responsibility, as reflected in our fiscal year 2010 request of \$116 million for Legacy BRAC cleanup activities, and another \$13 million for BRAC 2005 cleanup activities.

Joint Basing

The Air Force remains committed to joint basing initiatives to maximize installation efficiency, warfighting capability, and jointness, all the while saving taxpayer resources. Of the 12 joint bases mandated by BRAC 2005, 10 have Air Force equity, and we are the lead Service on six. All told, our current efforts with joint basing are proceeding smoothly, with no major issues. Three of the phase I joint bases with Air Force equity have already reached full operating capability status, and seven more phase II bases with Air Force equity have reached initial operating capability status, with full operating capability expected by October 1, 2010.

Energy

The Air Force understands the criticality of furthering energy security for the Nation, and we remain committed to realizing our energy goals of reducing demand, increasing supply, and changing our culture to make energy a consideration in everything we do. Energy conservation investment is a significant component of our newly released 2010 Air Force Infrastructure Energy Plan. In fiscal year 2011, we will continue our energy conservation efforts, which have already reduced facility energy use 14.6 percent from our 2003 baseline. The Defense military construction budget request of \$120 million contains \$35 million for our Energy Conservation Investment Program, which will save—\$124 million. In fiscal year 2009, we exceeded our goals and produced or procured 5.4 percent of our total facility energy through renewable sources, and we have led the Federal Government as the number one purchaser of renewable energy for the fifth year in a row. The 19 projects in the fiscal year 2011 Defense-wide military construction budget, including six solar projects, will continue this trend.

CONCLUSION

The Air Force is committed to the infrastructure projects that support our missions; we are also committed to ensuring we continue to care for our Airmen and their families, to include first-class dormitories and housing, and Airman and family support.

We also remain committed to optimizing the utility of our resources through effective joint basing, completing BRAC actions, and continuing energy conservation efforts.

Finally, the Air Force is committed to being good stewards of funding intended to ensure Air Force mission success.

Senator JOHNSON. Thank you.

Ms. Ferguson, what is the status of the Northern Group Housing Privatization Project especially with reference to Ellsworth Air Force Base?

NORTHERN GROUP HOUSING

Ms. FERGUSON. Senator Johnson, we are very close to being able to begin the process to put this on the street. We have one more meeting that has to occur. Once that occurs, our intent is to issue the required notice of intent for solicitation to the Hill. That needs to be over here for 30 days, and then after that, we would anticipate issuing the request for qualifications. We are hopeful that we clear this last hurdle and be able to begin that within the next few weeks, and that will allow us to select an offeror as early as September, with a closure in June of next year.

Senator JOHNSON. What are the options and what is the timeline if the Northern Group Privatization Project does not go forward?

Ms. FERGUSON. Sir, we would have to step back and look to see what other options were available. We have worked with your staff. We have six bases linked in the Northern Group, and what we have done is we have blended a mixture of healthy bases that have a significant investment in military construction, as well as other

bases that still require investment. Overall, the Air Force invested about \$600 million in those bases so far, but there is another \$400 million that needs to be invested and we are hoping to leverage the private sector to do that. With an additional \$5 million of investment from the Department of the Air Force, we are able to leverage \$400 million from the private sector to get that work done. So we are very hopeful we will be able to move this project forward soon.

AIR FORCE RESERVE MILCON

Senator JOHNSON. To Secretary Yonkers and General Commons: This year's budget request includes only one military construction project for the Air Force Reserve and the future years defense program does not look much better. This should be an embarrassment to the Air Force. While I acknowledge that there continue to be many demands and tight budgets, it would seem to me that this does not support the Air Force's commitment to the total Force.

Secretary Yonkers, are you comfortable that this level of funding, \$3.8 million for one project, is adequate for the Air Force Reserve?

Mr. YONKERS. Thanks for your comments, Senator.

I think the short answer is we are not comfortable, but we had to make some really difficult decisions in fiscal year 2011 to try to balance amongst all the competing interests and programs in the Air Force.

