

**MILITARY CONSTRUCTION AND VETERANS  
AFFAIRS, AND RELATED AGENCIES APPRO-  
PRIATIONS FOR FISCAL YEAR 2018**

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**TUESDAY, JUNE 6, 2017**

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

The subcommittee met at 2:35 p.m. in Room SD-124, Dirksen Senate Office Building, Hon. Jerry Moran (chairman) presiding.

Present: Senators Moran, Murkowski, Collins, Boozman, Rubio, Schatz, Tester, and Udall.

**DEPARTMENT OF DEFENSE**

**STATEMENT OF HON. PETER J. POTOCHNEY, ACTING ASSISTANT  
SECRETARY OF DEFENSE FOR ENERGY, INSTALLATIONS AND  
ENVIRONMENT**

**OPENING STATEMENT OF SENATOR JERRY MORAN**

Senator MORAN. Good afternoon. I am sorry for the nearly 5 minute late start due to votes on the Senate floor, but the subcommittee will come to order.

Good afternoon. We meet today to discuss the President's fiscal year 2018 budget requests for Military Construction and Family Housing for the Department of Defense.

The request represents a sharp departure from historically low MILCON requests of the past few years. The base budget request is \$9.8 billion. It is a 27 percent increase over last year's enacted levels. In addition, the Overseas Contingency Operations, OCO request, is \$638 million.

After years of our military taking on increasing levels of risk in infrastructure, the MILCON increase is a welcome change. This change does not take place in a vacuum, however. And the fiscal year 2018 budget request, when viewed in its totality, leaves this committee with some difficult decisions to make, on both defense discretionary and non-defense discretionary, both sides of that ledger.

I don't think it is a stretch to say that this subcommittee will have to find savings and efficiencies and that not every project in the request will be funded when we are all said and done. To this end, I would welcome a dialogue with our witnesses today about large projects that could be funded incrementally. I understand OMB frowns on this practice, but with tight budgets, incremental funding is an effective tool that Congress has at its disposal.

I think it is useful to note that the dollars this subcommittee appropriates will directly improve the quality of life for those who volunteer to serve in uniform and their families. I want to hear about how this budget request improves the quality of family housing, of schools, and health care for military families.

Military construction is more than just bricks and mortar. It supports important strategic goals. I want to hear from our witnesses how the projects that they are requesting fit into our military strategy, how they enhance our warfighting capabilities, and how they will help our forces project power more efficiently.

Today we hear from representatives of all the military services as well as the Office of the Secretary of Defense. Joining us is Mr. Peter J. Potochney, Acting Assistant Secretary of Defense for Energy, Installations, and Environment; Lieutenant General Gwendolyn Bingham, Assistant Chief of Staff of the Army for Installation Management; Vice Admiral Dixon R. Smith, Deputy Chief of Naval Operations for Fleet Readiness and Logistics; Major General John J. Broadmeadow, Commander of the Marine Corps Installations Command and Assistant Deputy Commandant, Installations, and Logistics; and Major General Timothy S. Green, Air Force Deputy Chief of Staff for Logistics, Engineering, and Force Protection and Director of Civil Engineers.

[The statement follows:]

PREPARED STATEMENT OF SENATOR JERRY MORAN

The Subcommittee will come to order. Good afternoon. We meet today to discuss the President's fiscal year 2018 budget request for military construction (MILCON) and family housing for the Department of Defense. The request represents a sharp departure from the historically low MILCON requests of the last few years. The base budget request of \$9.8 billion is a 27 percent increase over last year's enacted levels. In addition, the Overseas Contingency Operations, or OCO, request is \$638 million.

After years of our military taking on increasing levels of risk in infrastructure, the MILCON increase is a welcome change. This change does not take place in a vacuum, however. The fiscal year 18 budget request—when viewed in total—leaves this committee with some very difficult decisions to make, on both the defense discretionary and non-defense discretionary sides of the ledger.

I don't think it is a stretch to say that this subcommittee will have to find savings and efficiencies and that not every project in the request will be funded when all is said and done. To that end, I would welcome a dialogue with our witnesses about large projects that could be funded incrementally. I understand OMB frowns on this practice, but with tight budgets, incremental funding is an effective tool the Congress has at its disposal.

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- Mr. Peter J. Potochney, Acting Assistant Secretary of Defense for Energy, Installations, and Environment;
- Lieutenant General Gwendolyn Bingham, Assistant Chief of Staff of the Army for Installation Management;
- Vice Admiral Dixon R. Smith, Deputy Chief of Naval Operations for Fleet Readiness and Logistics;

- Major General John J. Broadmeadow, Commander of Marine Corps Installations Command and Assistant Deputy Commandant, Installations, and Logistics (Facilities); and
- Major General Timothy S. Green, Air Force Deputy Chief of Staff for Logistics, Engineering, and Force Protection and Director of Civil Engineers.

Senator MORAN. The subcommittee looks forward to your testimony. I appreciate the conversations that many of you have had with me in person. And before we begin our witness testimony, I'd turn to my colleague and friend from Hawaii, the Ranking Member.

#### OPENING STATEMENT OF SENATOR BRIAN SCHATZ

Senator SCHATZ. Thank you, Mr. Chairman.

I appreciate your holding this hearing to discuss fiscal year 2018 Military Construction and Family Housing budget requests, especially on this day, the 73rd anniversary of the invasion of Normandy. June 6th is the day to remember the importance of American military resolve and the commitment of our allies. That resolve and our alliances remain important today in our continued efforts to bring security to Afghanistan, deter aggression in Europe, and to keep the peace on the Korean Peninsula. And when it comes to our overseas military presence, our allies play an important role in supporting our troops and their families and we recognize that role.

I would like to welcome the members of our panel and I look forward to your testimony. For the past several years MILCON funding has steadily declined as the Department and the services have sacrificed infrastructure and sustainment to make room in their budgets for new mission requirements and operational funding.

This subcommittee has expressed repeated concerns, ones that DOD leaders and commanders have echoed at these hearings, over time underinvestment in MILCON will negatively impact mission. With this in mind, the fiscal year 2018 budget requests for MILCON and family housing represents a step forward. Funding for the active components is up 39 percent over fiscal year 2017 enacted levels and military family housing accounts are up 10 percent.

Make no mistake, while this is an important step, it is not enough. The world is becoming an increasingly complex place and our military infrastructure is the foundation for our fighting forces. I look forward to hearing from our witnesses about how this request will do that.

Representing Hawaii, I take a particular interest in the Asia Pacific region where our commitment remains absolute. This includes the plans to move Marines from Okinawa. Those efforts must be done thoughtfully and strategically to make the most of every MILCON dollar. Similarly, our investments in Europe must demonstrate our resolve to defend against regional aggression and reaffirm our ironclad commitment to stand with our NATO allies.

I am also concerned about our public shipyards and their capacity and their need to be recapitalized to meet the demands of a larger fleet and increased maintenance needs.

Likewise, we must make good on our promise to our soldiers and their families on the home front and invest in projects that improve

their quality of life. This includes facilities for our guard and reserve who have shared the heavy burden of fighting the wars in the Middle East.

Mr. Chairman, thank you again for holding this important hearing and I look forward to hearing from our witnesses.

Senator MORAN. Mr. Schatz, thank you very much for your opening statement, and more importantly, thank you for working with me so cooperatively. And thank you for your remembrance of D-Day's anniversary.

I was at the Big Red One Memorial this morning and this is the hundredth anniversary of the creation of the Big Red One. And, again, great to have this day to express our gratitude to those who were so successful on our behalf in the invasion of France.

We are going to begin with the Secretary. Mr. Secretary, please, we welcome your testimony.

#### SUMMARY STATEMENT OF HON. PETER J. POTOCHNEY

Secretary POTOCHNEY. Thank you, Mr. Chairman.

Chairman Moran, excuse me, Ranking Member Schatz, and distinguished members of the committee. I do appreciate the opportunity to be here and I certainly respect and have the honor of being here as well.

By way of introduction, I am Pete Potochney. I am the currently Acting Assistant Secretary for Energy, Installations and Environment. I have been acting in this capacity for a year and a half now or so, but I am sure we will be transitioning over to a team here soon.

I would appreciate my statement being entered into the record. And I just want to summarize a few points here and I will be brief.

The people at this table are the proponents for installations. We are the ones who do our best to make sure that our installations compete as favorably as they can for the limited funding that we have. We are though the—not the Department of Facilities and Installations. We are the Department of Defense. And so over the years, at least in my experience, we always choose to take risks in installations. We will run our installations somewhat into the ground in order to devote the resources necessary to support the warfighters in the capabilities that they need, and in particular for lethality if the current term.

So we are doing our best, and I wanted you to hear that from me, to make sure that the requirements that our installations generate for funding deserve and get the attention that they need. Previous budgets though have exacerbated the dynamic of installations being billpayers. We have been putting ourselves into a hole. This budget gets us out of the hole a little bit, or at least gets us on a glide path that could get us out of the hole, but there is a lot to be done.

And, you know, with the \$2 billion increase in MILCON and a billion or plus in the O&M that goes into sustainment, that is an important vector, if you will, for us, but there is more to do.

As we go forward, and the Congress and in particular this committee requires that we demonstrate a product application of the funding that you give us. And that's what I think you alluded to, Mr. Chairman. And to that end I have to say that we are asking

for a base realignment and closing authority this year once again. That is important to us. It is important to us to make sure that we are spending the precious funds that we get on the facilities that we need and make sure that we are not spending money otherwise that should otherwise be devoted to readiness on facilities that we do not need. And in the end, it allows us to validate the installations that remain so that they can best compete for the funding that we expect in the future and that's what BRAC (Base Realignment and Closure) is important to us.

So, having said all of that. This concludes my remarks. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. PETER J. POTOCHNEY

INTRODUCTION

Chairman Moran, Ranking Member Schatz and distinguished members of the subcommittee: Thank you for the opportunity to present the President's fiscal year 2018 budget request for the Department of Defense programs supporting energy, installations, and the environment.

First, let me thank you for your support for our installation mission. Our installations are the foundation from which America's military capability is generated, deployed, and sustained. As the missions within the Department change to meet emerging threats, and as advances in technology generate new requirements for how we use our physical plant, we must be ready and flexible in our vision and processes to adapt rapidly in response to future challenges. We could not have progressed as far as we have without the continuing support of Congress, and in particular, this subcommittee.

The DoD operates an enormous real property portfolio encompassing more than 568,000 facilities on more than 500 bases, posts, camps, stations, yards, and centers. The replacement cost of the Department's installations exceeds \$1 trillion, excluding the cost of the 27 million acres of land that our installations occupy. Our installations remain critical components of our ability to fight and win wars. Our warfighters cannot do their job without bases from which to fight, on which to train, or in which to live when they are not deployed. Our installations support our families—many of which live there and all of which use their support services. The bottom line is that installations support our military readiness. Our primary focus in our fiscal year 2018 budget request is to ensure that our military installations are capable of supporting the missions of our forces, today and in the future. America's military installations, including both their built and natural environments, must be managed in a comprehensive and integrated manner to optimize our investment in the assets needed to accomplish the mission. The fiscal year 2018 President's Budget request builds on readiness improvements included in the fiscal year 2017 budget and the fiscal year 2017 Request for Additional Appropriations, adds resources to balance the force, and address evolving national security challenges such as recapitalizing and modernizing the nuclear enterprise.

My testimony will outline the fiscal year 2018 budget request specific to the Military Construction (MilCon) appropriation and highlight a handful of top priority issues—namely, the Administration's request for Base Realignment and Closure (BRAC) authority, the status of the movement of Marines to Guam, the Department's investments in assuring the delivery of fuel to combat forces, and an overview of our facility energy programs.

My testimony also will address our environmental budget, which has been relatively stable in recent years. I will provide an update on our environmental programs, including progress in our compliance programs where we've seen a decrease in environmental violations, and our efforts to address perfluorooctanoic sulfonate (PFOS) and perfluorooctane acid (PFOA) in drinking water.

FISCAL YEAR 2018 BUDGET REQUEST—MILITARY CONSTRUCTION AND FAMILY HOUSING

The President's fiscal year 2018 budget requests \$9.8 billion for the MilCon and Family Housing Appropriation—an increase of approximately \$2.3 billion from the fiscal year 2017 base budget request and \$2.0 billion more than the fiscal year 2017 base budget enacted level. This increase is directly attributable to Secretary of Defense's guidance to fund high priority readiness and weapon's modernization pro-

grams. In addition to construction required to bed-down new or changing missions, this funding will also be used to restore and modernize enduring facilities, acquire new facilities where needed, and eliminate those that are excess or obsolete. Overall, this MilCon request provides \$1.7 billion for new mission facilities and another \$5.5 billion for current mission facilities.

While the fiscal year 2018 budget request is a marked improvement compared to the last few years, the funding is focused on restoring the Department's ability to respond to warfighter requirements and mission readiness, and therefore, is still insufficient to reverse the impacts to our facilities resulting from sequestration. In reaction to the Budget Control Act and subsequent Balanced Budget Acts, Defense Components significantly reduced their investments in Facilities Sustainment, MilCon, and Restoration and Modernization. Combined, these reductions have significantly degraded our facilities, necessitating significant investment for facilities repair and replacement in the future and exacerbating the need for the Department to be able to right-size its infrastructure rather than continuing to waste scarce resources maintaining excess facilities. The Department has an unfunded backlog of deferred maintenance and repair (M&R) work that exceeds \$140 billion, raising significant concerns about the performance and reliability of our facilities and installations.

TABLE 1. MILCON AND FAMILY HOUSING BUDGET REQUEST, FISCAL YEAR 2017 VERSUS FISCAL YEAR 2018

Category	Fiscal year 2017	Fiscal year 2018	Change from fiscal year 2017	
	Request (\$ Millions)	Request (\$ Millions)	Funding (\$ Millions)	Percent
Military Construction .....	5,977	7,965	1,988	33.3
Base Realignment and Closure .....	205	256	51	24.9
Family Housing .....	1,320	1,407	87	6.6
NATO Security Investment Program .....	178	154	(24)	(13.5)
Total .....	7,680	9,782	2,102	27.4

\*Includes \$236 million requested in the fiscal year 2017 Request for Additional Appropriations (RAA). The fiscal year 2017 Consolidated Appropriations Act enacted the RAA MilCon request in the Overseas Contingency Operations appropriations.

#### MILITARY CONSTRUCTION

We are requesting \$8.1 billion for the MilCon account, which is the substantially higher than our previous budget submission. While this represents a 33 percent increase from our fiscal year 2017 request, inclusive of the fiscal year 2017 Request for Additional Appropriations, this level of funding is still not sufficient to reverse the impacts imposed through the implementation of sequestration. This request addresses requirements for construction at enduring installations stateside and overseas, and for specific programs such as the NATO Security Investment Program and the Energy Resilience and Conservation Investment Program. In addition, we are targeting MilCon funds in three key areas as discussed immediately below.

As mentioned earlier, the Secretary of Defense issued guidance that the Administration's increased topline for DoD would focus on improving readiness and increasing warfighter lethality. In implementing this guidance, the DoD Components applied more than 54 percent of the MilCon budget request to construct operational/training facilities (\$3.3 billion) and maintenance/production facilities (\$1.1 billion). MilCon is key to supporting these mission areas by ensuring our forces have the right size and mix of facilities to make them effective warfighters. Our fiscal year 2018 budget request includes two projects at Stuttgart and Wiesbaden, Germany, to continue the European Infrastructure Consolidation. The budget request also includes funding to support bed-down of new missions, such as \$269 million for three projects to support arrival of Joint Strike Fighters at MCAS Cherry Point, North Carolina, RAF Lakenheath, United Kingdom, Eielson AFB, Alaska, and Eglin AFB, FL; \$61 million for a project to support the F/A-18 Super Hornet at NAS Lemoore, California and \$34 million for projects at MCAS Iwakuni and NAS Fort Worth JRB to support arrival of the KC130J tanker. Additionally, more than \$1.7 billion is included in this request to support Combatant Command priorities. For instance, \$15 million will be used to build a squadron operations facility at Central Command's Al Udeid AB in Qatar; in the European Command's area of responsibility (AOR), \$22 million for a strategic aircraft parking expansion project at Souda Bay, Greece, \$27 million for housing improvements at NAS Rota, Spain, and \$27 million for a Guardian Angel Operations Facility at Aviano AB, Italy; and in the Pacific Command AOR, \$53 million is requested for an unmanned aerial vehicle hangar at

Kunsan AB, South Korea, \$76 million for a fuel storage project in Darwin, Australia, and \$28 million for Special Tactics Operations Facility at Kadena AB, Japan.

In the second key area, the fiscal year 2018 budget request includes \$858 million for medical facility recapitalization. This includes \$251 million for the eighth and final increment to replace the hospital at Fort Bliss, \$250 million for the first phase of Fort Leonard Wood's hospital replacement, \$124 million for the second increment of the Walter Reed Medical Center Addition/Alteration and \$107 million for the seventh increment of the Rhine Ordnance Barracks Medical Center replacement in Germany. The request also includes \$126 million to construct much needed blood donor/processing facilities, consolidate medical/dental facilities at several Marine Corps installations and expand/alter one Air Force medical/dental facility. All the projects are crucial for our continued delivery of the quality healthcare that our Service members and their families deserve.

Finally, the third key area is Quality of Life. Our fiscal year 2018 MilCon budget request includes \$249 million to continue implementing the Department's 10-year plan (started in fiscal year 2011) to replace and recapitalize more than half of the DoD Education Activity (DoDEA) schools. These funds will replace four schools in poor condition at Spangdahlem AB, Germany; Stuttgart, Germany; Vicenza, Italy; and Punta Borinquen, Puerto Rico. In recent years, we also have heavily invested in Unaccompanied Personnel Housing (UPH) to support initiatives such as BRAC implementation global restationing, and force structure modernization.

#### FAMILY AND UNACCOMPANIED HOUSING

A Department priority that has not changed is our commitment to protect the quality of life for military personnel and their families by ensuring access to suitable, affordable housing. The environment in which our forces and their families live has an impact on their ability to do their job, and on the Department's ability to recruit and retain. Quality of life—to include the physical condition of the facilities in which our service members and their families live and work and a safe, healthy environment around and within those facilities—is also critical to the readiness and morale of the force. This request reflects that priority.

Our fiscal year 2018 budget request includes \$1.4 billion to fund construction, operation, and maintenance of government-owned and leased family housing worldwide and to provide housing referral services to assist military members in renting or buying private sector housing. This funding request supports more than 36,000 government-owned family housing units, most of which are on enduring bases in overseas locations now that the Department has privatized the vast majority, more than 202,000 units, of our family housing in the United States. The budget request also supports more than 7,500 government-leased family housing units where government-owned or privatized housing is unavailable. The requested funding will ensure that U.S. military personnel and their families continue to have suitable housing choices.

TABLE 2. FAMILY HOUSING BUDGET REQUEST, FISCAL YEAR 2017 VERSUS FISCAL YEAR 2018

Category	Fiscal year 2017	Fiscal year 2018	Change from fiscal year 2017	
	Request (\$ Millions)	Request (\$ Millions)	Funding (\$ Millions)	Percent
Family Housing Construction/Improvements .....	356	351	(5)	(1.4)
Family Housing Operations & Maintenance .....	961	1,052	91	9.5
Housing Improvement Fund .....	3	3	0	0
Military Unaccompanied Housing Improvement Fund ..	0	1	1	100
Total .....	1,320	1,407	87	6.6

DoD also continues to encourage the modernization of Unaccompanied Personnel Housing (UPH) to improve privacy and provide greater amenities. In recent years, we have heavily invested in UPH to support initiatives such as BRAC implementation global restationing, force structure modernization and Homeport Ashore—a Navy program to move Sailors from their ships to shore-based housing when they are at their homeport. The fiscal year 2018 MilCon budget request includes \$250 million for five construction and renovation projects that will improve living conditions for trainees and unaccompanied personnel, as well as \$76 million for four dining facilities.

Our request also includes \$3 million to support administration of the Military Housing Privatization Initiative (MHPI) program as prescribed by the Federal Credit Reform Act of 1990. This includes monitoring MHPI programmatic goals and per-

formance, and risk associated with Federal credit assistance provided for MHPI projects (e.g., government direct loans and limited loan guarantees). The Department continues to work with our MHPI project owners to help ensure the long-term viability of individual projects and the program as a whole. We are continually assessing the impact that Basic Allowance for Housing (BAH) changes may have on project revenue, which covers project operating and maintenance expenses, funds debt payments, and finances the future housing revitalization and recapitalization necessary to provide continued high quality housing for military families and to ensure these projects remain viable throughout their 40–50 year lifespans.

#### FACILITIES SUSTAINMENT AND RECAPITALIZATION

In addition to MilCon, the Department invests significant funds to maintain and repair our existing facilities. Sustainment represents the Department’s single most important investment in preserving the condition of its facilities. It includes regularly scheduled maintenance and repair or replacement of facility components—the periodic, predictable investments that should be made across the service life of a facility to slow its deterioration, optimize investment, save resources over the long term, maintain safety, optimize facility performance across its lifecycle, and help improve the productivity and quality of life of our personnel.

The accounts that fund these activities have taken significant cuts in recent years; funding constraints under the Budget Control Act led Defense Components to accept risk in facilities sustainment and recapitalization. Recognizing that too much risk has been endured in maintaining their facilities, the Military Departments increased Facility Sustainment commitments in the fiscal year 2018 budget request, which includes \$8.5 billion of Operations and Maintenance (O&M) funding to sustain our real property, a 15 percent funding increase compared to the Department’s fiscal year 2017 budget request.

TABLE 3. SUSTAINMENT AND RECAPITALIZATION BUDGET REQUEST, FISCAL YEAR 2017 VERSUS FISCAL YEAR 2018

Category	Fiscal year 2017	Fiscal year 2018	Change from fiscal year 2017	
	Request (\$ Millions)	Request (\$ Millions)	Funding (\$ Millions)	Percent
Sustainment (O&M) .....	7,464	8,555	1,091	14.6
Recapitalization (O&M) .....	3,260	3,728	468	14.4
Total .....	10,533	12,283	1,559	14.5

\*Includes \$13.7 million in Sustainment and \$1.2 billion in Recapitalization funding DoD requested in its fiscal year 2017 Request for Additional Appropriations. Congress enacted \$13.7 million in Sustainment and \$955 million for Recapitalization.

Our fiscal year 2018 budget request includes \$3.7 billion of O&M funding for recapitalization. The combined facility sustainment and recapitalization funding of \$12.3 billion is a 14.5 percent increase from the fiscal year 2017 President’s Budget request (inclusive of the fiscal year 2017 Request for Additional Appropriations), but still reflects an acceptance of significant risk in DoD facilities. In fact, the request supports an average DoD-wide sustainment funding level that equates to 78 percent of the Facilities Sustainment Model requirement as compared to the Department’s goal to fund sustainment at 90 percent of modeled requirements.

Previous budgets have limited investment in facilities sustainment and recapitalization to the point that 23 percent of the Department’s facility inventory is in “poor” condition (Facility Condition Index (FCI) between 60 and 79 percent) and another 10 percent is in “failing” condition (FCI below 60 percent) based on recent facility condition assessment data. Compared to last year, the Department is seeing more poor facilities moving into failing conditions. Until the out-year sequestration challenges are overcome, the Department will continue to take risk in funding to sustain and recapitalize existing facilities. This will ultimately result in DoD facing larger bills in the out-years to restore or replace facilities that deteriorate prematurely. That said, as the DoD Components implement our policy to standardize facility inspections using the Sustainment Management System, commonly referred to as “BUILDER,” we are seeing innovative investment techniques evolving to strategically apply the sustainment and recapitalization funds to maximize return on this investment. For instance, the Navy uses the BUILDER FCI output to prioritize funding on subcomponents that are most critical to keeping a facility in operation.

## FISCAL YEAR 2018 BUDGET REQUEST—ENVIRONMENTAL PROGRAMS

Military readiness depends, to a significant degree, on our careful and responsible stewardship of the lands and natural resources entrusted to us. From protecting the health of our members to maintaining access to critical training lands, the Department’s environmental budget is inextricably linked to our primary mission. We have sustained our readiness with a relatively stable budget despite growing challenges, which include new drinking water health advisories and critical habitat designations. In the President’s fiscal year 2018 budget, we are requesting \$3.4 billion, a very slight decrease from fiscal year 2017, to continue the legacy of excellence in our environmental programs.

The table below outlines the entirety of the DoD’s environmental program, but I would like to highlight a few key elements where we are demonstrating significant progress—specifically, our environmental restoration program, our efforts to leverage technology to reduce the cost of cleanup, and the Readiness and Environmental Protection Integration (REPI) program.

TABLE 4. ENVIRONMENTAL PROGRAM BUDGET REQUEST, FISCAL YEAR 2017 VERSUS FISCAL YEAR 2018

Category	Fiscal year 2017	Fiscal year 2018	Change from fiscal year 2017	
	Request (\$ Millions)	Request (\$ Millions)	Funding (\$ Millions)	Percent
Environmental Restoration .....	1,030	1,009	(21)	(2.0)
Environmental Compliance .....	1,493	1,443	(50)	(0.3)
Environmental Conservation .....	420	424	4	0
Pollution Prevention .....	84	75	(9)	(10.7)
Environmental Technology .....	186	203	17	0
BRAC Environmental .....	181	220	39	21.5
Total .....	3,395	3,374	(21)	(0.6)

We are requesting \$1.2 billion to continue cleanup efforts at the remaining Installation Restoration Program (IRP—focused on cleanup of hazardous substances, pollutants, and contaminants) and Military Munitions Response Program (MMRP—focused on the removal of unexploded ordnance and discarded munitions) sites. This includes \$1.0 billion for “Environmental Restoration,” which encompasses active installations and Formerly Used Defense Sites (FUDS) locations and \$220 million for “BRAC Environmental.” The amount of BRAC Environmental funds requested will be augmented by the use of land sale revenue and prior year, unobligated funds. These investments help to ensure DoD continues to make property at BRAC locations safe and environmentally suitable for development. We remain engaged with the Military Departments to ensure they are executing plans to spend remaining unobligated balances in the BRAC account.

TABLE 5: PROGRESS TOWARD CLEANUP GOALS

Goal: Achieve Response Complete at 90 percent and 95 percent of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, by fiscal year 2018 and fiscal year 2021, respectively

	Status as of the end of fiscal year 2016	Projected status at the end of fiscal year 2018	Projected status at the end of fiscal year 2021
Army .....	90%	93%	97%
Navy .....	82	85	90
Air Force .....	82	88	94
DLA .....	86	95	98
FUDS .....	82	88	94
Total .....	85	90	94

By the end of 2016, the Department, in cooperation with state agencies and the Environmental Protection Agency, completed cleanup activities at 85 percent of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, and is now monitoring the results. During fiscal year 2016 alone, the Department completed cleanup at over 630 sites. Of the roughly 39,700 restoration sites, almost 33,000 are now in monitoring status or have completed cleanup. We are currently on track to meet our program goal of completing cleanup at 90 percent of Active and BRAC IRP and

MMRP sites, and FUDS IRP sites, by the end of fiscal year 2018. We anticipate completing cleanup at 94 percent of these sites by the end of fiscal year 2021.

Our focus remains on continuous improvement in the restoration program: minimizing overhead; adopting new technologies to reduce cost and accelerate cleanup; refining and standardizing our cost estimating; and improving our relationships with State regulators through increased dialogue. All of these initiatives help ensure that we make the best use of our available resources to complete cleanup.

However, challenges remain that slow our progress. For example, unregulated or emerging contaminants, such as PFOS and PFOA, are becoming a top priority and require the DoD to reprioritize or reopen previously made decisions which will cause delays in achieving our goals.

#### ENVIRONMENTAL TECHNOLOGY

A key part of DoD's approach to meeting its environmental obligations and improving its performance is the pursuit of advances in science and technology. The Department has a long record of success when it comes to developing innovative environmental technologies and getting them transferred out of the laboratory and into actual use on remediation sites, installations, ranges, depots, and other industrial facilities. These same technologies are also now widely used at non-Defense sites helping the nation as a whole.

While the fiscal year 2018 budget request for Environmental Technology overall is \$203 million, our core efforts are conducted and coordinated through two key programs—the Strategic Environmental Research and Development Program (SERDP—focused on basic and applied research) and the Environmental Security Technology Certification Program (ESTCP—which validates more mature technologies to transition them to widespread use). The fiscal year 2018 budget request includes \$72 million for SERDP and \$32 million for ESTCP for environmental technology demonstrations, with an additional \$22 million requested specifically for energy technology demonstrations.

These programs have already achieved demonstrable results and have the potential to reduce costs by developing new ways of treating groundwater contamination and reducing the life-cycle costs of multiple weapons systems. As an example, SERDP has been investigating means to improve our ability to address issues associated with a suite of substances which include PFOS and PFOA. SERDP is funding projects to address a range of issues, including remediation, and replacement. This research has developed effective remediation approaches for contaminated soil and groundwater. SERDP has also started three projects focused on a fluorine-free substitute for PFOS and PFOA which meets the military's stringent performance requirements for firefighting foam.

Looking ahead, our environmental technology investments are focused on the Department's evolving requirements. In the area of Environmental Restoration, we are launching an aggressive initiative to develop more cost effective treatment options for groundwater contaminated with PFOS and PFOA. Finally, in the area of installation energy, we are focused on proving technology and solutions that cost-effectively improve the energy security of our installations and that protect our energy assets and facilities from cyber attack.

#### ENVIRONMENTAL CONSERVATION AND COMPATIBLE DEVELOPMENT

The Department continues to maintain access to the land, water, and airspace needed to support our mission. We successfully manage the natural resources entrusted to us on approximately 25 million acres. These lands include many high quality and unique habitats that are not only vital to readiness, but also sustain nearly 520 species-at-risk and over 400 that are federally listed as threatened or endangered species. Having high quality natural landscapes not only sustains these species but provides the conditions necessary for mission-essential activities.

The fiscal year 2018 budget request for Conservation is \$424 million. The Department invests these funds not only to manage and sustain our high quality lands but also to maximize the flexibility to use those lands for military purposes. Species endangerment and habitat degradation can and does have negative impacts on the mission. This is why we work hard to avoid the need for species to become listed, and if they do become listed, to manage these plants and animals in ways that both sustain the resource and enable us to execute our testing, training, and operational responsibilities. We have frequently avoided critical habitat designations and the associated impacts to the Department's mission because our Integrated Natural Resource Management Plans provide comparable protections for at-risk species. In fact, the U.S. Fish and Wildlife Service has granted exclusions from designation of critical habitat to DoD installations 71 times since fiscal year 2012.

As a result of our management, research, and coordination efforts, the Department has regained access to important training lands. For example, Fort Hood worked with the U.S. Fish and Wildlife Service to manage the black-capped vireo and golden-cheeked warbler populations and eliminate restrictions affecting a total of 73,000 acres. Similarly, the Navy partnered with the California Department of Fish and Game to prevent the listing of the flat-tailed horned lizard, averting impacts to the Naval Air Facility El Centro mission. Sustaining military readiness by working to avoid the need for species to be listed and to recover them enough to be delisted are top natural resource objectives for DoD.

#### READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION (REPI) PROGRAM

REPI investments protect training, testing, and operational assets of the Department. As training, testing, and operational activities increase, the ability to work with Federal, state, local and private partners to limit incompatible development, relieve regulatory restrictions and leverage resources that sustain critical military capability, becomes even more important. Investing in and taking advantage of current opportunities for innovative collaboration is paramount to securing the operational viability of local installations and ranges. Through REPI's partnership efforts we can continue to support the warfighter, provide value to the taxpayer, and protect military readiness.

To help ensure DoD sustains its national defense mission and help ensure military installations do not become refuges of last resort for threatened, endangered or at-risk species, the Department has developed a strategy that supports conservation beyond installation boundaries. Under this strategy DoD engages with other governmental and non-governmental partners who work with private landowners, to develop initiatives and agreements for protecting species for the purposes of avoiding or mitigating regulatory restrictions on training, testing, and operations on DoD lands. Expanding the scale and options for protecting species on non-DoD land benefits conservation objectives while helping sustain access to, and operational use, of DoD live training and test domains.

This strategic focus is a key element of the Readiness and Environmental Protection Integration (REPI) Program. Under REPI, the Department partners with conservation organizations and state and local governments to preserve buffer land and sensitive habitat near installations and ranges. Preserving these areas allows the Department to avoid more costly alternatives such as workarounds, restricted or unrealistic training approaches, or investments to replace existing test and training capability. Simultaneously, these efforts ease the on-installation species management burden and reduce the possibility of restricted activities, ultimately providing more flexibility for commanders to execute their missions.

Included within the \$424 million for Conservation, \$75 million is directed to the REPI Program. The REPI Program is a cost-effective tool to protect the nation's existing training, testing, and operational capabilities at a time of decreasing resources. In the last 14 years, REPI partnerships have protected more than 465,000 acres of land around 89 installations in 30 states. In addition to the tangible benefits of preserving DoD's existing training, testing, and operational assets, these efforts have resulted in significant contributions to biodiversity and recovery actions supporting threatened, endangered and candidate species.

The REPI Program supports the warfighter and protects the taxpayer because it multiplies the Department's investments through unique cost-sharing agreements. Even in these difficult economic times, REPI is able to directly leverage the Department's investments at approximately one-to-one with those of our partners, effectively ensuring compatible land uses around our installations for half-price.

In addition, DoD, along with the Departments of the Interior and Agriculture, continues to advance the Sentinel Landscapes Partnership to protect large landscapes where conservation, working lands, and national defense interests converge—places defined as Sentinel Landscapes. Established in 2013, the Sentinel Landscapes Partnership further strengthens interagency coordination and provides taxpayers with the greatest leverage of their funds by aligning Federal programs to advance the mutually-beneficial goals of each agency.

Since the initiation of the Partnership, agencies from the three Departments have designated six locations as Sentinel Landscapes. Some of the military's most important installations anchor these Landscapes: Joint Base Lewis-McChord in Washington, Fort Huachuca in Arizona, Naval Air Station (NAS) Patuxent River and the Atlantic Test Ranges in Maryland (Middle Chesapeake Sentinel Landscape); Avon Park Air Force Range in Florida; Camp Ripley in Minnesota; and a consortium of installations in Eastern North Carolina. Partnerships at each of these locations are collaborating to preserve, enhance, and protect habitat and vital working lands near

military installations in order to reduce, prevent, or eliminate military test, training, and operational restrictions due to incompatible development. At Joint Base Lewis-McChord, Fort Huachuca, and Middle Chesapeake Sentinel Landscapes combined, partners have invested more than \$85 million over the last 4 years to advance each location's specific military mission and resource conservation goals. Over \$17 million of the total investment during this period has come from state and local governments, whose support for the mission of the Partnership has helped to ensure its success.

#### FISCAL YEAR 2018 BUDGET REQUEST—ENERGY PROGRAMS

Unlike the Department's MilCon and Environmental Remediation programs, where the budget request includes specific line items, our energy programs are subsumed across other accounts. The following sections describe the Energy portion of the budget request.

#### OPERATIONAL ENERGY

Operational energy is the energy required for training, moving, and sustaining military forces and weapons platforms for military operations. In other words, operational energy is fuel for ships, aircraft, combat vehicles, and contingency bases. While energy is an essential component of our warfighting capability, longer operating distances, remote and austere geography, and anti-access/area denial threats are challenging the Department's ability to assure the delivery of fuel. As the ability to deliver energy is placed at risk, so too is the Department's ability to deploy and sustain forces around the globe.

The fiscal year 2018 President's Budget supports a broad set of investments to counter emerging threats to the delivery of fuel to globally deployed combat forces. The Department is investing over \$2.5 billion to upgrade and procure new equipment, improve propulsion, adapt plans, concepts, and wargames to account for increasing risks to logistics and sustainment, and enhance how the Department considers energy in developing new capabilities. As the Department responds to changing threats in Europe, the Asia-Pacific, and the Middle East, these initiatives are increasing capability and decreasing risks for warfighters deployed around the globe.

Separate from these investments and overseen by the Office of the Under Secretary of Defense (Comptroller), the fiscal year 2018 budget also includes an estimated \$9.2 billion request for 87.7 million barrels of fuel.

Highlights of the Department's investments in operational energy include:

- Propulsion*.—Over \$1.4 billion in Department investments in improved engines for ships, aircraft, and tactical vehicles provide commanders with a range of options, including additional range, time on station, payload, speed, and endurance.
- Vehicle Upgrades*.—The Department is investing \$234.6 million to improve and upgrade its tactical vehicles, including the Army's Joint Light Tactical Vehicle, Abrams tank, and Bradley infantry fighting vehicle, and the USMC's Light Attack Vehicle. These modifications will increase operational range, enable increased performance, or reduce the need for resupply on the battlefield.
- Contingency Basing*.—The Department's request includes \$188.9 million to extend the operational reach and reduce the risks of sustaining forward deployed forces through improvements in shelters, mobile power generators, microgrids, and—when they meet mission requirements and increase warfighter capability—tactical solar.
- Operational Energy Capability Improvement Fund (OECIF)*.—The Department is requesting \$37.4 million in RDT&E funding to initiate operational energy research programs that improve military effectiveness organized around specific annual themes or focus areas, as well as support programs already underway.
- Alternative Fuels*.—When cost competitive and drop-in compatible with existing equipment, the Department procures and uses alternative fuels in worldwide operations. The Department is investing \$26.5 million in research, testing, and certification to ensure our combat platforms are able to use alternatives to petroleum-based military specification fuels—including commercial jet fuel, synthetic fuel, and biofuels—as they enter the global supply chain.
- Oversight and Policy*.—The Department is requesting \$4.9 million to support the oversight of operational energy activities by the Combatant Commands, Defense Agencies, and the Services. Per statute, the Department annually reviews the alignment of the President's Budget with the Department's Operational Energy Strategy.

In addition to these investments in the President's Budget, the Department is shaping how we develop, operate, and sustain future combat systems, including:

- Requirements of Future Systems.*—Partnered with the Joint Staff, my office ensures the consistent use of an Energy Key Performance Parameter (eKPP), informed by an Energy Supportability Analysis (ESA), in all Department programs. The eKPP and supporting ESA assess whether a platform can successfully perform its mission as intended and whether the platform can be sustained with energy using planned force structure, concepts, and tactics. In fiscal year 2016, the Department review of 27 programs of high interest to the Joint Requirements Oversight Council confirmed that 14 had ESA-informed eKPPs, while the remaining 13 had waivers provided by the Joint Staff, Director of Logistics (most eKPP waivers were granted to C4ISR programs).
- Operational Risk in Wargames.*—To better understand the role of operational energy in future operations, we support long-range wargames conducted by the Department. In fiscal year 2016, my office participated in the Air Force's Global Engagement 2016 wargame and the Defense Logistics Agency's 2016 Logistics Centric game. Operational Energy staff participated in the planning and execution of the games, as well as the assessment of game results.
- Supply Chain Analyses.*—In coordination with OSD, the Defense Logistics Agency—Energy, the Joint Staff, and the Services, my office is evaluating end-to-end fuel supply chain risks to assess implications for operations in the Pacific and European theaters.

Based on his experience in Iraq, then Lt Gen James Mattis, Director of Marine Corps Combat Development Command, directed researchers in 2005 to identify technological and operational improvements that would “unleash us from the tether of fuel.” The operational energy investments in the fiscal year 2018 budget request are focused on reducing that “tether” and increasing the capability of our forces on land, air, and sea.

#### INSTALLATION ENERGY

Installation energy is the energy used to power our 500 plus permanent installations here in the U.S and overseas. It also includes the fuel used in our 160,000 non-tactical fleet vehicles. Our installation energy bill remains our single largest base operating cost and utilities expenditures are included in the Base Operations O&M request. There is no explicit request in the overall budget for installation energy. In fiscal year 2016, we spent \$3.7 billion to heat, cool, and provide electricity to our facilities. To reduce this cost the Department is pursuing energy efficiencies through building improvements, new construction, and third party financed investments.

The Department's fiscal year 2018 budget request includes approximately \$783 million for investments in energy efficiency and water conservation projects, most of which are directed to existing buildings. The majority (\$633 million) is in the Military Components' operations and maintenance accounts, to be used for sustainment and recapitalization projects. Such projects, in the past, typically involved retrofits to improve lighting, high-efficiency HVAC systems, double-pane windows, energy management control systems, and new roofs. The remainder (\$150 million) is for the Energy Resilience and Conservation Investment Program (ERCIP), a MilCon account used to implement resilience through energy efficiency, water conservation, and renewable energy projects. This program was formerly known as the Energy Conservation Investment Program (ECIP) and was expanded this budget year to include projects that support the Department's energy resilience requirements. Each individual ERCIP project has a positive payback (i.e. Savings to Investment Ratio (SIR) > 1.0) and the overall program has a combined SIR greater than 2.0. This means for every dollar we invest in ERCIP, we generate more than two dollars in savings. Among other energy resilience projects, ERCIP's fiscal year 2018 budget includes a cogeneration microgrid project at Schriever Air Force Base, whose mission is to support global space and missile defense operations. This project will ensure Schriever's critical missions will have the capability to become completely independent from the electrical grid to sustain operations in the event of a grid outage, natural disaster, or attack.

In addition to retrofitting existing buildings, we continue to integrate and optimize high-performance building attributes in our existing and newly constructed buildings that are cost effective and reduce long-term operating costs. These requirements are now codified in Unified Facility Criteria (UFC) 1-200-02, High Performance and Sustainable Building Requirements, which was updated and published in December 2016. This guidance provides requirements for achieving high perform-

ance and sustainability in our facilities assisting in compliance with the Energy Policy Act (EPA) of 2005, and the Energy Independence and Security Act (EISA) of 2007.

Further, the Department has broad alternative financing authorities that can be leveraged to implement installation energy initiatives. These authorities allow us to use performance based contracts, power purchase agreements, enhanced use leases and utilities privatization, among others. For example, the Department has taken advantage of third-party financing through Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs) to implement energy efficiency improvements in our existing buildings. Under these contracts private energy firms or utility companies make energy upgrades to our buildings and are paid back over time using utility bill savings. While such performance based contracts have long been part of the Department's energy strategy, the Services have significantly increased the use of ESPCs and UESCs. Since December 2011, the Department has awarded \$2.3 billion in performance based contracts. These contracts are expected to save the DoD approximately \$4 billion across the contract terms through energy efficiencies, maintenance savings and water efficiencies.

#### ENERGY RESILIENCE AND FACILITIES ENERGY MANAGEMENT

Ensuring our military bases are energy resilient is a top priority for the Department. Secure access to energy resources on our installations is critical to the execution of the DoD mission. The interdependent and vulnerable nature of existing electric power grids supporting our installations places risk on our mission capabilities and installation security as well as our power projection ability and support to global operations.

To ensure our installations have the ability to prepare for and recover from energy disruptions that impact mission assurance, the Military Departments are implementing the DoD energy resilience policy my office issued early last year. The policy requires the Military Departments to take the necessary steps to plan for and have the capability to ensure available, reliable and quality power to continuously accomplish our missions from our installations and facilities. This includes prioritizing installation missions, conducting assessments and planning and programming energy resilience projects to reduce mission risk for improved energy resilience and security. As a follow on to this policy, an Energy Resilience: Operations, Maintenance and Testing Strategy and Implementation Guide was recently issued by my office to provide installation commanders, mission operators and energy managers procedures to ensure that energy generation systems, infrastructure, equipment, and fuel are available and reliable to support critical mission operations on military installations. We are currently working on guidance that integrates energy resilience metrics into energy resilience requirements to better inform investment decisions.

The Department's energy efficiency efforts, not only contribute to energy resilience by reducing critical loads, but lowers our base operating costs—freeing up funds for the warfighter. Since fiscal year 2005, the Department has reduced its facility energy usage by 16 percent, helping the DoD avoid approximately \$5 billion in utility costs. To further improve facilities energy management, my office issued a policy to require the Military Departments to develop Installation Energy Plans (IEP) by fiscal year 2019. Implementation of this policy ensures the Department makes installation energy investments that are holistically planned to improve facilities, decrease operation and maintenance costs and improve energy resilience in support of mission.

With respect to distributed energy sources, which includes renewable and alternative energy, the Department is focused on cost effective projects that lower costs and when economically feasible, contribute to energy resilience. Most large-scale distributed energy projects we pursue are financed by private developers. DoD's authorities for distributed energy—particularly the ability to sign energy production facility agreements for up to 30 years—provide incentives for private firms to fund the projects themselves, and must also provide a business case that they are able to offer DoD lower energy rates than are being paid currently. The DoD does not make any capital investment in these distributed energy projects. When the business case supports it, the Department is pursuing distributed energy projects with micro-grid-ready applications that can enable the provision of continuous power in the event of a disruption. For example, the Army contracted with a developer to construct, own and operate an on-site solar photovoltaic array and an off-site wind project for Fort Hood, along with a power purchase agreement. The on-site solar energy generation system is being constructed as a micro-grid ready system to enhance the base's energy resilience. Once this hybrid project is completed and fully

on-line, Army anticipates a substantial electricity cost avoidance to Fort Hood over the term of the contract.