As I mentioned in my opening remarks, each one of the major commands, the Air Guard and the Air Force Reserve, got their number one priority project this year. Had we looked back and circled back in the deliberations this last year, we would have found, I think, a more equitable distribution of our military construction dollars to particularly the Air Force Reserve. We will look at that much more closely in this upcoming budget review to make sure that occurs and they get a more equitable distribution of those dollars.

I would also say that even though the military construction program is small and it is not as robust as we would like to see it, we are augmenting it through the facilities sustainment modernization program. Those dollars are fairly hefty, and so our idea here as we go forward is to utilize those dollars to sustain those particularly aging infrastructure until such time as we can get robust in our military construction program.

Senator JOHNSON. General Commons, would you like to comment on the Air Force Reserve request?

General COMMONS. Thank you, Mr. Chairman.

In the budget formulation for fiscal year 2011, as Secretary Yonkers mentioned, the Air Force decided to take increased risk in current mission, and as a result of that, they made a determination that every major command would be awarded their top priority in current mission, which for the Air Force Reserve was the Patrick Air Force Base project.

Also, we had no new mission requirements, which was funded. They did not take as much risk in new mission. I think that led to some of the disparity, but funding just one of our projects per year will not address the \$1.2 billion backlog we now have in the Air Force Reserve on current mission requirements, which directly

impacts our readiness and our quality of life in the Reserve Command.

I would also like to add, though, and thank this subcommittee from last year for the plus-up in the \$120 million that was given to the Air Force Reserve in military construction which made fiscal year 2010 one of our most successful years in military construction. And I would like to thank the subcommittee for that.

ENERGY EFFICIENCIES WITHIN AIR FORCE

Senator JOHNSON. Secretary Yonkers, I understand that the Air Force has a net zero energy effort underway at the Air Force Academy. Could you explain that effort and whether the Air Force has any plans to employ that model at other bases?

Mr. YONKERS. I will try to answer that question, sir. I was not really prepared to.

Across the Air Force, Net Zero is one of the objectives that we have with regard to achieving these kinds of energy-related, as well as greenhouse gas-related, potential impacts, depending upon what energy source you use. So the Air Force Academy is out in front with regard to that effort, and certainly those lessons learned will be applied to other air bases in the future. My intent is to meet exactly what the President has asked us to meet, both President Bush, during his administration, and President Obama during this administration, with regard to hitting those kinds of carbon sequestration and carbon balance topics or objectives, while at the same time, aggressively pursue renewable energy at our installations.

Senator JOHNSON. I will ask you the same question I asked the Army. Could you provide the subcommittee with a list of potential ECIP projects that could be executed in fiscal year 2011?

Mr. YONKERS. Yes, sir, we would be happy to do that.

[The information follows:]

The following are the potential unfunded ECIP projects for the Air Force:

[Dollars in thousands]

MAJCOM	Installation/activity	State	Project description	Programmed amount
USAFE	Ramstein	GE	Install Photovoltaic System	\$765
USAFE	Ramstein	GE	Install Photovoltaic System	719
USAFE	Ramstein	GE	Install Photovoltaic System	520
USAFE	Ramstein	GE	Install Photovoltaic System	494
ANG	Atlantic City	NJ	Photovoltaic Generation System	3,700
AMC	McGuire	NJ	(MEBI) Install Solar Panels at Fitness Center	1,519
USAFE	Lajes Field	PO	Replace & Upgrade Water SCADA & EMCS	1,110
USAFE	Lajes Field	PO	Repair Water Service Lines, Multi	600
USAFE	Moron	SP	Install Non Potable Water System	1,200
ACC	Eglin	FL	Leak Detection & Repair	750
AETC	Tyndall	FL	Reclaimed Water Irrigation	3,255
AFSC	Thule	GR	EMCS	4,500
PACAF	Elmendorf	AK	HVAC Retro commission Ph-1	2,830
ACC	Eglin	FL	DDC Energy Mgmt System Upgrade	6,724
AFMC	Hanscom	MA	Repair Chiller Controls B1201	1,950
ACC	Grand Forks	ND	Replace Interior Lighting	1,316
AETC	Randolph	TX	Cns Chiller/TES Plant	1,200
AFMC	Arnold	TN	Test Area Energy Improvements	821
ACC	Mountain Home	ID	Repair Infrared Heaters, Multi facilities	1,180
AETC	Randolph	TX	B395 Thermal Energy Storage (TES)	1,527
AETC	Lackland	TX	Construct a Chiller/TES Plant	2,800
AETC	Lackland	TX	Install Thermal Storage Energy Tank B7429	1,110