#### HIGHLIGHTED ISSUES

##### BASE REALIGNMENT AND CLOSURE (BRAC)

The Department urges Congress to authorize one new round of base closures and realignments, in 2021, using the statutory commission process that has proven, repeatedly, to be the only effective and fair way to eliminate excess DoD infrastructure and to reconfigure what must remain.

The Department has not been authorized to undertake a BRAC analysis for over 14 years. In those years, the Department has undergone considerable changes that have impacted the force structure, mission requirements, and threats facing the United States. In addition, budget constraints imposed by the Budget Control Act have further strained existing resources and forced the Department to take risk in sustaining the infrastructure it does maintain. It is a fiscal reality that the Department cannot fully fund all sustainment requirements. Limited construction and maintenance funding is better used at enduring locations with the highest military value rather than keeping installations that the Department does not need. Reality and prudence dictate that infrastructure should be reconfigured to meet specific needs and changing threats or validated as enduring.

The Department requires a comprehensive BRAC process to reduce excess while enhancing military value, achieving recurring savings, and ensuring retention of sufficient space for contingency and surge requirements, and changing missions, tactics, and technology. As indicated in testimony over the last several years, and as supported by two recent capacity assessments, the Department is maintaining excess infrastructure capacity—between 19 and 22 percent depending on what level of force structure is used in the analysis. This level of excess is not surprising given the fact that in 2004 we found that the Department had 24 percent excess and BRAC 2005 reduced infrastructure by 3.4 percent (as measured by plant replacement value).

BRAC supports the Secretary of Defense's reform agenda as well as the Administration's commitment to rebuild infrastructure, focusing on the necessary so we do not waste resources on the excess. Of equal importance is the ability to conduct a holistic, periodic review of stationing in view of new and changing force structure configurations. With force structure adjustments under review today, a 2021 BRAC round provides a timely opportunity to integrate force structure decisions with the analysis to more efficiently synchronize delivery of supporting infrastructure.

Savings from BRAC rounds are real and substantial. The last five BRAC rounds are collectively saving the Department \$12 billion annually. A new efficiency-focused BRAC could save the Department an additional \$2 billion annually (based on the '93/95 rounds).

The savings generated from BRAC result from avoiding the cost of retaining and operating unneeded infrastructure. DoD no longer has to fund the recurring operation and maintenance (O&M) nor the civilian and military personnel costs for those installations it closes or for the portion of those realigned bases that it does not retain. Savings from base realignments and closures are retained by the military Services and used to support higher priority programs that enhance modernization, readiness, and quality of life for our armed forces.

The Department and Congress have previously agreed that changes in force structure must be accompanied by corresponding changes in support infrastructure. Congress created the BRAC process for that reason, and it has emerged as the only fair, objective, and proven process for closing and realigning military installations in the United States. The Department has therefore worked with Congress to provide suggested changes to the BRAC legislation that would maintain the benefits of BRAC while addressing congressional concerns with the "transformational" BRAC 2005 round.

Our legislative proposal addresses congressional concerns while maintaining the core tenets of a process that has worked in five previous BRAC rounds. The first four BRAC rounds focused on efficiencies, while the BRAC 2005 round was more of a transformational BRAC across the Department. To ensure the next BRAC round is focused on saving money and maximizing efficiency, the Department's revised BRAC legislation adds a requirement for the Secretary of Defense to certify that the round will have the primary objective of eliminating excess infrastructure to maximize efficiency and reduce cost. Similar to the existing requirement to certify the need for a BRAC round, this certification occurs at the outset of the BRAC process and is a precondition to moving forward with development of recommendations. Additionally, subject to the requirement to give priority consideration to the military

value selection criteria, the proposed legislation would require the Secretary to emphasize those recommendations that yield net savings within 5 years of completing the recommendation, and would limit the Secretary's ability to make recommendations that do not yield savings within 20 years. In order to make a recommendation that does not yield savings within 20 years, the Secretary must expressly determine that the military value of such recommendations supports or enhances a critical national security interest of the United States.

The key is maintaining the essence of the BRAC process: treating all bases equally; all or none review by both the President and Congress; an independent Commission; the priority of military value; and a clear legal obligation to implement all of the recommendations in a time certain together with all the authorities needed to accomplish implementation (specifically the authority to undertake MilCon necessary to implement recommendations).

The Department believes we have addressed all congressional concerns. We have: looked at overseas installations first and successfully completed an efficiency-like BRAC in Europe that will save \$500 million a year; completed an updated excess capacity assessment based on a fiscal year 2012 force structure; demonstrated the transformative nature of BRAC 2005 and how a future BRAC will be focused on efficiency; programmed costs and projected savings into the budget; and provided proposed legislative changes to the BRAC law.

The time to authorize another BRAC round is now. The BRAC process requires considerable time to analyze and develop recommendations, have those recommendations reviewed by the independent BRAC Commission, and then implement them over a six year period of time. The longer authorization is delayed, the longer the Department will be forced to expend valuable resources on unnecessary facilities instead of weapons systems, readiness, and other national security priorities.

We now hope that our efforts will result in a real dialogue with members of Congress regarding the need for and value of the BRAC process, ultimately resulting in authority for a 2021 BRAC round.

#### ADDRESSING PERFLUOROCTANOIC SULFONATE (PFOS) AND PERFLUOROCTANE ACID (PFOA)

In recent years, the presence of perfluorooctanoic sulfonate (PFOS) and perfluorooctane acid (PFOA) in drinking water has become an emerging issue. PFOS and PFOA are part of a class of man-made chemicals used in many industrial and consumer products to make the products resist heat, stains, water, and grease. In the 1970s, DoD began using aqueous film forming foam (AFFF), which contains PFOS, and in some cases PFOA. AFFF is mission critical because it quickly extinguishes petroleum-based fires.

On May 19, 2016, the U.S. Environmental Protection Agency (EPA) issued Lifetime Health Advisories (LHAs) recommending the individual or combined levels of PFOS and PFOA in drinking water be below 70 parts per trillion.

The Department is committed to addressing the risk associated with PFOS and PFOA and ensuring safe drinking water for the people living and working on our installations. As such, in June 2016 I directed the Military Departments to test for PFOS and PFOA where DoD supplies drinking water. Under this policy, the Department has tested 85 percent of our 505 drinking water systems. Where the test results were above the EPA LHA level, DoD is following the EPA advisory recommendations, including providing consumers bottled water. Where DoD purchases drinking water, I encouraged installations to ask if their drinking water supplier has tested the drinking water and if so, whether the results are below the EPA LHA level. If our drinking water supplier has not conducted testing, the DoD Components are testing the on-base drinking water. If the results of these tests are above the EPA LHA level, the installation will work with the drinking water supplier to taking appropriate actions (such as providing bottled water) to ensure our Service members, their families, and other installation personnel receive safe drinking water.

Although the EPA LHA level is only guidance under the Safe Drinking Water Act and is not an enforceable drinking water standard, DoD considers the EPA's LHA toxicity information when assessing risk to human health under its cleanup program. DoD followed a comprehensive approach to identify installations where we have used AFFF containing PFOS or PFOA and suspect there was a release that may impact drinking water. As of December 2016, DoD has identified 393 active and BRAC installations where there are one or more areas with a known or suspected release of PFOS or PFOA. The Military Departments are following the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

process. These known or suspected PFOS and/or PFOA release areas are in various stages of assessment, investigation, and cleanup. Throughout the CERCLA process, the Department will work in concert with regulatory agencies and communities and will share information in an open and transparent manner. Now that we have an initial inventory, it may take a few years to determine the potential cleanup costs as we collect information on the nature and extent of the releases. As of December 31, 2016, the Department has spent approximately \$204 million on sampling, analysis, and cleanup to address PFOS and PFOA.

We are also taking steps to remove and replace AFFF containing PFOS from our supply system. In January 2016, I issued a policy requiring the Military Departments to issue Service-specific risk management procedures to prevent uncontrolled land-based AFFF releases during maintenance, testing, and training activities. The policy also requires them to remove and properly dispose of AFFF containing PFOS from the local supplies for non-shipboard use where practical. Each of the Military Departments is taking actions to remove AFFF containing PFOS from the supply system. We are also investing in research to develop a fluorine-free foam as I mentioned earlier. Addressing PFOS and PFOA is a priority for the Department, and we are committed to finding an alternative that meets critical mission requirements while protecting human health.

#### REBALANCE TO THE ASIA-PACIFIC

##### *Rebasing of Marines to Guam*

Under a plan agreed upon by the United States and Japan in April 2012, approximately 5,000 Marines, organized as a Marine Air Ground Task Force (MAGTF), will relocate to Guam. The current timeline envisions the start of forces flowing to Guam in 2024.

This plan represents a revision from the 2006 U.S.-Japan “Realignment Roadmap,” in which up to 8,600 Marines with significant numbers of family members would have relocated from Okinawa to Guam. The current plan is much more operationally effective and resilient, in that MAGTFs will be established in Guam, Australia and Hawaii, as well as retaining a MAGTF capability with the III MEF (Marine Expeditionary Force) headquarters in Okinawa.

The realignment of Marines to Guam along with the expansion of training capability in the Commonwealth of the Northern Mariana Islands (CNMI), while independent actions, are both critically important if we are to achieve a more geographically dispersed, operationally resilient, and politically sustainable posture in the Asia-Pacific. The Government of Japan (GoJ) has committed to providing up to \$3.1 billion (fiscal year 2012 dollars) towards construction facilitating the Marine Corps relocation to Guam and development of training capabilities in the CNMI, of which \$1.3 billion has already been provided to the U.S. Treasury. Japan’s support is based, in part, on the calculation that the status quo of U.S. bases in Okinawa is unsustainable. Relocating Marines to Guam, the westernmost territory of the United States, retains their deterrent effect in Northeast Asia.

The fiscal year 2018 budget request includes \$262 million in MilCon and Planning and Design to continue construction at the North Ramp of Andersen Air Force Base (AAFB) in support of the Marine Aviation Combat Element and a Water Well Field project off-base in the vicinity of Finegayan. Later this year, after a long delay awaiting completion of required environmental documentation, we expect to break ground on the main cantonment at Finegayan. We also intend to award a \$309 million utilities and site improvement project using a portion of the GoJ- provided funds already deposited in our Treasury. Additionally, we intend to award the \$126 million fiscal year 2016 construction project that will start development of the live-fire training range complex (LFTRC) at the Northwest Field of Andersen. This facility is critical for maintaining readiness of the units to be stationed on Guam.

##### *Commonwealth of Northern Mariana Islands (CNMI) Initiatives*

To increase joint military training capabilities in the Asia-Pacific region, in addition to the ranges to be constructed on Guam, the Department is pursuing development of live-fire ranges and training areas in the CNMI known as the CNMI Joint Military Training (CJMT) complex. The USMC is leading this initiative on behalf of the U.S. Pacific Command (PACOM). The GoJ has agreed that \$300 million of its overall contribution may be applied to establishing these training areas, which will support regular training events for all Marine Forces Pacific units, higher level headquarters, allies in a bilateral or multilateral venue, and other military Services.

Due to CNMI’s concerns with immigration issues (expiration in 2019 of the CNMI-Only Transitional Worker (CW) program) and the potential economic and environmental impacts of our proposed development (use of live-fire and potential destruc-

tion to their lands), Governor Ralph Torres requested consultations as authorized by Section 902 of the Covenant to Establish the CNMI in Political Union with the United States of America.

The first consultation meeting occurred at the White House in June, 2016, and was followed by site visits to the CNMI islands of Saipan and Tinian to see businesses and construction sites impacted by the limited number of foreign workers, facilities working to train and grow the U.S. worker population, and areas impacted by the expansion of military training. Meetings with elected officials and affected members of the community, along with the site visits, provided the Department with first-hand knowledge of the economic challenges facing the CNMI people, government, and private industry.

A key recommendation from the consultation process was to establish a CNMI/DoD “Coordinating Council” to further enhance respectful dialogue with CNMI, jointly developing a way ahead that supports our operational requirements while minimizing local impacts. That Council’s kick-off meeting was held on June 2nd. Using this construct, the Department will diligently work with CNMI to establish a mutually beneficial path forward.

In addition to the CJMT, the Department is also pursuing a divert capability for approximately 12 tanker aircraft for the U.S. Air Force in CNMI. Although the initial study called for this capability to be met by an expansion of facilities at Saipan International Airport, based on discussions with local CNMI leadership the Department elected to locate the entire divert capability to the north side of the Tinian Airport.

The Air Force signed its Record of Decision for the divert capability in December 2016 and has provided the Commonwealth Ports Authority with an Airport Layout Plan design that meets the Department’s requirements while addressing CNMI’s desires. There are still several requirements remaining to implement this initiative, to include approval by the Federal Aviation Administration. The Department is committed to working with CNMI to find a mutually agreeable way ahead, with a target of 2021 for tanker capacity on Tinian.

#### *Workforce Issues in Guam and Commonwealth of Northern Mariana Islands (CNMI)*

The resident workforce in Guam and CNMI is insufficient to support their economies, so foreign worker H-visas are critical. Congress recognized this and established an exemption for Guam and CNMI to the otherwise applicable numerical caps for H-1B and H-2B nonimmigrant workers. This exemption expires on December 31, 2019.

A sustainable, self-sustaining economy on Guam and CNMI is vitally important to our national security and in support of our enduring military presence. DoD needs sufficient workers to build and support the Guam realignment as well as the CJMT and Divert initiatives, if we are to achieve a dispersed, operationally resilient, and politically sustainable posture in the Asia-Pacific region. If employers on Guam and CNMI cannot source required labor for infrastructure projects, DoD may experience impacts to program timelines and/or cost increases, making it difficult for the Department to remain within the Congressionally mandated cost cap of \$8.7 billion (fiscal year 2012 dollars).

#### OTHER ITEMS

##### MISSION COMPATIBILITY EVALUATION PROCESS

The Department appreciates the statutory changes made by the National Defense Authorization Act for fiscal year 2017 to Title 49 of the United States Code. These changes were developed in consultation between DoD and the Federal Aviation Administration (FAA) to assist FAA in supporting DoD when an energy project would present an unacceptable risk to national security. These changes reduce the likelihood that DoD’s mission capabilities may be degraded by incompatible energy developments. As a result of congressional direction and our own efforts, we are effectively evaluating the mission impact of utility-scale energy projects. In 2016 the Department reviewed over 4,200 applications for energy projects that were forwarded by the FAA; the greatest number of reviews in a single year by the DoD Siting Clearinghouse. The DoD Siting Clearinghouse worked aggressively with the Military Departments, energy project developers, and interested states to implement affordable and feasible mitigation solutions where DoD missions might have been adversely impacted. No project reviewed in 2016 rose to the level of an unacceptable risk to the national security of the United States, which is the statutory threshold to object to a project.

## CONCLUSION

Thank you for the opportunity to present the President's fiscal year 2018 budget request for DoD programs supporting installations, energy, and the environment. We appreciate Congress' continued support for our enterprise and look forward to working with you as you consider the budget request.

Senator MORAN. Thank you, Mr. Potochney.  
General Bingham.

**STATEMENT OF LIEUTENANT GENERAL GWENDOLYN BINGHAM,  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT,  
UNITED STATES ARMY**

General BINGHAM. Chairman Moran, Ranking Member Schatz, distinguished members of the subcommittee, good afternoon.

I join my teammates in thanking each of you for your leadership, advocacy, and support of our men and women who are serving in harm's way in places all around the globe. I would like to express my sincere gratitude to this committee for your strong support of Army installations. I want to thank you too for the 2017 MILCON appropriations. These projects go a long way toward meeting emerging missions and building critical infrastructure requirements.

The U.S. Army's top priority continues to be warfighting readiness. The Army requires ready and resilient installations—our power projection platforms—to help shape the global security environment, defend our homeland, and to win our nation's wars. Reduced resources, emerging requirements, missions, and increased operational tempo for more than a decade have resulted in nearly 22 percent or 33,000 facilities that are now in poor and failing condition, a deferred maintenance bill of \$10.8 billion.

The condition of these mission facilities, airfields, training areas, maintenance facilities, roads, ports, dams, bridges, housing, and barracks directly impacts the readiness of our units and the morale of soldiers, civilians, and families.

While the Army's fiscal year 2018 budget request continues to reflect a decision to take risk in our installation facilities, it also represents a 40 percent increase over the historic low reached in fiscal year 2015. This increase demonstrates the Army's intent to reverse past underfunding admittedly over an extended timeframe. Army installations can only be ready and resilient with adequate, predictable, and sustained funding and the authority to implement efficiency measures such as closing and realigning our installations.

The Army has infrastructure capacity in excess of any foreseeable future for structure—not always located where it is needed, but consuming precious dollars that could be better invested elsewhere. BRAC preserves irreplaceable training land and airspace, while eliminating unneeded assets and excess buildings to efficiently facilitate future growth.

I thank you for the opportunity to discuss the Army's 2018 MILCON program and its impact on Army readiness. We deeply appreciate your support and I look forward to your questions.

[The statement follows:]

## PREPARED STATEMENT OF LT. GEN. GWEN BINGHAM

## INTRODUCTION

Chairman Moran, Ranking Member Schatz, and Members of the Subcommittee: on behalf of the Soldiers, Families, and Civilians of the United States Army, thank you for the opportunity to present the Army's fiscal year (FY) 2018 budget request for Installations, Energy, Environment, and Base Realignment and Closure (BRAC).

Before I enter the remainder of my testimony, I would also like to take a moment to express my gratitude to this committee for your strong support of Army installations. Specifically, thank you for the recent funding increases as well as the NDAA provision that defines facility conversions as repair projects for which Operations and Maintenance (O&M) funding is available; a welcome change that provides the Army with significantly greater flexibility to address capacity issues.

The U.S. Army's top priority continues to be warfighting readiness. The Army must be ready to shape the global security environment; defend our homeland; and win the nation's wars. To meet these ends, the Army requires ready and resilient installations—our power projection platforms—to enable regional engagement and global responsiveness.

We as an Army made a deliberate choice to ensure our Soldiers had what they needed to train, fight and win against our adversaries. . . and rightly so. Reduced resources, emerging requirements, missions and increased operational tempo for more than a decade resulted in nearly 22 percent or 33,000 facilities that are now in poor or failing condition. The deferred maintenance against these facilities is equivalent to \$10.8 billion which will take years to buy back. The condition of these mission facilities, airfields, training areas, maintenance facilities, roads, ports, dams, bridges, housing and barracks directly impacts the readiness of our units and the morale of our Soldiers, Civilians and Families.

While the Army's fiscal year 2018 budget request continues to reflect a decision to take risk in our installation facilities, it also represents a 40 percent increase over the historic budget low reached in fiscal year 2015. This increase demonstrates the Army's intention to reverse past underfunding, admittedly over an extended timeframe. The request focuses our limited resources on necessary and prudent investments in Military Construction (MILCON), Sustainment, Restoration and Modernization (SRM), Demolition, and Base Operations Support (BOS). These funding streams and associated authorities will be used to support six major Installation related efforts: 1) investments in essential infrastructure, 2) preserving ready installations, 3) optimizing Army facilities, 4) posturing for growth, 5) ensuring energy security, and 6) safeguarding the environment.

Army installations can only be "ready" and "resilient" with adequate, stable, and predictable funding—and the authority to implement efficiency measures such as closing and realigning our installations.

## INVESTING IN ESSENTIAL INFRASTRUCTURE

The Army's request for MILCON provides secure and sustainable facilities to meet the Army's emergent needs in three critical subsets of overall installation readiness: Capabilities Deficits, Recapitalization and Modernization, and Footprint Consolidation. For fiscal year 2018, the Army requests just over \$1.7 billion for Military Construction, an increase of \$237 million from fiscal year 2017 appropriations. The budget allocates \$920 million for the Active Component (AC); \$211 million for the Army National Guard (ARNG); \$74 million for Army Reserves (USAR); \$183 million for Army Family Housing Construction (AFHC); and \$347 million for Army Family Housing Operations (AFHO).

While the Army continuously seeks to maximize the value of every MILCON project, we have been unable to compensate for several years of historically low funding levels and have been prevented from recapitalizing poor and failing facilities.

The \$920 million MILCON request for the AC will allow the Army to move forward with such projects as the Fort Shafter Command and Control Facility (Increment #3) for \$90 million; Fort Jackson Reception Barracks Complex (Phase #1) for \$60 million and an Ammunition Supply Point at Fort Carson for \$21 million.

The ARNG's fiscal year 2018 MILCON request of \$210.7 million includes: \$115.1 million to build five Readiness Centers; \$36 million to construct a maintenance facility; \$22 million to construct an Air/Ground Integrations Training Range; \$4.5 million to construct a Training Aids Center; \$16.7 million for Unspecified Minor Military Construction (UMMC); and \$16.2 million for planning and design. Our ARNG budget request is focused on recapitalizing readiness centers—the heart and soul of the National Guard—as well as maintenance facilities, training areas, and ranges

to allow the Guard to be ready to perform state and Federal missions. These projects will address space constraints and focus on replacing failing facilities. Even with optimal use of available resources, degradation across the inventory of ARNG readiness centers will continue.

The fiscal year 2018 budget request for the USAR totals \$73.7 million with three critical projects replacing our most dilapidated and failing facilities totaling \$61.4 million. These three projects are: \$36 million USAR Center in Fallbrook, CA; \$12.4 million USAR Center in Aguadilla, Puerto Rico; and \$13 million to replace an Annual Training/Mobilization Dining Facility at Fort McCoy, WI. An additional \$12.3 million will support planning and design of future year projects, as well as address unforeseen critical needs through the UMMC account.

The AFHC budget allows us to provide homes and services to the Soldiers and their Families living on our installations around the world. For fiscal year 2018, the Army requests \$182.7 million for family housing construction. This will fund \$34.4 million for increment II of the fiscal year 2017 Camp Humphreys, Korea, project which is critical to supporting consolidation and quality of life for our Soldiers and their Families. The project is necessary to meet the U.S. Forces Korea Commander's requirements for on-post housing. The request also replaces poor and failing housing units in Natick, MA and Kwajalein Atoll, Marshall Islands for \$21 million and \$31 million, respectively. An additional \$33.6 million will support planning and design of future year projects. An additional \$346.6 million is requested to sustain all family housing operations; cover utility costs; ensure proper maintenance and repair of government family housing units; lease properties where required; and provide privatization oversight.

#### PRESERVING READY INSTALLATIONS

The Army has more facilities than it can adequately maintain, creating a growing backlog of deferred maintenance and diverting limited resources away from those facilities most critical to warfighter readiness. Additionally, excess facility capacity burdens the Army sustainment and base operations—consuming limited dollars that could be better invested elsewhere.

Sustainment, Restoration, and Modernization (SRM) accounts fund investments to maintain and improve the condition of our facilities. Periodic restoration and modernization of facility components are necessary to ensure the reliable functionality of our facilities in support of mission readiness. Efforts are focused on preventing the degradation of facilities and optimizing the use of Army investments to prevent small maintenance issues from turning into large and expensive problems.

We appreciate the additional funding Congress provided the Army in fiscal year 2016 and fiscal year 2017 to meet the most pressing SRM needs on our installations. The fiscal year 2018 \$4.4 billion budget request gets us closer to meeting our full SRM requirements. The \$2.9 billion request for sustainment will meet 75 percent of our critical requirements.

Responsibly managing real property facilities and infrastructure over 13 million acres also means that the Army must maintain extensive base operations. Through funding for BOS accounts, Army installations provide services similar to those associated with a municipality: public works, security protection, logistics, environment, and other community services that support our Soldiers and their Families. These programs and services enable Soldiers, Civilians, and Families to live and work on 156 Army installations worldwide. The President's fiscal year 2018 budget requests a total of \$9.82 billion for BOS accounts, including \$8.08 billion for the AC; \$1.14 billion for ARNG ; and \$599.9 million for the USAR.

#### OPTIMIZING ARMY FACILITIES

The Army has infrastructure capacity in excess of any foreseeable future force structure. Additionally, this capacity is not always located where it is needed or where it best enables readiness. Excess capacity is estimated at 21 percent at a Total Army of 980K military members (450K AC; 335K ARNG; and 195K USAR). The President's fiscal year 2018 budget request funds a Total Army of 1.018 million (476,000 AC; 343,000 ARNG; and 199,000 USAR). At this higher end strength, excess facility capacity would fall within the 18 to 21 percent range.

The Army is making significant strides in rationalizing its use of installation infrastructure. Overseas, the Army has two MILCON project requests in fiscal year 18 necessary to complete our European Infrastructure Consolidation (EIC) effort. Starting in fiscal year 21, EIC efforts will yield a return of \$172 million in annual savings in exchange for a one-time investment of \$332 million during fiscal year 2016 through fiscal year 2021.

Under our “Reduce the Installation Facility Footprint” initiative, Commanders and planners are accountable for making all reasonable efforts to maximize space utilization; consolidate units into our best facilities; and dispose of excess assets. As a result, we are seeing some positive results in terms of better facility utilization.

And while the Army continues to implement plans to reduce facility footprints, the benefits from intra-installation consolidation are not and cannot be a substitute for another round of BRAC. There is not a direct, 1:1 relationship between the operating cost of an installation and the square footage of facilities or the number of people working/living there. There is a substantial fixed cost to run an installation regardless of its supported population.

The aim of another BRAC round would be a modest reduction of 4–5 percent excess capacity while allowing for the preservation of some surge capability to adapt to changing conditions. Our intent in such a BRAC would be to retain our highest military value installations and to better utilize retained installation capacity. The Army can use the depoliticized and proven BRAC process to shed a modest number of lower military value installations in order to realize significant annual recurring savings. Today, five prior rounds of BRAC are generating approximately \$2 billion per year in savings for the Army.

#### POSTURING FOR ARMY GROWTH: “DEFRAGGING THE HARD DRIVE”

In addition to saving funds and helping to optimize facilities for use today, an additional advantage of a BRAC round is that it better prepares the Army for future growth if so required. A BRAC round today, would allow the Army to preserve vital and irreplaceable blocks of training land and airspace while eliminating unneeded assets and surplus buildings.

This was the approach taken in prior rounds of BRAC where the Army closed cantonment areas but retained training lands. Examples include: Fort Devens, MA; Fort Pickett, VA; Fort Chaffee, AR; Fort Dix, NJ; Fort Hunter Liggett, CA; and Fort McClellan, AL. In these BRAC cases, the Army realized savings because base operations costs are concentrated in the cantonment area, not training areas/airspace. Savings were realized by reducing BOS expenses associated with the cantonment area activities. With this approach, the Army was able to rapidly expand from 482,000 in fiscal year 2000 to 566,000 by fiscal year 2010.

Today, the Army’s existing capacity is inefficient and dispersed. Future growth will be needlessly more expensive and time consuming without the ability to comprehensively analyze where missions would be optimally supported. BRAC is akin to periodically “de-fragmenting” Army installations. Just like a hard drive, contiguous blocks of capacity have to be freed-up so new missions can be accommodated without having to buy more space. BRAC facilitates rather than constrains the growth of Army end-strength and force structure.

Lastly, the idea of retaining millions of square feet of empty buildings for many years is impractical. Empty buildings deteriorate very rapidly when unoccupied and when minimal maintenance is provided. Restoring such buildings after years of non-use is expensive and time-consuming. Conversely, preserving empty buildings for future use is more expensive than most realize. A BRAC will enable the Army to grow in a planned, rational, and affordable manner.

#### ENSURING ENERGY SECURITY AND SUSTAINABILITY

Assured access to energy and water underpins readiness-related functions that occur on Army installations. Without energy and water, the Army fails. Cyber and physical vulnerabilities in the interdependent electric power grids, natural gas pipelines, and water resources supporting Army installations jeopardize mission capabilities and installation security. These vulnerabilities undermine the Army’s ability to project power and support global operations. In response to these risks, the Acting Secretary of the Army issued a Directive in February 2017 setting new installation energy and water security requirements. This Directive sets a requirement to secure critical missions by being capable of providing necessary energy and water for a minimum of 14-days. This requirement, tracked by new installation energy and water security metrics, are a key step as we embed energy and water security into the total Army readiness posture and make strategic investment decisions to reduce the greatest vulnerabilities first.

The Army views sustainability of energy, water, and land resources as mission enablers. Our installation energy budget request is focused on enhancing mission effectiveness and is supported by strong business case analyses. For fiscal year 2018, the Army is requesting \$2.0 billion to pay utility bills on our installations; invest in energy and water efficiency improvements; and leverage Department of De-

fense authorities to partner with the private sector to enhance the security and resiliency of our installations.

Efficiency remains a cornerstone of the Army's installation strategy. To implement these objectives in light of underfunded installations accounts, the Army continues to partner with the private sector. The Army leads the Federal Government in the use of Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs). ESPCs and most UESCs allow private companies and servicers to provide the initial capital investment needed to execute projects using repayments from savings. The amount of energy saved by Army ESPC and UESC projects awarded between fiscal year 2010 and fiscal year 2016 is equal to the amount of energy consumed by Fort Bragg—one of the Army's largest and most populous installations—in a year. When it is life-cycle cost effective, the Army plans to continue to leverage ESPC/UESC to reduce energy and water consumption; implement alternative energy projects, such as combined heat and power; and increase the reliability of our mechanical systems.

In addition to efficiency, the Army is partnering with the private sector to deploy renewable and alternative generation assets that can support the resiliency of our installations. The Office of Energy Initiatives (OEI) plans and develops alternative energy projects, which are accomplished by private investment, including battery storage and advanced controls when possible. OEI currently has 14 projects completed, under construction, or in the final stages of the procurement process—together providing over 350 megawatts of generation capacity. These projects represent over \$600 million in private sector investment, saving funds that would otherwise be appropriated for these projects. A key and expanding component of this effort is the inclusion of enhanced energy security measures, building a foundation of onsite energy production.

In regards to sustainability, the Army continues its efforts to ensure our buildings are constructed to the highest possible standards, with low resource footprints resulting in longer building life and lower life-cycle costs. We continue our efforts to reduce potable water consumption, particularly in water scarce areas and to reduce our waste flows through recycling, reuse and diversion.

The Army's energy security and sustainability program has proven results—improving energy and water efficiency; reducing our reliance on external utility systems; improving operational freedom of action; and contributing to mission readiness—all at minimal impact to Army budgets. We urge Congress to continue to support the Army's energy security and sustainability initiatives.

#### SAFEGUARDING OUR ENVIRONMENT

The mission of the Army's environmental program is three-fold: (1) to comply with environmental laws and regulations and ensure proper stewardship of our natural, cultural, and Tribal resources; (2) to meet DoD's goals for installation restoration and munitions response; and (3) to invest in environmental technology research, development, testing, and evaluation.

The Army manages over 13.6 million acres of land, which inevitably leads to interactions with endangered species. We also have requirements to preserve historic sites and restore critical or contaminated lands. Performing these functions well and in accordance with all applicable laws permits continued Army operations and protects our Soldiers, Families, and communities. Our fiscal year 2018 budget request of \$0.941 billion will allow the Army to fulfill these objectives, keeping the Army on track to meet our cleanup goals and maintain full access to important training and testing lands, which are integral components of Army readiness.

#### CONCLUSION

Underfunding facilities maintenance costs is an appropriate, short-term approach to sustaining overall Army readiness. But over time, this approach, along with the continued sustainment of failing facilities and low-value assets, creates extensive liabilities and detracts from the Army's ability to perform its core functions.

We appreciate your support for the Army's fiscal year 2018 MILCON budget increase and we thank you for your continued advocacy. This budget represents a significant and positive step towards addressing our facility shortfalls. Contingent upon congressional support for another round of BRAC, the Army could truly optimize its facilities and installations. Further BRAC efforts would allow the Army to reduce expenses associated with maintaining facilities that we don't use or need; posture the Army for future growth; and generate significant long-term savings.

Army installations serve as the platform for Army Readiness. We need ready and resilient installations to ensure our Soldiers are properly trained and can be easily deployed anywhere in the world in order to fight and win our nation's wars.

Readiness is the foundation that keeps our nation free. Our great Soldiers and Families are the blueprint of this foundation. They deserve the best facilities, programs, and services we can afford.

Thank you for the opportunity to present this testimony and for your continued support of our Soldiers, Families, and Civilians.

Senator MORAN. Thank you, ma'am.

General BINGHAM. Thank you.

Senator MORAN. Admiral.

**STATEMENT OF VICE ADMIRAL DIXON R. SMITH, DEPUTY CHIEF OF  
NAVAL OPERATIONS FOR FLEET READINESS AND LOGISTICS,  
U.S. NAVY**

Admiral SMITH. Chairman Moran, Ranking Member Schatz, and distinguished members of the subcommittee, I appreciate the opportunity to provide an overview of the Navy's fiscal year 2018 MILCON budget request.

I would like to thank the Congress for its continued support of the Navy's Military Construction Program passage of the fiscal year 2017 MILCON and family housing appropriations and for providing additional funding to our infrastructure programs in the fiscal year 2017 request for additional appropriations. All these actions enabled us to proceed with the timely planning, design, and execution of our infrastructure program.

Further, the additional appropriations we received this year are helping to address some of our most urgent infrastructure shortfalls. The Navy's shore infrastructure is vital to our readiness and crucial to mission success. Our 71 installations are essential for preparing our warfighters, protecting combat power, projecting combat power, securing our assets, and providing quality of life to our sailors, civilians, and their families.

As CNO Richardson recently testified on the importance of navy wholeness and the compliment of investments that enable long-term capability sustainment, our shore infrastructure is a key enabler of Naval readiness.

As the Navy seeks to achieve this wholeness amidst budget shortfalls we are compelled to accept risk in the shore to support warfighter readiness and funding uncertainties exacerbate this risk. We remain mindful of the long-term consequences of persistent underfunding to shore readiness.

Our fiscal year 2018 President's budget request maintains fiscal year 2017 investments in shore readiness to continue improving warfighting readiness and fill critical readiness gaps. Our request includes nearly \$1 billion for military construction to support combat and commanders, recapitalize shipyards, support new platforms and missions, and modernize critical infrastructure. While this funding level is consistent with last year's enacted amounts, the Navy has additional high priority projects that could not be funded in this budget request that addressed operational requirements, improved utilities infrastructure, and provide greater quality of life for sailors living in unaccompanied housing.

Our fiscal year 2018 request also includes nearly \$2 billion for facility sustainment, restoration, and modernization which provides a modest increase over fiscal year 2017 enacted levels. This increase, however, does not address our facilities recapitalization backlog. We will continue to target investments on our most critical

shore requirements to carefully and deliberately manage risk and assure enterprise.

As CNO articulated, continued investments and shore readiness are key to preventing further degradation of facilities, docks, and airfields that have experienced years of underfunding.

I look forward to working with the Congress to provide a sustainable and secure shore that supports Navy wholeness and enables mission success. Thank you again for your support of the Navy shore infrastructure programs and for the opportunity to testify today. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DIXON R. SMITH

Chairman Moran, Ranking Member Schatz, and distinguished members of the Committee, it is an honor to appear before you representing the thousands of Navy Sailors and civilians at our seventy-one installations worldwide. Thank you for the opportunity to testify about the Navy's fiscal year 2018 budget request for our shore readiness and infrastructure programs.

As the Chief of Naval Operations articulated, our fiscal year 2018 budget is a balance of interconnected investments needed to achieve Navy 'wholeness.' Wholeness includes the capabilities that are ready to meet our missions today, complemented by the additional investments that will enable us to sustain those capabilities over time. True wholeness requires a balanced set of investments in military and civilian personnel, current readiness, key readiness enablers, modernization, acquisition and research and development.

Our shore infrastructure is a critical enabler to military readiness, combat power projection, and security of equipment, personnel, and family members. Importantly, many of the Navy's platforms plan, train, launch and reconstitute from our installations, and some perform their entire mission from our bases, highlighting the shore as a key readiness enabler to the fight. While existing funding reductions and budget uncertainty compel us to continue accepting risk in shore infrastructure investment and operations to focus on warfighter readiness, we are mindful of the impacts our decisions have on the shore infrastructure's lifecycle requirements, and ability to meet ever-evolving mission requirements.

We thank the Congress for passage of the fiscal year 2017 Military Construction and Veterans Affairs Appropriations Act and fiscal year 2017 National Defense Authorization Act. Thank you also for the additional funding for projects included in our fiscal year 2017 Unfunded Priority List and our fiscal year 2017 Request for Additional Appropriations. These additions address some of our most critical shore infrastructure needs, contribute to improving Navy readiness, and put us on a path to support the Chief of Naval Operation's goal to attain wholeness. Our fiscal year 2018 budget request builds upon that foundation by maintaining our investment levels in our shore infrastructure and operations.

MILITARY CONSTRUCTION

The Navy's request for the fiscal year 2018 Military Construction (MILCON) program includes 18 projects, planning and design (P&D), and unspecified military construction at a value of nearly \$1 billion. Since sequestration began in 2013, the Navy has invested an average of approximately \$900 million annually in MILCON. Recognizing the shore is a key readiness enabler, the fiscal year 2018 budget request reflects a 1 percent increase over fiscal year 2017 enacted MILCON funding levels.

Our fiscal year 2018 MILCON request funds shore infrastructure worldwide, while meeting the objectives in the CNO's Design for Maintaining Maritime Superiority, and the Secretary of Defense's priorities to improve warfighting readiness, achieve program balance by addressing pressing shortfalls, and build a larger, more capable, and more lethal joint force.

The Navy's 2018 MILCON projects invest \$737 million in meeting new platform and mission requirements in accordance with our global Strategic Laydown Plan, supporting Combatant Commanders, recapitalizing Naval Shipyards, modernizing utilities systems, investing in cyber warfare, upgrading or recapitalizing critical infrastructure, and supporting the Navy Reserves. This includes:

Meeting New Platform and Mission Requirements (\$153 million, 4 projects)

- ACU-4 Electrical Upgrades—Joint Expeditionary Base Little Creek-Fort Story
- F/A-18 Avionics Repair Facility—Naval Air Station Lemoore
- Intelligence, Surveillance, and Reconnaissance Operational Facility Expansion—Naval Air Station Oceana
- Washington Navy Yard Anti-Terrorism/Force Protection Land Acquisition—Naval Support Activity Washington
- Supporting Combatant Commanders (\$73 million, 3 projects)
  - Navy Commercial Tie-In Hardening—Naval Base Guam
  - Strategic Aircraft Parking Apron Expansion—Naval Support Activity Souda Bay Greece
  - Aircraft Parking Apron Expansion—Camp Lemonnier Djibouti
- Recapitalizing Naval Shipyards (\$135 million, 2 projects)
  - Paint, Blast, and Rubber Facility—Portsmouth Naval Shipyard
  - Ship Repair Training Facility—Norfolk Naval Shipyard
- Modernizing Utilities Systems (\$148 million, 2 projects)
  - Advanced Wastewater Treatment Plant—Naval Station Mayport
  - Sewer Lift Station and Sewer Line—Joint Base Pearl Harbor-Hickam
- Investing in Cyber Warfare (\$66 million, 1 project)
  - Communications/Cryptology Facility—Joint Base Pearl Harbor-Hickam
- Upgrading or Recapitalizing Critical Infrastructure (\$127 million, 4 projects)
  - Chambers Field Magazine Recap—Naval Station Norfolk
  - Missile Magazine Replacement—Naval Station Mayport
  - Missile Magazines—Naval Magazine Indian Island
  - Cost to Complete Naval Research Lab Electronics and Technology—Naval Support Activity Washington
- Supporting the Navy Reserves (\$35 million, 2 projects)
  - Navy Operational Support Center Fort Gordon—Submarine Base Kings Bay
  - Navy Operational Support Center Lemoore—Naval Air Station Lemoore

#### FACILITY SUSTAINMENT, RESTORATION, AND MODERNIZATION

The fiscal year 2018 budget requests \$2.0 billion to sustain infrastructure, roughly \$200 million more than fiscal year 2017 enacted levels. Notably, this increased request improves our facility sustainment from 70 percent of the Department of Defense (DoD) model in fiscal year 2017 to 78 percent in fiscal year 2018. While still below the DoD goal of 90 percent facilities sustainment, this increase demonstrates our commitment to a more balanced investment in key enablers that support Navy wholeness.

After 4 years of sequestration, under-resourcing our shore infrastructure has taken its toll resulting in a significant facilities sustainment, restoration, and modernization backlog. The Navy has strived to mitigate this backlog by implementing a facility investment strategy that ensures our most critical facilities and components are maintained and secure. While this has allowed us to triage our facility requirements, it has accelerated degradation of the majority of our facilities across the Navy. Although we are proactively managing our investments, as we continue to defer these less critical repairs and allow our facilities to continue to degrade, we acknowledge that this backlog must eventually be addressed.

#### FAMILY HOUSING

The CNO has stated that wholeness starts with people, and our fiscal year 2018 budget request supports this by providing Sailors and their families the opportunity for suitable, safe, and affordable housing. The Navy continues to rely on the private sector to house Sailors and their families, and when options are not available or are insufficient, Navy provides government-owned, leased, and privatized housing.

The fiscal year 2018 Family Housing budget request provides \$350 million for oversight of nearly 40,000 privatized housing units, funds the operation and maintenance of almost 7,100 government-owned homes, leases for approximately 1,800 units, replacement and renovation of approximately 210 units. Specifically, we continue the elimination of inadequate units at Naval Support Activity Andersen, Guam by replacing 60 homes, and will renovate 151 existing homes at Naval Station Rota.

#### BASE OPERATING SUPPORT

Our fiscal year 2018 budget request invests \$4.4 billion in base operating support, remaining essentially unchanged from fiscal year 2017. The Navy continues to prioritize installation security, Fleet operations, and quality of life programs over all other base operations, which have been reduced to minimally acceptable levels.

## BASE REALIGNMENT AND CLOSURE

The Navy supports the Department of Defense request for authorization to conduct a Base Realignment and Closure (BRAC) round in 2021. Completing the more detailed analysis once a BRAC is authorized will have value, and may highlight opportunities for some savings. Enduring savings from BRAC recommendations will leave more DoD resources available for future force structure or readiness requirements. BRAC also allows us, if the analysis supports it, to reposition forces or station new forces in locations that optimize their military value.

With respect to previous BRAC rounds, Navy has completed disposal of 94 percent of property. The BRAC program is requesting \$144 million in fiscal year 18 to continue environmental cleanup actions, caretaker operations, and property disposal for the remaining 6 percent.

## CONCLUSION

The Chief of Naval Operations has charged us to rededicate ourselves to winning, advancing our competitive edge, and to be more effective and affordable to achieve Navy wholeness. Shore readiness, as a key enabler to supporting the warfighter, is held to these same tenets, making best use of every dollar invested. We must continue to carefully and deliberately manage risk and remain flexible to meet evolving mission requirements with limited funding. I look forward to working with Congress to deliver a sustainable and secure shore infrastructure that enables mission success. Thank you for your steadfast support of Navy's shore readiness and infrastructure programs and your unwavering commitment to our Sailors, Navy civilians and their families.

Senator MORAN. Thank you, sir.  
General Broadmeadow

**STATEMENT OF MAJOR GENERAL JOHN J. BROADMEADOW, COMMANDER, MARINE CORPS INSTALLATIONS COMMAND AND ASSISTANT DEPUTY COMMANDANT, FACILITIES, INSTALLATIONS AND LOGISTICS DEPARTMENT**

General BROADMEADOW. Thank you, Chairman Moran, Senator Schatz, and distinguished members of the committee. On behalf of our Commandant, General Neller, and the thousands of Marines, sailors, civilians, and their family members, we thank you for your continued support to the defense of our nation and to your United States Marine Corp.

Marine Corp bases and stations provide a platform from which our Marines deploy and from which they conduct realistic and relevant training that's necessary for them to accomplish very difficult missions and return home safely to their families. Our bases provide a critical support system for our military families, especially when their Marine or sailor is deployed.

Our fiscal year 2018 Marine Corps Military Construction budget of \$765 million provides for 2017 projects to support both our active our reserve force. This facility's investment is prioritized to support new weapons platforms, operations, training, and force presence. Our Family Housing budget request of \$62 million supports the renovation of family housing and the maintenance and operations of our inventory, maintaining a high quality of life for our families.

As the Commandant has testified previously, the Marine Corps' first priority is to reinforce the near-term readiness capabilities needed by Marines who are deployed. To accomplish that priority, the Marine Corps has had to accept risk in our infrastructure accounts. Current budget uncertainty has also eroded readiness and will continue to have negative impacts on our ability to make the long-term decisions necessary for healthy infrastructure portfolio.

Long-term underfunding of facilities requirements will result in the gradual degradation of our infrastructure and create a bow wave of increased future costs to return our infrastructure into adequate condition.

To address these challenges, the Commandant signed our Infrastructure Reset Strategy in order to improve the infrastructure life cycle management and insure that the infrastructure investments are aligned with Marine Corp capability requirements to support our warfighting mission and contribute to the current and future readiness requirements. We will ring out every dollar in the infrastructure accounts to support this philosophy. In the end, we will sustain infrastructure and installations as capable, resilient, and right sized platforms to generate and support our force readiness.

Your Marines are the nation's expeditionary force and readiness. We focus our resources on maintaining that readiness of our forward deployed Marines and we will always be diligent stewards of the assets provided to us.