(Dollars in thousands)

MAJCOM	Installation/activity	State	Project description	Programmed amount
AFMC	Kirtland	NM	ECIP Solar-LED Retrofits for Street, Parking & Runway Lights.	1,850
AMC	McGuire	NJ	(MEBI) Install Solar Panels @ Fitness Center	1,519
AMC	McGuire	NJ	Install Solar Wall Bldgs 3210/3211/3101	1,150
AFSPC	Los Angeles	CA	ECIP—Photo Voltaic System, B/286, Fitness Center Roof.	1,082
AFSPC	Los Angeles	CA	Solar Roof System, B/271, LAAFB	1,050
AFSPC	Los Angeles	CA	Solar Roof System, B/270, LAAFB	1,050
AFSPC	Los Angeles	CA	Solar Roof System, B/272, LAAFB	1,442
AFSPC	Los Angeles	CA	ECIP—Photo Voltaic Parking Canopy, South, LAAFB.	1,347
AFSPC	Los Angeles	CA	ECIP—Photo Voltaic Parking Canopy, West, LAAFB.	2,191
AFSPC	F.E. Warren	WY	Decentralize Base Central Heat Plant	14,008
AFMC	Hill Air Force Base.	UT	ECIP—Conv & RPR 1700 Area Bldgs & Dist Sys To Natural Gas.	2,365
AFSPC	Cape Cod Air Force Station.	MA	Install Two Wind Turbines/Support System	13,000

Senator JOHNSON. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

MAINE MILCON

General Moisio, as I was preparing for this hearing, I noted that the fiscal year 2011 budget proposal contains requests from the Air National Guard for funding for two military construction projects that include two new SCIFs, the secure facilities, at a cost of \$9.6 million to the taxpayers.

Ms. Ferguson, I also noted that the Air Force has proposed spending more than \$221 million on six military construction projects that include six new SCIFs.

At the Air National Guard base in Bangor, Maine, there is a 28,000 square foot facility that meets all the requirements to be a SCIF, but the Air Force will not certify the facility as a SCIF until a mission is identified for that building.

My question, however, is did the Air National Guard review current assets, including this facility in Maine, before proposing the funding to build brand new additional secure facilities?

General MOISIO. Thank you, Senator Collins.

Yes. We, of course, keep track of all of our \$14 billion worth of plant value across the Nation and consider it all in new mission lay-down. The important thing to understand about the new mission lay-down that we are in right now—much of it is a result of BRAC. Much of it as a result of other changing missions, draw-down in Force structure, and so on, which has not affected the 101st, as you know, up in Bangor. They have a good, stable tanker mission and will continue to have that mission for a long time.

As time goes on, ma'am, when we continue to have to lay down across the Air Force missions that require classified facilities—also communication infrastructure is becoming a very important aspect—we do consider the existing facilities and the existing communication infrastructure when we go through our basing actions, as Ms. Ferguson, who runs that program, can attest. So it is a factor, ma'am.

Senator COLLINS. Secretary Ferguson, was that facility considered as the Air Force was putting together its request for six additional secure areas?

Ms. FERGUSON. I will have to go back and look at those particular six projects, but as General Moisio points out, under the new Air Force strategic basing process, that is one of the things we consider as we beddown new missions across the Air Force.