Thank you for the time and opportunity and on behalf of all your Marines, Sailors, and their families, I look forward to your questions today.

[The statement follows:]

#### PREPARED STATEMENT OF MAJOR GENERAL JOHN J. BROADMEADOW

##### PREFACE

Chairman Moran, Ranking Member Schatz, and distinguished Members of the Committee, I appreciate the opportunity to discuss the Marine Corps' facilities infrastructure programs which are critical to our ability to train forces and be ready. Thanks to the strong support we have received from the Congress, the Marine Corps has been able to make significant improvements in the quality and condition of facilities on our bases and stations.

Marine Corps bases and stations represent an irreplaceable national asset. They are fundamental to combat readiness, particularly the pre-deployment training, launching, sustaining, and reconstituting of Marine operating forces. Additionally, our bases and stations are and will continue to be integral to the quality of life of Marines, Sailors, and their families through the provision of a range of housing, community support facilities and related infrastructure.

The operation and maintenance of these installations as well as their future development and use require long-term planning, careful investment, and timely program execution. Implementation of the Commandant's Infrastructure Reset Strategy will ensure our installations are capable of supporting Marine Corps operations well into the future.

The Marine Corps has infrastructure and facilities worldwide valued at more than \$58 billion that are used to train, house, and provide quality of life for Marines and their families. These facilities must be properly maintained to prevent degradation of our capability to support these mission-essential tasks. Adequately protecting our installations, supporting new warfighting and training capabilities, and sustaining facilities and equipment are top installations management priorities for the Marine Corps.

##### IMPACT OF BUDGET UNCERTAINTY

With Congress' strong support, the Marine Corps has made significant progress over the last 8 years in replacing old and unsatisfactory infrastructure. However, continued budget uncertainty has eroded our readiness and will continue to have negative impacts on our ability to make long-term decisions necessary for a healthy infrastructure portfolio. Long-term underfunding of facilities requirements will result in gradual degradation of our infrastructure and create a bow wave of increased future costs to return these assets to adequate condition. More reliable funding and support of the annual budget request are needed in order to maintain and improve infrastructure readiness.

To maintain near-term operational readiness, the Marine Corps has been forced to accept risk in its infrastructure portfolio. Taking risk in the facilities

sustainment, restoration and modernization, and military construction has resulted in the degradation of our infrastructure, which in turn increases lifecycle costs. Improving the current state of our facilities is the single most important investment to support training, operations, and quality of life.

While the Marine Corps has been able to fund most military construction projects that support new weapons platforms (primarily the F-35) and other projects associated with life, health, and safety concerns, many other military construction requirements remain unfunded. Examples include projects supporting new force protection standards, replacing inadequate and obsolete facilities supporting Marine Corps operations, and utility resiliency and reliability.

In order to better manage our infrastructure portfolio, the Commandant signed the Infrastructure Reset Strategy in November 2016 to improve the infrastructure lifecycle management and ensure infrastructure investments are aligned with Marine Corps capability-based requirements to support the warfighting mission, and contribute directly to current and future force readiness. The vision of the Infrastructure Reset Strategy is to provide Marine Corps installations that are capable, adaptive, and economically sustainable platforms from which to generate readiness and project combat power in a fiscally constrained environment. Implementation of this strategy consolidates and right-sizes infrastructure footprint within existing installations to improve operational readiness. Successful execution of this strategy will depend on future budget stability.

#### MILITARY CONSTRUCTION

The Marine Corps' fiscal year 2018 Military Construction (MILCON) program includes 17 projects valued at approximately \$765 million which is a 32 percent increase over the fiscal year 2017 as-enacted budget of \$580 million. The growth in the budget is attributable to an increase in funding budgeted for the facilities to support the relocation of Marines from Japan to Guam.

Marine Corps MILCON requirements are driven by operating force and other mission requirements such as: (1) introducing new platforms or weapons; (2) relocating forces to better position assets to meet the national military strategy; (3) meeting force protection or safety standards; (4) enhancing or replacing facilities that are in poor or failing condition; (5) meeting new and improved training standards for the 21st century Marine Corps; (6) modernizing critical infrastructure; (7) improving utilities reliability and resilience to support readiness; (8) meeting environmental regulations and laws and energy reduction mandates; (9) improving training areas to include aerial/ground ranges; and (10) acquiring land needed to support training.

Congress has been very supportive of prior MILCON budget requests. Thanks to the Congress, the Marine Corps has received funding for many projects that positively impact readiness and training. A few recent examples include the funding of the expansion of training areas at Twentynine Palms, California, expansion of the aerial bombing range at Townsend, Georgia, numerous training, ground, and aviation simulator support facilities, the Marine Forces Cyber Command operations facility at Fort Meade, Maryland, and significant improvements at Marine Corps University at Quantico, Virginia.

The primary focus areas of the fiscal year 2018 Marine Corps MILCON budget request include: (1) supporting the beddown of new capabilities and platforms; (2) providing facilities to support force relocations; (3) recapitalization and replacement of inadequate facilities; and (4) meeting safety and environmental mandates. Our fiscal year 2018 budget accomplishes the following:

- Supports new aviation platforms such as F-35 and KC-130J with new aircraft maintenance hangars, depot facilities and simulator buildings.
- Provides aviation training infrastructure to continue to support the relocation of aviation squadron to Marine Corps Base, Hawaii.
- Improves quality of life for junior enlisted Marines at NWS Yorktown, Virginia and MCB Camp Lejeune, North Carolina by providing new barracks.
- Provides new aviation support facilities and utility infrastructure to support the relocation of Marines from Japan to Guam.
- Improves environmental compliance posture at various bases.
- Replaces numerous inadequate and obsolete facilities in order to improve operations depot maintenance, operations, quality of life, and training.
- Supports our Reserve component with operational and training facilities at Joint Base Maguire/Dix/Lakehurst and Naval Air Station Fort Worth, Texas.

#### INFRASTRUCTURE SUSTAINMENT, RESTORATION, AND DEMOLITION

The President's Budget for fiscal year 2018 funds 75 percent of the OSD facilities sustainment model requirement for the Marine Corps; however, the OSD guideline

is to fund 90 percent of the requirement. We remain aware that underfunding facilities sustainment increases the rate of degradation of Marine Corps infrastructure which leads to more costly repairs, restoration, and new construction in the future.

When restoring and modernizing our infrastructure, we prioritize life, health, and safety issues and efficiency improvements to existing infrastructure and focus on repairing only the most critical components of our mission critical facilities. By deferring less critical repairs, especially for non-mission critical facilities, we are allowing certain facilities to degrade and causing our overall facilities maintenance backlog to increase. We acknowledge this backlog must eventually be addressed.

The first step in addressing this backlog is reflected in the Marine Corps request of \$46 million for the demolition of 1.6 million square feet of failing and obsolete facilities to enable implementation of the Commandant's Infrastructure Reset Strategy. The Marine Corps also supports a Department of Defense request for authorization to conduct a Base Realignment and Closure (BRAC) round in 2021 based on the needs of the other Services, and to reinforce efforts planned through our Infrastructure Reset Strategy to optimize facilities posture to support increased readiness.

#### FAMILY HOUSING

Our world-wide family housing inventory is 96 percent privatized, which has improved the homes in which our families live and support facilities such as community centers, playgrounds, and "green spaces" that help create neighborhoods and a sense of community for our Marines and their families. Combined with traditional military construction, privatized housing will continue to build and improve the homes necessary to supplement local community housing.

The Marine Corps is not requesting any new family housing construction in fiscal year 2018 through either traditional MILCON or through the use of privatization authorities.

However, we are requesting \$10.3 million in the family housing, construction improvements account for the sustainment and restoration of 24 officer family housing townhouse units at MCAS Iwakuni, Japan in order to continue with the renovation of Iwakuni housing neighborhoods. This will provide much needed improvements to quality of life for our Marines and their families stationed overseas.

#### CONCLUSION

Our infrastructure programs are an important part of maintaining our high state of readiness as the Nation's crisis response force. The fiscal year 2018 budget request supports this premise. While fiscal instability disrupts our planning and challenges our readiness, the Marine Corps will continue to rely on the sound stewardship of existing facilities and infrastructure to support our mission requirements.

Thank you for the opportunity to testify before you today. I look forward to working with you to sustain the warfighting capability and quality of life of the Marine Corps.

Senator MORAN. Thank you so much, General.  
General Green.

#### **STATEMENT OF MAJOR GENERAL TIMOTHY S. GREEN, U.S. AIR FORCE DIRECTOR OF CIVIL ENGINEERS, DEPUTY CHIEF OF STAFF FOR LOGISTICS, ENGINEERING AND FORCE PROTECTION**

General GREEN. Chairman Moran, Ranking Member Schatz, distinguished members of the subcommittee, I'm honored today to represent America's Airmen, active, Air National Guard, Air Force Reserve, and civilian, and discuss the Air Force's fiscal year 2018 Military Construction and Housing request.

Our \$1.96 billion fiscal year 2018 total force MILCON request is slightly less than last year's budget. I want to emphasize that these funds and requested projects support the national defense strategy and critical Air Force priorities. At the macro level, about 11 percent of the request supports Combatant Commander priorities and appointments. About 41 percent beds down new and modernized weapon systems. And roughly 39 percent is focused on to-

day's readiness through recapitalization of our existing infrastructure.

Additionally, our fiscal year 2018 request includes vital quality of life funding for military housing construction overseas and dormitory projects for our Airmen.

The President's budget also requests authority from Congress to conduct a base realignment and closure round in 2021. Enduring savings from BRAC recommendations will leave more Department of Defense resources available for future projects and for structures across the board. BRAC allows us, if analysis supports it, to reposition forces or station new forces in locations that optimize their military value.

I want to thank you for your support in giving the Air Force much needed help in fiscal year 2017 with the request for additional appropriations and providing additional funding for Military Construction projects from our unfunded party list. If budget control like funding levels return to fiscal year 2018, the Air Force will not be able to meet the entire national defense strategy, nor sustain its asymmetric advantage over potential peer competitors.

Additionally, BCA levels will cause continued degradation of infrastructure and installation support. We would expect a reduction in Military Construction funding resulting in reduced support to Combatant Commanders, reduced funding to upgrade nuclear enterprise, facilities, and support new weapon systems beddown and the inability to recapitalize our aging infrastructure.

The Air Force would also expect similar reductions in facility sustainment, restoration, and modernization funding forcing us to prioritize day to day facility maintenance over much needed facility repairs. And as you know, these effects cascade over many years and cannot simply be made up in the next fiscal year.

The Air Force's 2018 budget request sets us on a path to provide the Air Force America needs and deserves. However, even at the requested level, the Air Force remains stressed to meet national defense strategy.

Chairman Moran, Ranking Member Schatz, and distinguished members of the subcommittee, thank you again for the opportunity to testify today and I look forward to your questions.

[The statement follows:]

#### PREPARED STATEMENT OF MAJOR GENERAL TIMOTHY S. GREEN

##### INTRODUCTION

The Air Force's fiscal year 2018 President's Budget request is based upon our long-term strategy and vision to provide ready installations supporting the Secretary and Chief of Staff of the Air Force's budget focus area to enhance airpower from a network of globally positioned bases. This requires the Air Force to balance installation readiness, capability, and capacity to help ensure we can maintain and field a credible and affordable future force. To accomplish these goals, the Department of Defense (DoD) and the Air Force need your support for sufficient, predictable, stable and flexible budgets.

The Air Force's fiscal year 2018 President's Budget request sets us on a path to provide the Air Force America needs and deserves. However, even at the requested level, the Air Force remains stressed to meet the defense strategy. This request is informed by our guiding principles supporting the Air Force's core missions. We used a deliberate process to define what the Air Force needs to be ready today and what capabilities we need to invest in now in order to fight future threats. The end result is a budget which supports the defense strategy, is anchored to the Air Force 30-year plan, and meets combatant commanders' needs.

If Budget Control Act funding levels return in fiscal year 2018, the Air Force will not be able to meet the entire defense strategy, nor sustain its asymmetric advantage over potential peer competitors. Additionally, these levels will cause continued degradation of infrastructure and installation support. The Air Force would expect a reduction in Military Construction funding resulting in reduced support to combatant commands, reduced funding to upgrade the nuclear enterprise and support new weapons systems beddown, and the inability to recapitalize aging infrastructure. The Air Force would also expect similar reductions in fiscal year 2018 facility sustainment, restoration and modernization funding, forcing Air Force priority on day to day facility maintenance at the expense of much needed facility repairs.

Our unequalled security, economic, and political advantages depend on investment in an Air Force able to succeed against any competitor, in any environment. In order to ensure a trained and ready force to engage in a full range of contingencies and threats, at home and

abroad, we must provide the facilities and support that enable training, operations, and maintenance of increasingly complex and technology dependent systems. Now more than ever, the Air Force must make smart investments in its installations through military construction (MILCON) and facility sustainment.

#### INSTALLATIONS

Ready and resilient installations are a critical component of Air Force operations. Unfortunately, twenty-six years of continuous combat, a fiscal environment constrained by the Budget Control Act (BCA) and continued continuing resolutions, and a complex security environment have taken their toll on Air Force infrastructure and base operations support investments. Furthermore, the Air Force is currently maintaining installations that are too big, too old and too expensive for current and future needs. This forces us to spend scarce resources on excess infrastructure instead of operational and readiness priorities.

Air Force installations are foundational platforms comprised of both built and natural infrastructure. They serve as the backbone for Air Force enduring core missions delivering air, space, and cyberspace capabilities. These force projection platforms send a strategic message to both allies and adversaries, signaling commitment to our friends and intent to our foes; they foster partnership-building by stationing our Airmen side-by-side with our coalition partners; and they enable worldwide accessibility when our international partners need our assistance or, when necessary, to repel aggression. Taken together, these strategic imperatives require us to effectively and efficiently operate and sustain installations to enable Air Force core missions.

The total Air Force fiscal year 2018 facilities budget request is \$9.45 billion including military construction (MILCON), facility sustainment, restoration and modernization (FSRM), Housing, legacy BRAC cleanup and Environmental Programs. As in fiscal year 2017, the fiscal year 2018 President's Budget request attempts to strike the delicate balance between readiness, capability and capacity—essential to ensuring we can field a ready force today and a modern force for tomorrow—while deliberately taking steps to recover from the impacts of sequestration in a time of constrained budgets. As a result, the Air Force facilities budget continues to accept near term risk across the entire infrastructure maintenance and repair portfolio of MILCON, sustainment, and restoration and modernization accounts in order to protect readiness and maintain credible capabilities in other core missions. We take risk in this area acknowledging our choice will have long-term effects on the overall condition of our infrastructure.

The Air Force's fiscal year 2018 request includes \$1.96 billion in military construction requirements, a slight decrease from fiscal year 2017 request (1 percent) and a 6.5 percent decrease from fiscal year 2017 enacted appropriations (including the fiscal year 2017 Request for Additional Appropriation (RAA) and additional appropriations provided from the Air Force's fiscal year 2017 Unfunded Priority List (UPL)). In fiscal year 2017, the Air Force deliberately shifted resources into the military construction account from the maintenance and repair accounts in order to replace degraded facilities that simply could not wait any longer. While recapitalization remains critical to mission accomplishment, this resource shift is not sustainable long-term and we requested maintenance and repair funds at higher levels in fiscal year 2018. The fiscal year 2018 MILCON budget supports Combatant Command requirements and commits significant resources on new weapons system beddown. Also included is an equitable distribution of \$225 million to the Guard and Reserve components.

To assure continued focus on taking care of our Airmen and their families, the fiscal year 2018 President's Budget request also requests \$318 million for Military

Family Housing operations and maintenance, and \$85 million for Military Family Housing Construction.

Additionally, the Air Force supports the Department of Defense request for a Base Realignment and Closure in 2021 as we have excess inventory to our operational needs.

#### MILITARY CONSTRUCTION

The requested fiscal year 2018 MILCON program consists of three primary categories. The first is support to the Combatant Commands; the second is providing facilities and supporting infrastructure for the beddown of new weapons systems; and the third is replacing our most critical existing mission degraded infrastructure.

##### *Combatant Command Support*

This year's President's Budget request includes \$219 million for Combatant Commander requirements. Of our request, \$15 million is for U.S. Central Command (USCENTCOM), \$88.9 million for U.S. Pacific Command (USPACOM), \$100 million for U.S. Strategic Command (USSTRATCOM), and \$15 million for U.S. Northern Command (USNORTHCOM). These investments represent the Air Force's most direct support to Combatant Commander requirements and their continued efforts to protect American interests across the globe, including the Air Force's continued priority on Asia Pacific Resiliency.

##### *New Mission Infrastructure*

The fiscal year 2018 President's Budget request includes \$805 million of infrastructure investments to support the Air Force's modernization programs including the beddown of the F-35A, KC-46A, and Presidential Aircraft Recapitalization. The Air Force's ability to fully operationalize these new aircraft depends not only on acquisition of the aircraft themselves, but also on the construction of the aircraft's accompanying hangars, maintenance facilities, training facilities, airfields and fuel infrastructure.

The fiscal year 2018 President's Budget request includes \$280.3 million for the beddown of the KC-46A at four locations. This consists of \$4.9 million at Altus AFB, Oklahoma, the Formal Training Unit (FTU); \$6.4 million at Seymour-Johnson AFB, North Carolina the third main operating base (MOB 3); and \$269.0 million split between Joint Base McGuire-Dix-Lakehurst, New Jersey and Travis AFB, California, the preferred alternatives for the fourth main operating base (MOB 4).

This request also includes \$253.6 million for the beddown of the F-35A at three locations consisting of \$8.7 million at Eglin AFB, Florida; \$127.9 million at Eielson AFB, Alaska; and \$117.0 million at Royal Air Force (RAF) Lakenheath, United Kingdom.

In preparation for the Presidential Aircraft Recapitalization acquisition, the Air Force's 2018 budget requests \$271.5 million for the necessary land acquisition, hangar, and maintenance space at Joint Base Andrews, Maryland.

##### *Existing Mission Infrastructure Recapitalization*

This year's President's Budget request also includes \$766.8 million in MILCON recapitalization projects addressing existing mission infrastructure—\$160.1 million of it directed to the Guard and Reserve's most critical recapitalization needs. The Active Duty program's recapitalization efforts focus on 'mission critical, worst first' infrastructure—facilities such as installation entry gates, aircraft control towers, and firing ranges—as well as upgrades to range support facilities vital to our efforts to fully exploit the capabilities of fifth generation weapons systems. Finally, our program also includes investing \$128.1 million at Joint Base San Antonio (Lackland), TX toward Basic Military Training (BMT) infrastructure, thereby continuing our sustained efforts to replace Vietnam War-era buildings so we can house and train our newest Airmen in effective and efficient modern training facilities.

In total our fiscal year 2018 request represents a balanced approach to ensure critical infrastructure is in place, allowing the Air Force to meet mission needs and operational timelines.

#### EUROPEAN REASSURANCE INITIATIVE (ERI)

The Air Force remains committed to support the United States European Command (USEUCOM) Commander's continued efforts started in fiscal year 2015 to reassure North Atlantic Treaty Organization Allies and partners in Europe of the United States commitment to their security and territorial integrity. Our fiscal year 2018 European Reassurance Initiative (ERI) MILCON program will continue the fiscal year 2017 efforts to set deterrence conditions in the theater in order to provide

greater capability for the United States to rapidly respond and support Allies opposing any threats made by aggressive actors in the region.

The \$271 million total fiscal year 2018 ERI MILCON Overseas Contingency Operations investment remains focused on the USEUCOM Commander's efforts to improve infrastructure and enhance prepositioning lines of effort for airfields, training, and storage areas in Estonia and Romania, while expanding the program to Hungary, Iceland, Latvia, Luxembourg, Norway, and Slovakia in fiscal year 2018. The fiscal year 2018 ERI MILCON program includes \$57 million in planning and design to support future-year ERI program efforts.

#### FACILITY SUSTAINMENT, RESTORATION AND MODERNIZATION

In fiscal year 2018, the Air Force requests \$3.79 billion for Facilities Sustainment, Restoration and Modernization, approximately 11 percent more than our fiscal year 2017 President's Budget request (including the Consolidated Appropriations Request). This request funds Sustainment to 80 percent of the Department of Defense-modeled requirement and enables us to slow but not arrest the growth of our total facility investment backlog (\$25 billion).

The Sustainment account is increased 18 percent over the previous year as we work to "keep good facilities good", and the Restoration and Modernization account is reduced by approximately 3 percent in fiscal year 2018 as compared to fiscal year 2017 enacted budget. Despite the \$418 million increase in our fiscal year 2018 Sustainment, the Air Force continues to accept near-term risk in sustainment in order to protect readiness and maintain credible capabilities in other core missions. The Air Force has made strides in fielding improved tools to implement asset management principles and focus limited resources on "mission critical, worst first" facilities as a means to reduce the risk in infrastructure.

#### HOUSING

During periods of fiscal turmoil, we must never lose sight of our Airmen and their families. Airmen are the source of Air Force airpower. Regardless of the location, the mission, or the weapon system, our Airmen provide the innovation, knowledge, skill, and determination to fly, fight and win. The Air Force strives to provide quality housing on our installations to fill the shortfall of available housing in the local community. Adequate housing that meets the requirements of our Airmen is often very limited based on where our installations are located. As communities have grown up around our bases over the past decades, the number of on-base houses required has declined. The remaining homes in the Air Force inventory represent the Air Force's commitment to provide Airmen and their families with safe and well maintained housing communities. For example, many of our Airmen's first homes are at remote and isolated bases. It is imperative we get housing right.

The Air Force privatized military family housing (MFH) at each of its stateside installations, including Alaska and Hawaii. There are 32 projects at 63 bases, with an end-state of 53,239 homes and we are now focused on long-term oversight and accountability of the sustainment, operation and management of this portfolio.

Concurrently, the Air Force continues to manage approximately 17,000 government-owned family housing units at overseas installations. Our \$318 million fiscal year 2018 Family Housing Operations and Maintenance (O&M) funds request provides a program that supports daily operations, maintenance, and leasing requirements. It allows us to sustain adequate units, improve inadequate units, and correct life, health and safety issues. Our \$85 million request for Family Housing Construction funds improves 130 single family and duplex units on Kadena Air Base in Okinawa, Japan. This request supports the housing requirements of our Airmen and sister service members and their families living on the island.

Similarly, our focused investment strategy for dormitories enables the Air Force to sustain the DoD goal of 90 percent adequate dormitory rooms for permanent party unaccompanied Airmen, while continuing to support Airmen in formal training facilities. The fiscal year 2018 President's Budget MILCON request includes one training and dormitory facility at Joint Base San Antonio (Lackland), TX and one permanent party dormitory at Incirlik AB, Turkey. With Congressional support for our fiscal year 2018 request, we will continue to ensure wise and strategic investment in these quality of life areas to provide modern housing and dormitory communities.

#### CONCLUSION

The Air Force again has made hard strategic choices during formulation of this budget request and continues to strike a delicate balance between readiness, capability and capacity in order to ensure a ready force today and a modern force tomor-

row while also recovering from the impacts of sequestration and adjusting to budget uncertainties. Our fiscal year 2018 President's Budget request includes MILCON to support Combatant Commander and new weapon system requirements while continuing to address the current mission backlog of deferred infrastructure recapitalization from the fiscal year 2013 strategic pause. Funding at the BCA level will halt this recovery. We also must continue the dialogue on right-sizing our installations footprint for our smaller, more capable force that sets the proper course for enabling the Defense Strategy our most pressing national security issues—our fiscal environment.

In spite of fiscal challenges, we remain committed to our Service members and their families. Privatized housing at our stateside installations and continued investment in government housing at overseas locations provide our families with modern homes and improves their quality of life now and into the future. We also maintain our responsibility to provide dormitory campuses that support the needs of our unaccompanied Service members.

Finally, we continue to carefully scrutinize every dollar we spend. Our commitment to continued efficiencies, a properly sized force structure, and right-sized installations will enable us to ensure maximum returns on the Nation's investment in her Airmen, who provide our trademark, highly valued airpower capabilities for the Joint team.

Senator MORAN. Thank you all very much for your testimony and more importantly, thank you for your service to our nation.

Mr. Secretary, let me begin with you and you initially raised the topic of BRAC. Is the expectation that Congress would approve a new round of BRAC in this Congressional session?

Secretary POTOCHNEY. Yes, sir.

Senator MORAN. And what do you envision then to be the timeframe or the consequence of events that then would follow until actually it results or recommendations from a Commission would be provided to Congress?

Secretary POTOCHNEY. So if the Congress were to authorize BRAC in the—excuse me—in the fiscal year 18 authorization bill, upon enactment we would begin organizing and start conducting the analysis. It is an extraordinarily comprehensive and frankly difficult analysis to conduct, and I know that from experience, but it would lead to recommendations that the Secretary of Defense would provide to the Commission in April of 2021. So we would have a robust amount of time to do this extensive and frankly exhaustive work.

Senator MORAN. Would you expect or have an opinion as to whether this BRAC would involve the outright closure of entire military bases, facilities, or would this be a BRAC that it is more designed to eliminate unnecessary building and infrastructure within a base?

Secretary POTOCHNEY. Well, it is base realignment and closure. And so we would have to review everything. Everything is on the table. But we do have a fair amount of authority to reduce our footprint within our installations. We do not trip any of the thresholds and the laws that frankly make it very difficult for us to change our infrastructure around, to adjust our infrastructure.

So we do not need a BRAC to consolidate within a base. We do need a BRAC if we are going to move forces across bases or close bases—and excuse me—and move forces across bases, which are realignments and create a, frankly, a winner and a loser, or to close bases. So we would be looking at both.

Senator MORAN. Let me turn to the Marines. In regard to the movement of Marines from Guam to Okinawa, in 2012 we made an agreement with Japan and announcements have been made about

what is expected to occur with the movement of Marines. Let me ask what the current status of the negotiations is between Japan and other governments, Australia, Singapore, and the Philippines.

Can you give the committee an update on the progress that has been made to date?

General BROADMEADOW. Progress on negotiation between Japan and other countries, Senator?

Senator MORAN. Yeah. Yes.

General BROADMEADOW. Senator, I would like to take that one for the record. I am not—

Senator MORAN. Let me ask you the question this way. Tell me about the—give me an update, a status on the movement of Marines.

General BROADMEADOW. Sure. Yes, sir. You know, we have got a number of movements that are ongoing right now. Okinawa starts with a—we have a consolidation effort on there where we move a number of Marines from the southern part of the island up to the northern part of the island as part of the program of record. We also move about 5,000 Marines to Guam. We move about—we move Marines to Hawaii. And we have also got 1,250 Marines currently doing rotating into Australia. And we anticipate that going up to about 2,500 Marines.

Senator MORAN. Those movements to be concluded when?

General BROADMEADOW. Senator, a number of those movements have been delayed because of ongoing environmental and political issues around, you know, both in Japan and environmental issues in some of the locations that we are going to. So I would be hesitant to give you a date that we would complete any of that.

Senator MORAN. In your view, what would be an acceptable conclusion to the FRF issue, the Futenma replacement facility?

General BROADMEADOW. Sir, our effort right now, our program of record, is to build the Futenma replacement facility up and around Henoko. I made a trip out there myself back in the December time frame to take a look at it. It was right after the Japanese Supreme Court allowed the work to start going—to commence again on that Futenma replacement facility. I will tell you, I saw the Japanese putting in place the structures for the silt fence. They had the buoys back out there kind of providing security and doing the boring samples. So they have started moving ahead on that agreement to build the FRF out there in Henoko.

Senator MORAN. What do you see as an acceptable training facility in the Pacific for Marines?

General BROADMEADOW. Right now we have PACOM's effort to do what is called the CGMT, the CNMI's Military Training, Joint Military Training facility out in the Marianas. That effort is under way right now. It has got some local opposition. However, we have started some consultive work with the people in CNMI so that, you know, we can get beyond some of those issues and come to a favorable resolution for both of us in order to enhance PACOM and others training throughout the Marianas.

Senator MORAN. Thank you, sir, very much.

Senator SCHATZ.

Senator SCHATZ. Thank you, Mr. Chairman.

I was going to start with another question, but I cannot resist talking about Guam. You know, I talked to the Commandant about this as well. It occurs to me that between FRF, which has incredible domestic political issues, CNMI, likewise, Guam, have infrastructure challenges, and so those are just to start. And then you overlay on that a couple of additional problems. You overlay on top of that the fact that the security environment in the Asia Pacific region continues to evolve such that you are in the program of record. Maybe the FRF still makes sense, but in terms of the theater a lot of things have changed in the last two or 3 years since we locked in this plan.

[The information follows:]

In a 10 February joint statement, President Trump and Japan Prime Minister Abe reaffirmed the commitment of both countries to construct the FRF, enabling the U.S. to fulfill its security obligations to Japan and return MCAS Futenma to Okinawa. Construction of the FRF is part of a long-standing bi-lateral agreement that helps create an environment supporting the enduring presence of U.S. forces in Japan, bringing unique capabilities that cannot otherwise be replicated. A more geographically distributed, operationally resilient, and politically sustainable force posture provides the U.S. with flexible crisis response options to meet a wider range of potential regional contingencies. While the regional threat picture has become sharper in recent years, the FRF remains an essential component of our realignment plans with Japan to enable the consolidation of U.S. bases in Okinawa and the relocation of Marines to Guam.

The Secretary of Defense has continued to reaffirm that the Futenma Replacement Facility (FRF) is the only solution that addresses operational, political, financial and strategic concerns and avoids the continued use of Marine Corps Air Station (MCAS) Futenma. The current threat environment has changed over the last several years and will continue to evolve in the future. Within the current threat environment, the Marine Corps is postured to meet all requirements of the Pacific Combatant Commander. When complete, the FRF meets the Marine Corps' mission requirements. Until that time, MCAS Futenma will remain operational. Furthermore, the Government of Japan (GoJ) has expressed their commitment to contribute to the refurbishment of parts of MCAS Futenma until the FRF is fully operational. To date, the GoJ has agreed to contribute \$152.4M to the sustainment, refurbishment, and maintenance of MCAS Futenma.

Senator SCHATZ. And so I would just—I will take this one for the record, but I really would like the Marine Corps and the Office of the Secretary to continue, while we maintain our ironclad commitment to fulfill our obligation to our best ally in the Asia Pacific region, while we maintain that and we are unequivocal about that, that does not require that we do this with blinders on or with unrealistic timeframes or spending billions of dollars for layoffs that do not provide the strategic lift that we need, for instance, on Guam, or do not recognize that things continue to evolve in the region. So I will take that for the record if you would not mind.

And, Mr. Secretary, did you want to weigh in on that? Because it looked like you were jumping up.

Secretary POTOCHNEY. No.

Senator SCHATZ. Or maybe you were jumping away.

Secretary POTOCHNEY. Well, what I was agreeing with in my mind is it is really difficult. These are substantial actions that we are taking. The impact on Guam and CNMI for the CJMT, the CNMI Joint Military Training facility, is significant. And we are devoting a lot of time and effort and we are mindful and respectful, frankly, of the impact that we are making on the communities that we will be occupying and located in.

So I do take your point that it is difficult, but we would not be going forward with it in the face of that difficult if it was not so important.

Senator SCHATZ. And we should go forward with it. It is just that we should be planful and thoughtful and judicious with taxpayer dollars.

Secretary POTOCHNEY. Yes, sir.

Senator SCHATZ. And we should respond to Harry Harris' needs and U.S. Forces Korea and everybody else in the region. And the challenge that I have had in trying to better do oversight and better get an articulated strategy for the laydown is that every time we ask a question we sort of fall back to this we made a commitment to the country of Japan. Japan is our best ally in the region. All of that is true. Senator Murphy and I and others, we were there last summer to reaffirm that commitment and I certainly understand it representing the State of Hawaii. And yet it does not seem to me that it is incompatible to reiterate our ironclad commitment and say to our allies in Japan, "Would you permit us some flexibility in order to do this in a smart way?"

I will go back to my first question. A number of my colleagues, especially on the Democratic side of the aisle, have voiced concerns that the Administration has been non-responsive in letters seeking written responses to issues coming from committee members.

Do we have your commitment—and I will just go down the line—to respond promptly to written questions from members of the committee?

Secretary POTOCHNEY. You have my commitment. Yes, sir.

General BINGHAM. You have my commitment, Senator Schatz.

Admiral SMITH. Yes, sir, Senator. Absolutely.

General BROADMEADOW. Yes, Senator. You have my commitment on that.

General GREEN. Yes, Senator. You have our commitment.

Senator SCHATZ. Thank you.

Admiral Smith, I will just ask a quick question and then I will get the next question in the second round. We were talking about a bigger Navy and I would like you to briefly talk about what we have to do in capacity. We talk about the ships a lot, but not as much about the shipyards, so if you would speak to that.

Admiral SMITH. Yes, sir. And thank you for the question, sir.

So we look—I will start a little bit big and then I will go down to the shipyards. We have a strategic laydown and dispersal process that we work at the installation level for their needs who then goes into a working group. And that is fed by the fleet commanders and the CISCOS, system commands, to make sure that all of the needs and requirements are understood. And then we have got an analytical evaluation process that we put that in to the CIV, if you will, sift it out to get the rack and stack.

And then we look at that at the working group level—are the priorities with that said. And then we work it at a senior level, but with both the fleet commanders, Navy installations command, Naval facilities command, and C&O staff to make sure we have got those priorities right. So, as we have talked about, we are not getting everything done we need to get done, but we are getting the

most urgent projects required in a timely manner making sure that those are what we are getting done.

Now, bring it down to the shipyard. That fits into the same process for all four shipyards. We know that we are challenged in the shipyards. You and I have talked about that, sir, before with Pearl Harbor and Fort Smith. So we make sure that we are getting to the projects we need as best we can competing all the other requirements we have. And that is basically how we work the process in all requirements, but there is—I can tell you the CNO has put readiness front and center on us. Shipyards are absolutely instrumental to that. That is reflected in the fiscal year 2018 budget, both on the MILCON side and on the restoration and modernization.

Senator SCHATZ. So with your permission, Mr. Chairman, just one final comment along those lines.

I understand that process. I respect that process. And it looks good. It looks like sort of incremental improvements, which I think is appropriate. But if we are talking about a much bigger Navy, a much bigger Navy, then that is not the process we are talking about. We are going to need to have a non-incremental improvement in our shipyard capacity space, workforce, facilities, and the whole thing. And to talk about a bigger Navy is one thing. To purchase ships is one thing. But to get them done and to get them maintained and to have the shipyard workers is an entirely different thing.

Thank you.

Admiral SMITH. That is absolutely the wholeness piece that we are talking about. Yes, sir.

Senator MORAN. Senator Rubio.

Senator RUBIO. Thank you. Thank you all for being here.

Mr. Potochney, as you know, the 2009 the Navy announced its plan to homeport an aircraft carrier at Mayport in Northeast Florida. And following the announcement in 2010, the QDR, the DOD confirmed that decision to base an aircraft carrier at Mayport. And I raise the issue again because these plans have been there since 2009. It is supposed to happen by 2019.

So in your testimony, you mention the 2017 unfunded priority list. How many of those priority list projects are associated with supporting a nuclear carrier at Mayport?

Secretary POTOCHNEY. Sorry. Perhaps the Navy can add to that, but I will have to take that for the record. Sorry.

Admiral SMITH. For fiscal year 2018, sir, there are none.

Senator RUBIO. Well, that is right. The answer is none. And the problem with that is I understand the difficult fiscal constraints that the military faces and has been forced into, but as the QDR reflected and others have said, it is not strategically acceptable to base four and soon to be five of our nation's most expensive assets in one location. And that is not me making that up. I mean, that is something that was looked at as part of the QDR. That is why they endorsed the Navy's request to start. This is a quote from the QDR, "To mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an East Coast carrier in Mayport, Florida."

And some of the construction appropriations necessary to enable this to happen have been appropriated and completed such as the harbor dredging and the piers and some of the infrastructure. Other necessary projects have been deferred since the year 2013. Does the Navy intend to request the necessary funds to meet this need ever?

Admiral SMITH. Sir, I cannot speak to ever. I mean, we use the strategic laydown and dispersal and that was what determines where our projects goes. As of right now, in our SLD there is not a CVN in Mayport. That is the current one. I cannot project the future on how that might—may or may not change.

Senator RUBIO. So is it fair to say that basically operating in a constrained environment the Navy's position, as I understand it, has still not changed in terms of dispersal. It is a decision that was made based on a limitation of resources and trying to figure out where you could best spend these resources with limited funding.

Admiral SMITH. To your specific question, sir, I will have to take that for the record and get back to you.

Senator RUBIO. Okay. I also want to—let me ask on—I am trying to figure out who the—maybe I think you would be the appropriate person to ask this question of. In your testimony I think you mentioned, if I heard correctly, investing in cyberwarfare and supporting the Combatant Commanders, or maybe it was in your written for Fiscal 2018.

Admiral SMITH. Yes, Senator.

[The information follows:]

Yes. The Navy remains committed to the strategic dispersal of the nuclear aircraft carrier (CVN) force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Current fiscal constraints dictate that the Navy continue to defer the investment in another East Coast CVN homeport. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

Senator RUBIO. Yet it is my view, and I just visited a facility here recently, that they are both underfunded. The cyberwarfare receives funding for only one MILCON project and support to Combatant Commands amounted to less than about 10 percent of the budget.

Are there plans to increase the priority in the funding for these two critical areas? This is going to be an area of continued and massive growth, not just in personnel, but in the ability to house them, and not just house them, but in appropriate facilities for the kind of work that they are doing. I was very impressed with the work that is done, but it an area—it is a growth business, to say the least, in terms of the environment that we are now living in.

So what are the plans? Do you think 2018 is adequate to meet the needs? And what is the long-term projections on that as you understand it?

Admiral SMITH. So in 2018 we have the facility for Yuma to address the cyber piece. With respect to installations, we are tackling the most critical risks on our installations right now. We have done 24 assessments right now. We have got another 20 to do to finish that out this year to address vulnerabilities we have and the most critical. There are others of less significance. In the out years, we

will continue to work our way through that list. Again, it goes to the priority piece we have talked about and making sure we rack and stack all the different competing interests we have within the fiscal environment we are working under.

Senator RUBIO. Yeah. I was asking specifically about the areas of the training facilities in terms of having, for example, Cory Station, being adequately funded for the growth that is on its way. And perhaps, I do not know if that is what you were answering towards—I heard you talk about vulnerabilities and it sounded more like you were talking about cyber vulnerabilities. I am talking about the training and equipping of cyber and information training facilities.

Admiral SMITH. You are talking about the workforce and——

Senator RUBIO. Correct.

Admiral SMITH. Make sure that they are ready to have the capability for——

Senator RUBIO. But also have the facilities in which we can train this growing and retrain this growing workforce. And yet I look at it and it appears, unless I am reading it wrong, that cyberwarfare received funding for only one MILCON project and support to the Combatant Commands amounted to less than 10 percent of the budget. So is that just, again, an allocation of limited resources situation? In essence, if there was more money would we see more of a priority, or is this something we need to be—what are the long-term plans and ideas about providing facilities for what this—I would not say it is a new, but certainly an emerging area of training?

Admiral SMITH. There is more we need to do and it is an allocation of resources.

Senator MORAN. Senator Udall.

Senator UDALL. Thank you. Thank you so much, Mr. Chairman.

New Mexico's bases greatly benefit, as you all know, from military construction. And I appreciate the work of this committee and the Armed Services Committee to make sure we have the best facilities for our troops at New Mexico's three Air Force bases. This includes important projects of the fiscal year 2018 at Cannon and Holloman Air Force Bases, as well as a project for the National Guard in Los Cruces. The remotely piloted aircraft facility at Holloman and the special operations facilities at Cannon will significantly improve the capabilities of our airmen and women at these bases.

General Bingham, it is good to see you again. I want to let you know that the communities surrounding White Sands Missile Range were extremely grateful to you for your service at the base as well as your service to the community of Southern New Mexico. I am glad to see that your stewardship of White Sands did not go unnoticed and that you have been promoted to Assistant Chief of Staff for Installation Management. And I would like to draw upon your experience as the commanding officer of White Sands.

White Sands will play an important role in developing weapons and capabilities to protect forward deployed forces from long range threats. Can you quickly summarize what are the most important construction and maintenance projects in the pipeline at White Sands?

General BINGHAM. Thank you, Senator Udall, and great to see you again and thank you for your leadership.

Senator UDALL. You bet.

General BINGHAM. It was my privilege to serve as the Commanding General from 2012 to 2014 at White Sands Missile Range. And point of fact, I came to know it as a crown jewel for our nation in that it is a one of a kind range and one that we could not replicate anywhere in the world. I will tell you that just this week we sent over our plan and designs for the main network infrastructure building there that burned down years ago. That is in the planning and design phase and that came over here to Congress.

We do understand that our test and evaluation community is vitally important to our nation's defense and being able to test various assets there. And so we do all that we can throughout our sustainment, our restoration and modernization account as well as our MILCON. But I am hopeful that with the fiscal year, the PND in support of that main infrastructure there that that will go a long way toward improving its condition.

Senator UDALL. I appreciate that. General Bingham, what percentage of the tests at White Sands are being devoted to countering the anti-access area denial capabilities being developed by our near peer competitors, China and Russia?

General BINGHAM. I do not know the answer to that question. I do know that we train test for all the services, Army, Air Force, and Navy. I will have to take that one for the record, Senator, and get back to you with a specific percentage.

Senator UDALL. Thank you very much.

[The information follows:]

Approximately 80 percent of the tests at White Sands Missile Range are devoted to countering the anti-access area denial capabilities. Furthermore, 50 percent of the tests at Yuma Proving Ground and 14 percent of the tests at Redstone Test Center are devoted to anti-access area denial capabilities.

Senator UDALL. Vice Admiral Smith and General Green, I recognize you are not necessarily the experts on this issue, but how concerned are you that the Navy and Air Force about the anti-access aerial denial capabilities being developed by our near peer competitors, China and Russia?

Admiral SMITH. The Navy is very concerned about it and we are focused on it and the development of our tactics, techniques, and procedures and how we are going to fight the fight if called upon to have to do that.

Senator UDALL. Would the members of the panel agree that if we are going to be able to effectively counter these capabilities, test ranges and facilities like White Sands must be made a priority for military construction and maintenance? General Bingham.

General BINGHAM. Certainly that is certainly a priority for us because it enables readiness. And so commensurate with our funding both as it relates to military construction funding as well as SR&M funding we will apply as we are able to to ensure that this national treasure is able to execute its multi missions.

Senator UDALL. Yeah. Really appreciate your answers and I know that budgets are limited, but as the Department of Defense sets priorities I hope that we will continue to recognize the specialized and irreplaceable facility that is White Sands.

And with that, I will submit the rest of my questions for the record. Really appreciate seeing you again, General Bingham.

Thank you very much, Mr. Chairman.

General BINGHAM. Thank you, Senator.

Senator MORAN. Thank you, Senator Udall.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

General Bingham, you mentioned in your testimony that the Army's top priority continues to be readiness. And you gave us a truly startling statistic that I do not want to be lost in this hearing, that the underinvestment combined with the increased operational tempo of the last decade has resulted in nearly 22 percent or 33,000 facilities that are now in poor or failing condition. I think that is a startling statistic for us to deal with.

In that regard, I am pleased that the Army has included funding for a much-needed National Guard Readiness Center in Presque Isle, Maine as part of your budget request. This is essential for the 185th Engineers Support Company at the Maine National Guard to maintain its readiness levels and recruiting efforts. And it will replace a building that is completely out of code, does not meet modern standards at all.

Another readiness center in Saco, Maine, which is in the southern part of the state, is also urgently needed and is in the Maine National Guard's top priority for future MILCON budget requests. So I want to put that one on your radar screen as well.

So that we have a better understanding of the importance and connection to readiness, could you discuss the importance of these National Guard Readiness Centers to the Army's readiness of the total force?

General BINGHAM. Thank you, Senator Collins, for the question. And absolutely the National Guard as well as the Army Reserve are critical to the One Army team. Working alongside our active component brethren. In point of fact, when I see a soldier, I do not see whether he is a Guardsman or a Reservist, but he is a soldier. And we are very grateful for what this fiscal year 2018 budget request will do for us as it relates to being able to arrest our facility degradation and it is able to do that.

When you combine the sustainment funding with restoration and modernization coupled with the MILCON, this fiscal year 2018 budget request, if approved, will be able to arrest the accelerated downward trend, or upward trend, I should say, in facility degradation. So we are very grateful for that. We are very grateful for the facilities that support the Guard and the Reserve.

And as we are funded commensurately, we will continue to buy down that facility degradation that I talked about, the 22 percent of 33,000 facilities. This budget request is definitely a positive step in the right direction and we would like to see that sustained and adequate funding continue.

Thank you for your support.

Senator COLLINS. Thank you.

Admiral, I am also pleased that the Navy's request includes \$62 million to consolidate the paint blast and rubber fabrication facilities at the Portsmouth Naval Shipyard in Kittery, Maine. As you know, we are very proud of this shipyard which has been called the

gold standard—no offense to Pearl Harbor by which governments should measure shipyards due to the efficient high-quality work. And this is a much-needed project that will replace some outdated and inefficient buildings.