Senator COLLINS. I would encourage both of you to take a look at that facility because if it does meet your needs, we should use current assets and save some money in this very tight budget environment. And I know that you share that concern as well.

[The information follows:]

After significant reductions in requirements due to the end of the cold war, the Air National Guard has reused the majority of the SCIF facility. Of the 34,000 square feet, only 6,100 square feet remain vacant. Each of the military construction projects with SCIF requirements is associated with an existing mission and are already established at their current installations. For these current mission military construction projects, the benefit of reutilizing an existing SCIF at Bangor, Maine is out-weighed by the high cost associated with moving the missions to another installation. However, as we previously discussed, under the new Air Force strategic basing process, Bangor, Maine will be considered as we beddown new missions across the Air Force in the future.

Senator COLLINS. General, it sounds like you are very aware of the role that the air refueling wing of the Air National Guard in Maine has been playing in maintaining our air bridge to support our warfighters in Iraq and Afghanistan. The last time I visited the base, I was told that they actually offload more fuel than any other unit on the entire east coast, including Active Duty units with the exception of MacDill Air Force Base in Florida. So they are playing an absolutely essential role. Indeed, if you look just at Guard units, they offload more fuel to military aircraft than any other Guard unit in the country.

As you begin the process of deciding where to place the KC-X aircraft, the tanker that we desperately need to proceed with, will one of the primary considerations for basing include which aircraft in the inventory are most frequently relied upon to support war-time efforts? General?

General MOISIO. Senator Collins, your support of the 101st is admirable, as is the case across the Nation with our Guard units. It is one thing that makes the job that I have so great, is to hear the pride of Senators and Congressmen regarding their Guard units.

It is a true statement that the 101st is tops on the east coast in offload. It makes sense, closest to the air bridge across the Atlantic. So a very, very strategic point for us to have a tanker unit in the Air National Guard, and there is, I would hope, little doubt in my mind that that would continue for a long, long time.

In terms of competing for KC-X, I believe that the Northeast Tanker Task Force will undoubtedly be involved in some way in the initial beddown of KC-X. We will go through the normal basing process, and in my mind, the most important attribute of the 101st that will show up in the basing process is its location and the fact of the Northeast Tanker Task Force. So the competition will be fair. It will be transparent, and I know that the 101st in Bangor will compete.

Senator COLLINS. Thank you. Thank you, Mr. Chairman. Thank you all.

Senator JOHNSON. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

ENERGY EFFICIENCY AT ALASKA INSTALLATIONS

Secretary Yonkers, I understand that you are in the process now of preparing a paper for me at my request on the future of the Polar Star Housing. This is the privatized housing in Eielson. I will look forward to receiving that paper and the opportunity for future dialogue on that. We would like to see, of course, positive resolution of this, but I understand that that is something that you are working to produce for me. So I will look forward to that. And I do not know. It looks like you, Secretary Ferguson, will be the one that will be working on it.

Mr. YONKERS. Actually she is the one that works these types of military family housing privatization issues, and I would be completely lost without her, as you probably know.

I mean, there is much more to come, and we will be more than happy to not only provide the paper but respond to any questions, concerns, Madam, that you have.

Senator MURKOWSKI. I appreciate that.

Let me ask you. You have mentioned the impact of energy usage and what we do to deal with our high energy costs. Congress had appropriated some substantial funding for the Air Force to consider locating a coal-to-liquids plant on or near Eielson to take advantage of the coal reserves that we have in interior Alaska and offer the Air Force an alternative source of jet fuel.

We have, of course, heard that the concept of coal-to-liquids, which was really quite popular in the last administration, has now kind of gone out of vogue within this administration, even if we can address the carbon capture issues.

The question to you this morning is whether the Air Force intends to pursue a coal-to-liquids plant at Eielson and what is the timeline then for any decision-making in this order.

Mr. YONKERS. Ma'am, thank you for your question, and I know you are personally very interested in this and your observations are right on target with regard to coal-to-liquid.

You know very well, I am sure, that the earmarks that we received are being utilized for the purposes under which they were intended to look at the feasibility and financial viability of a coal-to-liquids facility at or near Eielson. We are already in the process, as you probably know as well, of looking at the business case analysis particularly to see if an enhanced use lease would be appropriate for such activities and be financially viable for such activities.

In conjunction with that, the civil engineering squadron there is looking at the mission impacts and the environmental impact analysis to pull that information together.

And then the Air Force research labs down at Wright Patterson are considering things such as carbon sequestration and how that will play amongst the energy alternatives as we look at the broad scope of whether or not coal-to-liquid is really a viable option there at Eielson.

Once we get the information from those reports back and we can massage that a bit, and if we do, in fact, find that it is a viable alternative, our intent is to get with the Department of Defense, along with, we hope, prospective developers, companies that would be interested in implementing this, and see where we go from there.

Senator MURKOWSKI. Well, we would like to work with you on this. Obviously, the cost of energy is a key issue up there, but even more so, the opportunity to provide the Air Force with a fuel source that could be ready and affordable is something that we all want to focus on.

Mr. YONKERS. Yes, ma'am.

NEW TANKERS IN ALASKA

Senator MURKOWSKI. General, let me ask you. You spoke about the possibility of the KC-X for the 101st there in Maine. Does the same possibly apply to the 168th Wing at Eielson which has the significant responsibility for fueling in the Pacific?

General MOISIO. Absolutely, ma'am. I really should let Ms. Ferguson address the overall process, but hopefully you all are aware of the process that the Air Force has adopted over the last year to base new systems. But the process is open, transparent, repeatable, and when we are bedding down a system such as F-35s, such as KC-X soon, we look enterprise-wide at Air Force bases and grade them on a set of criteria that are developed by the gaining major command. And I am convinced that it is a very fair process.

Senator MURKOWSKI. One final question, and this is your soft ball for the morning and gives you a chance to do a little bit of bragging. In just a few weeks here, the Elmendorf Air Force Base is slated to receive the Commander-in-Chief Award from the Secretary of Defense. This is a pretty big deal. We certainly feel so. As one who represented Elmendorf in our State legislature, it is even more a particular point of pride. But it really means that Elmendorf is truly the best of the best in the Air Force.

So the question to you this morning, Secretary, is what did Elmendorf do to achieve this distinction, and how will the Air Force celebrate Elmendorf's accomplishments?

Mr. YONKERS. Well, you know, I will go back to some of the previous conversations with the pride and enthusiasm that you all bring to the table with regard to those air bases that are in your State. It is really gratifying to me as sort of a retread coming back into the Air Force just recently to see this. I mean, this was one of the things that I really missed when I left 8 years ago.

It is a big deal. It is truly a big deal for Elmendorf to be able to go through a rigorous competition amongst every air base that we have in the 50 States and all those major commands. There are 166 air bases that Elmendorf was in the mix with. And as you say, Senator, Elmendorf came out on top.

There is going to be at least one, if not several award assemblies that are going to recognize that accomplishment. When those folks from Elmendorf stand up in front of the Secretary and the Chief and receive that award, I think it is going to be a great day and there is going to be just a lot of fun and enthusiasm and pride from the people down at the installation level that made that happen.

Senator MURKOWSKI. We look forward to recognizing their accomplishments because they are significant. They are receiving the Commander in Chief Award, but this has been a pretty good year for them. They have received a whole handful of national recognitions, and we are really quite proud, as we are of all our men and women in uniform, but there are significant accomplishments that we want to celebrate. So thank you.

Thank you, Mr. Chairman.

Mr. YONKERS. Thank you, ma'am.

Senator JOHNSON. Thank you.

I would like to thank all of our witnesses for appearing before the subcommittee today. We look forward to working with you this year.

For the information of members, questions for the record should be submitted by the close of business on April 29.

CONCLUSION OF HEARINGS

Senator JOHNSON. This hearing is recessed.

[Whereupon, at 11:06 a.m., Thursday, April 22, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]