On the topic of shipyard infrastructure more generally, and I know this is of concern to the Ranking Member as well. I continue to be concerned regarding dry dock capability and capacity and the pace of modernization. Without major improvements at all of our nation's public shipyards, the fleet's readiness will be seriously affected over the next 30 years due to a lack of dry dock operational availability.

As the Navy considers its shipyard infrastructure modernization plan, how do you intend to prioritize public shipyard capacity and modernization?

Admiral SMITH. Yes, Senator. Thank you very much for that question.

And I have had the privilege to visit your shipyard more than once in my last job and they do a great job up there. And I know that you are very proud of them, and as you should be. They do phenomenal work.

The dry dock, I mean, what is pressurizing our dry docks. They are old. In many cases, we have not maintained them. I mean they are—some are from World War II, as you know. The Naval Sea Systems Command has finished up their internal dry dock study. They have passed it to other equities with the Navy for us to start evaluating and looking at.

The two principal drivers are the Virginia Payload Module, when that delivers to the fleet, and also the Ford Carrier. And so as we go and prioritize those projects, we need to make sure against the other competing issues that we have that we get those in to the budget and approved in time to deliver, improve those dry docks before we have to put in the First Virginia into drydock or the Ford.

So we have to take that into account as we go forward and make sure we prioritize those in the right priority to meet the requirement when those assets show up.

Senator COLLINS. Thank you.

Admiral SMITH. Yes, ma'am.

Senator COLLINS. Thank you both.

Senator MORAN. Senator Boozman.

Senator BOOZMAN. Thank you, Chairman Moran, and Ranking Member Schatz for holding today's hearing. And I thank all of you all for your service to our country and for being with us today and your many, many years of service and leadership.

A common and alarming threat that jumped out at me in each of your opening testimony was the level of risk being taken when it comes to maintaining facilities and installations throughout the Department. Senator Collins touched on this a little bit. I think the figure you all provided was the unfunded backlog of deferred maintenance and repair work currently exceeds \$140 billion. The percentage of military facilities in poor or failing condition is very troubling. I think the word triage was used in some of your testimony to describe current maintenance and repair strategies.

I think I speak for many of my colleagues on this subcommittee when I say we are eager to help you turn this around. We are also eager to help eliminate the chronic budget uncertainty your service has faced over the last several years.

I was interested to read in General Broadmeadow's testimony about the Marine Corp request to demolish 1.6 million square feet of failing and obsolete facilities to help alleviate the maintenance backlog. You explained that this demolition would help enable implementation of the Commandant's Infrastructure Reset Strategy.

General Broadmeadow, do you envision the demolition efforts to be a multiyear request? Will there be a similar request in fiscal year 2019 and beyond? Could you also talk further about the Infrastructure Reset Strategy and what it entails?

General BROADMEADOW. Senator, thank you.

That is an important question for the Marine Corps. We are pretty proud of our Infrastructure Reset Strategy. And demolition, particularly this initial demolition, is important to start setting the scene for that.

Specifically, to your question, yes. We view demolition to be a continuing effort and it will continue to be part of our facility sustainment, restoration, and modernization requests for at least the next decade. However, at the heart of this strategy, we also plan to take some of the savings that we recoup from that demolition and put it back into our restoration and modernization efforts as well. So we are hoping to reap some of the savings that we will sow from that demolition.

At its heart, what the reset strategy is doing is broadening the Marine Corp's scope into what it takes to maintain our facilities and really providing a lot of leadership oversight onto it rather than simply focusing on new construction or any other element of facilities infrastructure individually. We are looking at it as a comprehensive portfolio. And the leadership gets briefed on all elements of our infrastructure management, our infrastructure investment so that we are not looking at just MILCON alone, but all of those things that are necessary to maintain a balanced portfolio.

What we hope at the end of this reset strategy in about 2021 is to have balanced out the portfolio where almost all of our facilities are Q2 or better, you know, fair condition or better, as a direct result of this strategy.

Senator BOOZMAN. Very good.

Are any of the rest of you, any of the other branches, are you all considering anything similar?

General BINGHAM. Thank you, Senator Boozman.

Within the Army, we use a three-prong facility investment strategy where we are applying our resources to one, sustain that which we have in adequate and good condition to prevent it from falling into a state of disrepair. We apply resources to get after that \$10.8 billion deferred maintenance backlog I talked about. And we apply resources to modernize and upgrade our facilities to keep pace with our execution of our missions.

We do demolish our facilities as funds are available. To help ourselves, we have taken on an initiative about a year ago called Reduce the Footprint where we are consolidating all of our men and women into our best facilities first and then being able to rid our-

selves of facilities that are in failed condition. We know that we have about 161 million square feet of excess capacity, so we program that we could probably account for about 33 million square feet in excess. So, say from having a BRAC, base realignment and closure that is about all we will be able to do as it relates to diminishing our excess.

Senator BOOZMAN. Very good.

Thank you, Mr. Chairman.

Senator MORAN. Thank you, Senator Boozman.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman, and thank you all for being here.

General Bingham, this is for you. This is regarding the Fort Greely School. Back in May of 2015 the Delta Greely School District was forced to close that school district. They had low enrollment, high maintenance, and high utility costs. This particular building was built by the Federal Government. It was transferred to the school district by the Federal Government, but now that the school is no longer in use, we understand that the Army wants the school district to demolish the building and remediate environmental contamination that existed prior to its occupancy.

The school district is really not in a financial position to do that and we have been trying to engage the Army on a solution here that does not bankrupt the school district. So and we are looking for some solutions, perhaps something that involves other Federal agencies, but we really have not been getting anywhere. And I need to know that we can get to a place where there is a workable solution here.

Can you address this?

General BINGHAM. Thank you, Senator Murkowski. I appreciate your question.

And we too want to be good stewards of government resources, but we also want to be good neighbors. So, to that end, we have begun conversations with the school district.

Senator MURKOWSKI. Okay.

General BINGHAM. And what we aim to do is find an amicable solution where we can have a win-win. But we continue in our dialogue and we are committed to finding that win-win so that both parties would be satisfied at the end result.

Senator MURKOWSKI. Well, I appreciate that and would ask that you keep us informed on that. Again, the school district is really not in a situation financially to assist with this, but I appreciate your comment and desire to be a good neighbor and community partner there.

General BINGHAM. Thank you.

Senator MURKOWSKI. Let me ask General Green about the activities at Eielson. There is some pretty important meetings going on in Fairbanks this week. One of those meetings concerns how to house the approximately 3,000 people that will be coming to Eielson as a result of the F-35 beddown. The other is how the community plans to deliver services to these additional residents.

Eielson, as you know, has a great working relationship with the communities, but there are a number of decisions that are going to

affect these local conversations that are being made at the headquarters and the major command levels.

For example, we hear that the housing privatization partner will not be asked to build additional units at Eielson to meet the increasing demand. We understand that approximately 800 housing units must be made available in the community to support the bed-down. Additionally, we need to know how many people are coming. We need to know their demographics. We need to know when they are coming, if there is going to be any delays. We need reasonable advanced notice of what is happening.

So what I would like from you, General Green, this afternoon are assurances from the Air Force that will have an ongoing and constructive dialog about what is needed from the community to ensure that we truly do have a seamless beddown. So, your thoughts on this issue.

General GREEN. Yes, ma'am. I can assure you that we will have a continued dialog, Senator, and thank you for the question because this is a very important beddown to us. We realize it is a large impact on the community. In fact, I was talking to Colonel Mineau this weekend about the same thing. And so our commitment is to be as transparent as we can with exactly what you talked about, the numbers of people moving in, when they are moving in, and what we can do with the community to work together.

I am sure that you understand his challenges within the wing and we understand the challenges in the community. So our commitment is to work together. It has always been a great community for us to work with and partner with. They are great hosts to our Airmen and their families and so we look forward to finding a common solution because we are all invested in this together.

Senator MURKOWSKI. Well, I appreciate that. And you are absolutely correct. There is a generosity. There is a support for our military that is absolutely undeniable there. And again, in order to make this seamless, the more information and sufficient notice is greatly appreciated.

The last question, and this is also directed to you, General Green, the Galina Forward Operating Base that was closed as a result of the 2005 BRAC roundup. The cleanup there is continuing. I do understand that the Air Force has budgeted about \$2.1 million for fiscal year 18 which is lower than we have seen in recent years. The community has a number of questions that I will submit for the record and I know that we will eventually be seeing answers to those, but I would like to get representatives of the Air Force and the community together in the near future to talk about the issues of the cleanup going forward, so we would just put that on your radar green.

General GREEN. Yes, Senator. Thanks to you. We will be glad to participate in that and I look forward to answering your questions. I do know that we are committed to the cleanups that are ongoing. The money, the \$2 million this year is about both studies and closure activities and then we have ongoing operations and maintenance. So we will continue to be invested and look forward to working with you.

Senator MURKOWSKI. Great.

Mr. Chairman, I have an additional question that I am going to be submitting to all about the implementation of Real ID and how that is playing out in Alaska, but that will be submitted as part of the questions for the record, so thank you.

Senator MORAN. Senator Murkowski, thank you very much.

We are going to go for another round of questions. Let me begin by expressing my concern about the Army Corps of Engineers and its capabilities as providing engineering services, planning, and design for military installations.

I know this as a Kansan in regard to challenges that I have seen as a senator representing my state, but now in this capacity as chairman of the subcommittee, I have the opportunity to approve or disapprove reprogramming dollars. And I want to highlight a couple of things for you and get your response.

This year's request includes \$251 million for the replacement hospital at Fort Bliss, a project that will end up costing well over a billion dollars before it is complete. Earlier this year, the Department sought a reprogramming of \$74 million to cover cost overruns resulting from "design errors, design omissions, and settlement of contractor requests for equitable adjustment."

What I have seen in Kansas related to similar mismanagement of a hospital project at Fort Riley, in this case the Corps and the contractor reached a settlement of \$22 million. Again, the contractor being paid \$22 million to settle, and I quote, "design deficiencies and associated impacts and delays."

These cases raise questions to me about the ability of the Army Corps to effectively manage major construction projects. Maybe the place to start with you is, Mr. Secretary, how common is this? Do you share any of my concerns in regard to the Corps? Would you, could you, or perhaps it is the Army provide me with complete list of projects that resulted in a settlement including the cost of those settlements related to those kinds of issues?

Secretary POTOCHNEY. Thank you for that question, sir.

I can provide and I will do that for the record. I think any cost overrun is of concern. The construction world, as you know I am sure better than me, is complex. And hospital construction in particular is complex. And so I guess and I know in this case that there was some difficulty. General Bingham will talk about it, perhaps, in a little bit more detail, but I know though that the Corps has put a fair amount of attention on this and should be up here and we would like to get them on your calendar to brief you in particular.

[The information follows:]

Adjustments to the original contract price for construction contracts are common and expected because the construction process is complex and involves many uncertainties. The uncertainties include unforeseen site conditions, maturing user requirements, design changes, economic swings that affect labor and materials, disputes brought by the contractors, weather, and contract options. While the Corps does have a good record of managing construction projects overall, the Department does share your concern about cost growth when it exceeds any reasonable expectations. We are reviewing these instances directly with the Corps. With respect to the request for a list of projects that resulted in a settlement including the cost of those settlements, I defer the response to the Army, who will provide the information directly to your office.

Senator MORAN. I would expect us, this subcommittee, pursuing this topic further and I would be delighted to have the Corps have a conversation. I guess let me ask you before I move on, Mr. Secretary, is there a recognition that there is a problem in this regard?

Secretary POTOCHNEY. I forget what the statistics are, but the cost overruns are not as prevalent. As you know, it is a bad headline and it receives attention and should receive attention, but I would not let it characterize the Corp's overall capabilities or ability. So I am certainly concerned and others are as well, but I think they deserve to be able to—they deserve the time to explain what happened in this instance in particular.

Senator MORAN. Well, again, let me say that my impression is it is more than one instance. I am most familiar with what happened in Kansas, but again, as I said, I get the opportunity to approve or disapprove adjustments in spending. I would say that it is a bad headline. That part is true. And it is certainly expensive from a taxpayer point of view. But what we saw in the case of Irwin Army Hospital, it was a delay of years before soldiers and their families, military retirees, were able to access the latest and newest technologies in a modern hospital.

So it is more than just a headline, a bad headline. It is more than even cost to taxpayers. It is an—has a consequence upon the health and wellbeing of those who serve our country and their family members.

Let me ask you, General Bingham, your thoughts on my concern about this topic. What is taking place that you either want to disprove me of my beliefs or suggest to me that there are actions underway to improve the circumstances that I described?

General BINGHAM. Thank you, Chairman Moran.

I will just tell you that the Corp of Engineers Commander, Lieutenant General Semonite, is taking this action or this issue very seriously. We have processes in place where we go about looking at these cost overruns, as you described them, and certainly we are concerned. I cannot talk about the hospitals because those are not in my specific portfolio, but I can say that on average we have more situations where we come in underfunded than we do over as it relates to cost.

Currently, about 65 percent of those projects are coming in under cost and about 32 percent are coming in over cost. And so what we sincerely appreciate is your support for allowing us to be able to retain the bid savings so that we are able to accommodate the cost overruns. But I agree with Mr. Potochney that General Semonite would be more than willing to come and speak with you and talk you through such that you would feel a little bit more comfortable coming from him.

Senator MORAN. I appreciate that. I guess I want to make clear that I understand there can be cost overruns. And it is pleasing, I suppose, that our ability to estimate is more often on one side of the equation than the other, although the hope is that you can estimate whether it is an overrun or an under cost. You hope that you can estimate cost accurately. I understand that is not always possible and circumstances change, but my greater concern is the explanation. And I do not want the Army to change their explanations when they ask me to approve a reprogramming, but the ex-

planation is design errors, design omissions. So it is not necessarily the cost overrun. It is the reason in which the money is needed to be adjusted.

And so your answer, General, is fine except I want to make sure my point is clear. It is not necessarily the overrun that I am talking about. It is the explanation for the overrun in which the Army Corps of Engineers in their design work failed to do their job appropriately.

And let me ask, I'm sorry, General Green, to bring you into this, but you are a customer of the Army Corps of Engineers Service and I would not want to let you off the hook without asking you about the experience the Air Force has had in regard to design work by the Corps.

General GREEN. Senator, normally I would say thank you. I am no sure that is appropriate at this point.

But what I would say is we have found great success with the Corps in working across the nation, but I would agree that it is inconsistent at times just like any large bureaucracy. The Corps is a very large organization, so there have been pockets of challenges for the Air Force, but there has been pockets of great success. In fact, Kansas City District that has run the construction for the KC46 beddown at McConnell has proven to be very successful and they have saved. Through innovation and thinking ahead and looking ahead they saved over \$40 million in that program.

So I do recognize and acknowledge the problems that you are referring to. We have experienced some of our share, but I do not think it is a brush in which we would pain the entire Corps. I think it is uneven across such a large bureaucracy, which is something that we all experience in large organizations.

Senator MORAN. Does the Air Force choose which region, which part of the Corps you utilize in those projects or is it geographically based?

General GREEN. It is a mix. Some of it is geographically based. Some of it is based upon a center of excellence or a district that has a lot of expertise and so I would say it is a mix. And if we have a preference we will often ask if we can go to a district. I would say the districts that are most successful, there is a lot of requests. So there is perhaps some capacity challenges.

An example would be the weapon storage facilities. You know, one Corps district is doing all of the work for all the weapons storage facilities in the nuclear enterprise that is being done by the Army Corps of Engineers. And that was something that General Semonite and I negotiated early on. So, it is one office. It is the center of expertise. And so, again, they have the size and skill also that we can leverage their talent.

Senator MORAN. Not many Naval facilities built in Kansas, Admiral, so unless you want to join in this conversation, it will not be required on my part. Thank you.

Senator from Montana.

Senator TESTER. Thank you, Mr. Chairman and Ranking Member Schatz. Thank you for the testimony of the panel and thank you for the work you do.

Just one thing that I would just relay off the questioning of the Chairman is that if there are some regions that do particularly

good work and others that do not, I would hope that folks would talk to get the expertise on why some regions are good and others are not to bring everybody up to good or better. We are depending on you.

I just would just say that there was a Denver VA facility that had an incredible cost over and we turned it over to you guys because you guys should know more about it than them. And so the answers were a bit distressing, I might add, in that you guys are the pros and we are depending on you, so please make sure everybody is at the top level.

My questions are for you, General Green. As you know, military construction is a key component of our nuclear deterrence efforts. And as you know from previous conversations, I am concerned with the deteriorating infrastructure at ICBM Wings in Montana and North Dakota and Wyoming. In April of this year at my urging, the Air Force provided this committee a report that highlighted the need to recapitalize our missile alert facilities which date back to the 1960s.

As I mentioned during previous hearings, day to day operation and maintenance and labor costs have increased 280 percent over the last 5 years while engineers have executed a Band-Aid fix on existing infrastructure, which is okay for a while, but I think the Band-Aids are getting too many. This report noted that while the Air Force is developing plans to recapitalize the missile alert facilities, the Air Force does not have a reliable estimate of military construction requirements at this time.

Of all the things that you guys do and all the projections you have to do, this one is a slam dunk from my perspective, to be able to figure what needs to be done to house the folks out in the farmhouses called missile alert facilities.

So can you speak, General Green, can you speak to when we can expect to see the construction requirements for the missile alert facilities?

General GREEN. Senator, thanks for the question. I do not believe I can tell you exactly when we will have those defined, so I need to go back and understand where they are programming them.

As we look and prioritize the ICBM infrastructure that we have talked about, for example, we have been going through and doing the Helicopter—

Senator TESTER. Yeah.

General GREEN. Tactical Response Force mission beddown. We are going through now with the weapon storage facilities, which are very large. Those were deemed higher priorities.

Senator TESTER. Yeah.

General GREEN. I have been out to the missile field. I have visited the other facilities you described. We have advocated that they begin to build a program, but I have not personally gotten the results of that yet. So I will take this for the record, if I may, and get back with you with a timeline.

Senator TESTER. Look, I do not have a problem with your priorities. I do think that they need to be on a list so that—

General GREEN. Yes, sir.

Senator TESTER. You can tell the Chairman and Ranking Member they are 10 years out or 5 years out or 1 year out or this year, okay.

So, as long as you brought up weapons storage facilities, how is that proceeding and is it on schedule and are we where we need to be with the three bases?

General GREEN. Yes, sir. With scheduling about like we expected in that we have learned a lot. We are learning a lot from the FE Warren design. As you know, we have maintained Malmstrom in fiscal year 2019. You saw Barksdale has slipped from last year's Future Years Defense Program (FYDP). We have moved it from 18 to 20 so that we can take the lessons we are learning at FE Warren. We are going to apply them to Malmstrom—

Senator TESTER. Good.

General GREEN [continuing]. Before we start a bomber project. And so I think we are where we thought we would be pretty closely. It is large. It is difficult.

Senator TESTER. Okay.

General GREEN. But we look forward to getting them completed.

Senator TESTER. Okay. And are there other ways that this budget addresses the ICBM facilities' needs?

General GREEN. Not specifically. Now, within the FSRM budget request, so sustainment, restoration, modernization, there will be funds that go from that account that go support the nuclear enterprise, but I do not have at hand with me what those projects might be.

Senator TESTER. Okay. Well, we look forward to continue the conversation on those and other issues.

As you know, Montana National Guard Unit, that its 120th Airlift Wing needs a new aircraft apron. The current apron is undersized by 50 percent, does not meet the space requirements to properly house the HC-130s that we have in Great Falls. The lack of space not only impacts the 120th's mission, but if not addressed it places Great Falls International Airport at risk of losing accreditation from the FAA. That is kind of a big deal.

According to the Chief of the National Guard Bureau, the requirement is construct a new aircraft apron in Great Falls is necessary. This is a necessary thing that has to be done. Will this project be prioritized appropriately so it can be funded in fiscal year 2018?

General GREEN. Sir, it is prioritized, but it is not going to be funded in—it is not a request that we are making in fiscal year 2018. That particular apron is scheduled in the budget request in the FYDP with fiscal year 2022 for the construct aircraft apron at Great Falls. So we would say with the limited budget that we have, it is competing. And as you know, Senator, fiscal year 2018 is pretty firm request. The further we go out, there will be changes in the years. But what this tells me is it is important to the Air Force and we recognize we need to get to that as soon as we can. It is a matter of too many requirements with too little funding.

Senator TESTER. Okay. Well, General, and I say this with all due respect because I really do appreciate not only the job you do, but everybody sitting at this table. Has there been a conversation with the FAA to find out if they are going to decredit, if that is the prop-

er term, the airport in Great Falls if these aprons are held out until 2022?

General GREEN. Senator, I am not aware of that we will have to take that for the record.

Senator TESTER. Well, I think it would be really important because if that happens, it is going to be disastrous.

General GREEN. Yes, sir.

Senator TESTER. Okay. Thank you all. Appreciate it. Thank you, Mr. Chairman.

Senator MORAN. Senator Schatz.

Senator SCHATZ. Admiral Smith, I wanted to talk to you about climate change and I promise not to get into politics. I just wanted to talk to you about what is happening with sea level rise and I want to know first what is the Navy doing to incorporate rising sea levels into the planning and risk management process in order to mitigate your risks?

Admiral SMITH. Senator Schatz, thank you for the question.

And we are taking sea level rise into consideration in our projects. We started this a few years ago as we realized that it is changing. And so now whenever we design any project that is within the 100-year flood plain we look at it and analyze do we need to make adjustments to a standard project, if you will, to accommodate for that.

A couple of examples where we have taken into account, Craney Islands Refueling Depot down in Norfolk, we built it ten feet taller to be able to account for sea level rise. The Cyber Building that is being built over at the Naval Academy, the HVAC systems, the utility systems are not going on the ground floor. They are all safe from flooding. We have actually in that building have designed flood barriers on the first floor.

We are writing it into our instructions to make sure that it is codified that all our activities that are dispersed throughout the world at our bases are in fact taking this into account and looking at sea level rise. So we take action that is responsible for sea level rise, but not building to the high end that we might never see and use excess dollars that we do not need to spend too.

Senator SCHATZ. And does the Construction Code give you sufficient flexibility for this?

Admiral SMITH. We are working on the Construction Code right now. So it is not written into the Construction Code to go look at it. We are writing it in so that we have to go look at it.

Senator SCHATZ. And is this how does it work? Is that across service branches or each service branch does their own construction code?

Admiral SMITH. Unified.

Secretary POTOCHNEY. We have a Unified Facilities Code that allows the services—that provides the structure for the services to use in designing these facilities, you know, against the requirement. And so in my view, in our view I—and we are always updating those, by the way—they provide the services with the authority that they need to carry out their responsibilities and they do include a fair amount of flexibility. Having said that though, we are revising them and to adjust to all changes.

Senator SCHATZ. General Green, just a quick check in from the Air Force side. I understand Kadena that joined, and Langley, and Eglin, are a few examples of where you have some coastal zone flooding. You have some inundation. I would like you to just speak to how big of a challenge this is. Do you see it increasing? What are you doing about it?

General GREEN. Yes, sir. Very consistent with the Navy. We have in fact taken actions at Langley from one hurricane several years ago. We have done a lot of the activities that Admiral Smith described and we have been able to weather the next hurricane in a much better fashion. And so we are very consistent with elevating our structures, making sure we have our underground structures protecting, but by putting things aboveground and elevating it is our primary approach and is consistent. And we also look to the Unified Facilities criteria.

So I would say we are not doing anything extraordinary. We are just being prudent in our design and construction efforts of what is ongoing.

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

Senator MORAN. Senator Schatz, thank you.

Just a couple of things to follow up on. Mr. Secretary, let me start with you. The Appropriations Act of 2017 requests the Secretary of Defense to provide future year defense plan, a FYDP, for Overseas Contingency Operations, OCO, military construction projects for each year in which military construction funds have been or will be requested in an OCO budget submission.

The response back from the Secretary's office was, "We do not know that. We do not have that information." Can you elaborate how we can better prepare for your request utilizing OCO in future budget years?

Secretary POTOCHNEY. I am not sure, sir. You know, OCO by definition is responsive to the requirements of the contingencies. And so our priorities for being responsive I think are relatively clear, but the individual priorities are hard to predict, at least from my perspective, not being a warfighter. We are responsive to those priorities, so we are in a react mode. So I do not think that is a sufficient answer for your question, but that is the best I can do.

Senator MORAN. Well, in future, what point in time does the Department of Defense begin the process of determining whether or not OCO funds would be requested in a future year's budget request?

Secretary POTOCHNEY. Well, they are reactive to COCOM Commander requirements. And so as they get generated in response to the situation and they get weighed against all other requirements of a similar priority and then we do the best we can to allocate the resources we have against them.

Senator MORAN. Would there be any planning and design money for future OCO so that its use is known early on?

Secretary POTOCHNEY. I do think there is some?

General GREEN. There was this year.

Secretary POTOCHNEY. Yeah. This year there was some planning and design. And I think that is prudent, although it has not been done in the past.

Senator MORAN. And does that mean that planning money using OCO funds, the project would be funded through OCO funds?

Secretary POTOCHNEY. I think so. Yes, sir.

Senator MORAN. Okay. Let me talk a moment about sequestration or let me give you all the opportunity to talk about sequestration. Again, Mr. Secretary, perhaps this is the place for you to speak for the branches, but sequestration will occur if no agreement is reached congressionally about spending caps. What does that mean for certainly what we are talking about today, but for our military's facilities in general?

Secretary POTOCHNEY. Sir, it hurts us significantly. You know, as I said in my opening statement is that we do accept risk in facilities, but the dynamic that we have experienced recently has placed us so far behind that it is impacting our readiness in particular. And so if more sequestration, if you will, were to occur, it just puts us that much farther behind. It is just intolerable.

Senator MORAN. Is there a way that you quantify the risks that you are taking with this budget request, probabilities of challenges in facilities or is when you say then I think your testimony, or at least some of the testimony has been that we are taking risks with our budget requests. Is there a way to quantify what that risk is?

Secretary POTOCHNEY. I will defer to the services for individual examples, but what we are saying is, you know, what is the probability of a roof failing, all right. You know, you can predict it or you can't predict it. And so and which roof are you talking about and what location is it and what climate and what does it have, et cetera, et cetera, et cetera.

So when we say that we are accepting risk is we are looking at that in the aggregate, at least when I say it. Specifically, the services are making judgments on where to put their money individually at what bases by project. And so they are sometimes doing worse first, but also they are throwing money at those critical facilities that are most critical that need investment. And hospitals, for instance, are a good example, where you tolerate less. You can tolerate less quality. So that is how we do it. We do not have a number of it is 26 percent or something like that overall.

Senator MORAN. Before we go to the branches, let me say that I always ask the witnesses if they have anything they would like to add before I conclude the hearing, and I will do that on this topic of sequestration or OCO spending or level of risk, but anything else that you want to say. Before I do that, I want to direct a question to General Bingham, and that is about Sunflower Army Ammunition Plant, former ammunition plant in Kansas.

In 2016, I hoped the Army Assistant Secretary for Installations, Secretary Hammack, to that facility. And it seemed to me that for a brief period of time that we were moving forward and trying to resolve the environmental and remediation problems associated with the abandonment of this ammunition plant, but it also now seems to me that progress has slowed to a crawl. And, General, if you could tell me what you know about this project and how we are going to get it back on track if my evaluation is correct, and then seek your commitment to resolve this to a full cleanup.

General BINGHAM. Thank you, Chairman Moran. I appreciate the question.

We feel that we are on track with the Sunflower former ammo plant. And point of fact, we have committed contract dollars to help with the cleanup efforts there, both on the soil remediation as well as the explosive hazard. To that end, we have taken on a more comprehensive health risk assessment just of late to help inform our way ahead.

And so as we look to get back those results we believe it will help inform our way ahead such that we can go about the cleanup efforts associated at Sunflower.

Senator MORAN. I am not an expert at this and don't know how desirable this is, but a thing to think about, I think, is are there sections of this track or is there a track within this wide expanse of land that could be remediated and cleaned up and the property moved on and sold and developed in a sense in an incremental fashion? Are there things we can do that are less problematic and get them done? On the other hand, I do not want to let anybody off the hook to get the whole thing cleaned up, so I am wandering down a path that may not make sense. But I would love for that dialogue to continue to see if we can't find solutions that speed up the process.

General BINGHAM. I understand, Chairman, where you are going with that and so we will look to where we can mitigate incrementally to help expedite that action. And we can come back to you and your staff to give you an update over the coming weeks or month.

Senator MORAN. I may have missed this and you probably said it, but I think I got your commitment to see that we get to a full cleanup.

General BINGHAM. We are committed to that end.

Senator MORAN. Thank you, ma'am.

Let me now ask if any of you have anything you want to make sure the committee knows, questions that we did not ask that you wish you could respond to. I cannot take away any questions that were asked, but if you would like to augment your responses, we would be willing to have that occur.

General GREEN. Thank you, Mr. Chairman. You asked about sequestration and how we define risk. An example would be about a year ago, so there are several examples in the Air Force, but certainly when we talk about risk, we are saying we do not have the money to fix a problem that we believe we need to fix today. That is how we define risk.

An example would be a storm drainage project at Andrews Air Force Base. It was not able to be funded for several years. We knew it was a requirement. And until that storm drain that ran underneath the runway at Andrews failed and we were no longer able to use that runway for launching and recovering aircraft, it was unfunded, so that was a risk. The good news is Andrews has two runways. We were able to mitigate it a little bit, but there's some pretty important missions that come off of that airfield.

So there is examples like that around the Air Force and that is what we mean by risk. What is the Air Force doing about it? We are trying to prioritize our projects based upon a risk to mission or how important projects are that we need to do and then how likely are those facilities or installations to fail during the next iteration. And so we are looking at a risk to mission and a prob-

ability of failure as a means to do what we believe is the most important.

Sometimes you hear it described as worst first, but it is not always the worst first because sometimes it is the mission driver and the probability of failure. So it is not necessarily the worst facility.

And then I would add sequestration will be pretty devastating in that the effects are cascading, as I mentioned earlier. It is not an effort to fix it 1 year. It will take us several years if we moved projects out of the current fiscal year from a military construction. It will take us the rest of the FYDP to get this year's projects worked back in. So, again, it is a cascading effect over numerous years.

And also, to me, continuing resolutions are equally challenging for us because the continuing resolution often means that our men and women are doing repeat work. And by that, I mean we will award contracts that are maybe for services and then with a continuing resolution we have to shorten the service, so contracting officers or rewriting it, renegotiating. And then when you get the money, you redo it again, so you may do the same effort two and three and four times versus one time. And it is the same airman who has that responsibility. Instead of looking forward, they are looking backward.

And so both continuing resolutions and sequestration would give us a great deal of challenges and lost capability within the Air force. And I appreciate your time today, Senator. Thank you.

General BROADMEADOW. Senator, I just reiterate some of the things that General Green said, but some of the examples that we have, so our sustainment accounts, because we pay bills out here, we pay their near-term readiness bills on the backs of our infrastructure. This budget only reflects 75 percent of the sustainment requirements we have. We already have a \$9 billion backlog in those accounts right now. So that is a tangible, you know, number that we can hang on there that is showing the impacts of what we are not doing.

Likewise, with MILCON. We are prioritizing new item fielding, you know, specifically the F-35 and others. We hit those immediate life, health, and safety concerns, but we are not doing some of the other things that are on our priority list. You know, most particularly force protection type upgrades that are desperately needed out there along with a lot of quality of life type of new construction that we are not getting out in our—we have got about \$5.8 billion worth of requirements that are not reflected in the budget today.

I would also like to echo the comment about the continuing resolution and kind of tie that back a little bit to the planning effort. You know, as we operate under the continuing resolutions, we are deferring a lot of that planning and trying to pressurize that into the end of the fiscal year, push through a lot of that money once we get the big appropriation. So it puts a lot of pressure on us to get those planning efforts through the Marine Corps into NAVFAC and get them accomplished before the end of the fiscal year. So that is CR and the uncertainty that we feel from that is on top of the BCA's impacts.

And finally, I probably should have said this in my opening statement. I do want to thank the committee very much for the

\$144 million that we got to recover from both the tornado damage down to Albany as well as the hurricane impacts to Parris Island and Beaufort. That money, while it is not a CR, really was helpful to us in fiscal year 2017 in helping us get those two bases back up to speed. So thank the committee and thank you for all that you do.

Admiral SMITH. Mr. Chairman, I would concur wholeheartedly with my shipmates on my port side with respect to the impact that sequestration and continuing resolutions have. Sequestration is impacting the Navy in total. I will only talk to the infrastructure, the shore side. We are paying a preponderance of the bills to support the warfighter and the operational Navy as we should be when resourcing is tight.

Our facilities, restoration, sustainment and modernization program is increasing about \$600 million a year in backlog. At the end of this year, we will be at an \$8.4 billion backlog in FSRM account because of the funding challenges.

You talk to risk. We have worked through and we now have put together a metric where we fund the most critical facilities and the most critical components within those facilities and that is where we focus our money. As a result of doing that, we are starting to see some gain in our most critical facilities and their conditions, but at the detriment of things that are less critical.

Right now we have got just under 75,000 facilities—11,000 of those are OSD's definition of failing, and we see that number going up to 20 percent of our 75,000 facilities by 2022. So we are taking risk definitely in the lower quadrant of those less significant facilities and that risk is defined of, to General's comment, when it fails is when we go fix it. So it is challenging and we are resource constrained.

Finally, thank you again for all your support, this committee's support. I appreciate the opportunity to appear before you today. Thank you.

General BINGHAM. Thank you, Mr. Chairman.

I would say we assess our infrastructure as a significant risk. Basically, as we talk about the 22 percent that are in poor and failing condition, that is the reason why we assess that as significant risk. But we want to make sure that our soldiers never go into a fair fight and so we understand how we got here.

To the topic of sequestration and CR like my fellow colleagues have already said, that would have a devastating impact on our men and women, not only the morale, but also the state of our affairs of our infrastructure. So while this fiscal year 2018 budget arrests that degradation I talked about, sequestration and CR will just put us back or set us back and so we do not want to see ourselves doing that.

I would say that where it relates to BRAC and should the Administration support one, the Army and I am sure the Department would benefit from a base realignment and closure to help us with that excess infrastructure that we have talked about.

And finally, I would like to say thank you again to you, Ranking Member Schatz, and the entire subcommittee for your support of our men and women serving in harm's way. We greatly appreciate it. Thank you.

Senator MORAN. Thank you all very much.

I would say just a couple of things. One, I actually hope that when we have a serious discussion about infrastructure, and the President is and the Administration is fully engaged in this topic of infrastructure, that we do not forget the opportunity to invest in infrastructure for Federal buildings and military installations.

Part of that is growing the economy and investing in our future and a lot of backlog and projects could be accomplished as part of that program. It also is part of the goal of putting more people to work. It creates greater opportunities in that regard as well.

One of my goals as a member of the United States Senate is to get the Senate to function and to function better. And the appropriations process is a great place in which we can demonstrate that can occur. And I am having constant conversations with Republican and Democrat leaders in the Senate to make sure that negotiations are pursued in regard to a budget number. That, if we can accomplish and have agreement, both bicamerally and bipartisan, with bipartisanship, and with the Executive Branch, we could avoid what you all described as a seriously damaging circumstance, either sequestration or a continuing resolution because we cannot reach an agreement.

Continuing resolutions are poor government. They suggest that every spending item has the same or equal priority with each other. And it also reduces the chance that we have to deal with agencies and departments and to have our views known on behalf of the American people about how money should be prioritized and it's spending.

So we are your allies in every way that I know how to make certain that sequestration and or a continuing resolution does not occur.

And again, as Senator Schatz indicated, on this D-Day we express our gratitude to all those who served our country in the past and all of you who served our nation today.

Senator Schatz, anything? Very good. I appreciate your cooperation in regard to the hearing today and I want to thank again our witnesses for being here. Thank you for your kind comments.

This, I think, has been a productive—I meant from my perspective. It has been a productive session and I look forward to continuing to work closely with you to improve the quality of life. I think that is another point that you well made, particularly here in these concluding remarks, is we think of infrastructure as buildings. And in so many instances, those buildings are a way of life, a quality of life, and wellbeing for those men and women who serve our nation. It is more than just a facility.

I know in our case at Fort Riley the ability to have quality schools and adequate healthcare. Good housing is a significant component of why men and women are able to follow their urge to serve their country and have the ability to have some sense that their families are well cared for as they do so.

#### ADDITIONAL COMMITTEE QUESTIONS

For members of the subcommittee, any questions for the record should be turned into subcommittee staff no later than Tuesday, June 13th.

## QUESTIONS SUBMITTED TO HON. PETER J. POTOCHNEY

## QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

*Question.* The Air Force Development Test Center's (AFDTC) overall mission is to plan, conduct, and evaluate testing of U.S. and allied nonnuclear munitions, electronic combat, target acquisitions, weapon delivery, base intrusion protection, and supporting systems. AFDTC carries out this work at Eglin Air Force Base, FL, whose land test areas encompass 463,000 acres, and water test areas cover 86,500 square miles in the Gulf of Mexico, the largest Department of Defense test and training area in the world. In order to continue to conduct safe but robust testing of our military's newest munitions and systems, deployed by our fastest and longest-range aircraft, surface, and subsurface vessels, test and training range instrumentation must be modernized. What does the Pentagon plan to do to ensure our ranges continue to provide the most modern capability for training and testing of our warfighters and weapon programs?

*Answer.* The Department has sought and Congress provided statutory authority to expand the flexibility for investments to improve facilities and equipment for research, development, test, and evaluation (RDT&E) activities. My office is working with our RDT&E facility managers to fully use these authorities and encourage them to be more entrepreneurial by partnering with other Federal entities and the private sector to invest in our organic strategic RDT&E assets.

*Question.* As you know, in 2009 the Navy announced its plan to homeport an aircraft carrier at Mayport. Following this announcement, in the 2010 Quadrennial Defense Review, DoD confirmed the Navy's decision to base an aircraft carrier at Mayport. I raise this issue again today because these plans were to have an aircraft carrier at Mayport in 2019. In your testimony, you mention the 2017 Unfunded Priority List addresses additional funding to critical shore infrastructure and Navy readiness. How many 2018 Unfunded Priority List projects are associated with supporting a nuclear carrier at Mayport? Does the Navy plan to list any MILCON projects associated with a nuclear carrier move to Mayport on future Unfunded Priority Lists?

*Answer.* There are no projects on the fiscal year 18 Unfunded Priority List associated with homeporting a CVN in Mayport, and there are no future MILCON projects planned at this time. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not homeport a nuclear aircraft carrier (CVN) in Mayport because current fiscal constraints dictate that the Navy continue to defer investment in another East Coast CVN homeport. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* As of today, none of the work necessary for this to happen has not begun, nor made the unfunded list. I understand the difficult fiscal climate our military has been forced into, but it is not strategically acceptable to base four and soon to be five of our nation's most expensive assets in one location. Have we not learned from history as to what happens when you do this? I want to make it clear; I will not back down on this issue until the Pentagon meets this commitment for the good of our nation. The 2010 Quadrennial Defense Review endorsed the Navy's request, stating "to mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an East Coast carrier in Mayport, Florida." Then-Chief of Naval Operations Admiral Gary Roughead testified to congress during fiscal year 2017 budget hearings, saying "while there is an upfront cost to upgrade Naval Station Mayport to support our nuclear aircraft carriers, Mayport has been a carrier homeport since 1952 and is the most cost-effective means to achieve strategic dispersal on the East Coast. The national security benefits of this additional homeport far outweigh these costs."

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Current fiscal constraints dictate that the Navy continue to defer the investment in another East Coast CVN homeport. The Navy's current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Some military construction appropriations necessary to enable the U.S. Navy to carry out its plan to homeport a CVN at Mayport have been appropriated and completed, such as harbor dredging and some pier and infrastructure improvements. However, other necessary projects have been deferred since fiscal year 2013. In its fiscal year 2013 budget submission, the U.S. Navy stated "Although the fiscal year 2013 budget does not contain a construction project supporting the homeporting of a CVN in Mayport, FL, the Department [of the Navy] is committed to

the requirement and policy to strategically disperse CVNs on each coast. This is a deferral at this time due to fiscal constraints.” Does the Navy intend to request the necessary funds to meet this need?

*Answer.* No. The Navy’s current Strategic Laydown and Dispersal Plan (SLD17) does not reflect another East Coast CVN homeport in Mayport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Do you believe the Navy’s cost estimate accurately depicts the costs of homeporting an aircraft carrier at Mayport today? If not, should this cost estimate be updated to better reflect the reduced costs due to improvements and enhancements made to Mayport since the 2011 cost estimate?

*Answer.* Port loading at NS Mayport has changed since the last cost estimate, including the addition of an Amphibious Readiness Group and Littoral Combat Ships. In the event an aircraft carrier is programmed at NS Mayport in the future, a new cost estimate would be needed to reflect current economic and operational conditions.

*Question.* What is the risk of a catastrophic event damaging Atlantic Coast CVN homeporting facilities, and how might that risk be altered by homeporting a CVN at Mayport?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Current fiscal constraints dictate that the Navy continue to defer the investment to build new capacity or repurpose existing infrastructure to develop another East Coast CVN homeport. The Navy’s current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* If a catastrophic event were to damage Atlantic Coast CVN homeporting facilities, what would be the operational impact on the Navy, and how quickly could the Navy repair the damage and return to normal operations?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Specific operational impact and downtime to the Navy from a catastrophic event depends on the criticality of the activity and the type, magnitude, and duration of the event. Current fiscal constraints dictate that the Navy continue to defer the investment in another East Coast CVN homeport. The Navy’s current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Are the costs associated with homeporting a CVN at Mayport worth the benefits in terms of hedging against the risk of a catastrophic event damaging Atlantic Coast CVN homeporting facilities?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Current fiscal constraints dictate that the Navy continue to defer the investment to build new capacity or repurpose existing infrastructure to develop another East Coast CVN homeport. The Navy’s current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Has the Navy accurately estimated the nonrecurring and recurring costs of homeporting a CVN at Mayport?

*Answer.* No, the Navy’s cost estimate, last completed in 2010, does not accurately depict the recurring and nonrecurring costs of homeporting a nuclear aircraft carrier (CVN) at Naval Station (NS) Mayport today. Port loading at NS Mayport has changed since 2010, due to an additional Amphibious Readiness Group and Littoral Combat Ships. The Navy’s Strategic Laydown and Dispersal Plan (SLD18) will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Has the Navy accurately assessed the relative merits of Norfolk and Mayport in terms of transit times to key overseas operating areas and training ranges?

*Answer.* Norfolk has a slight advantage over Mayport in transit time to key overseas operating areas, being approximately 400 nautical miles closer to the Strait of Gibraltar, the first chokepoint en route to the key overseas Carrier Strike Group operating areas of the Mediterranean Sea and the Arabian Gulf from the East Coast. This represents an approximately 24 hour shorter transit from Norfolk, depending on transit speed. Norfolk offers similar or slightly greater advantages for

transits to the North Atlantic, depending on the precise destination. Norfolk and Mayport both provide acceptable proximity to Atlantic training ranges.

*Question.* Has the Navy accurately assessed vulnerability-related factors at Norfolk and Mayport, including the risk of a natural or man-made catastrophic event damaging CVN homeporting facilities, and the Navy's ability to defend against such an event at either site?

*Answer.* The Navy uses the Mission Assurance Assessment process to accurately assess vulnerability-related factors to mission essential functions at Norfolk and Mayport. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not homeport a nuclear aircraft carrier (CVN) in Mayport; consequently, the Mayport assessment does not include CVN homeporting facilities. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Has the Navy overlooked or not given adequate weight to other factors in evaluating the merits of Mayport and Norfolk as Navy home ports. Such as: The ability of private ship repair firms in Northeast Florida to support the maintenance requirements of a CVN? The readiness and cost impacts of the aircraft carrier homeporting and maintenance at Mayport on the Navy's traveling workforce? The interaction of the base facilities at Mayport or Norfolk with other regional military facilities (such as naval air stations)? The possible effect of CVN homeporting on Navy recruiting in the area surrounding the home port?

*Answer.* The Navy's Strategic Laydown and Dispersal (SLD) process considers multiple factors when determining homeporting solutions, such as fiscal and operational impacts, ship maintenance facilities (public and private shipyards), training support, logistical support, environmental concerns, and capacity/availability of base support facilities. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* The military construction projects targeted for the EUCOM area of responsibility are intended to meet future known mission requirements. Providing facilities for a rapid buildup of forces is generally not a primary purpose of the military construction program. In most cases, a rapid buildup of forces will outpace the provision of facilities. In response to such large buildups, the Department does have the capacity to install temporary facilities in the near-term and follow that up with more permanent facilities, as needed.

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* Yes. The Navy maintains constant and open dialogue with EUCOM to ensure infrastructure requirements that support force structure in the EUCOM AOR are well understood and deliberately programmed. We appreciate Congress' support of the European Reassurance Initiative to help meet these needs.

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#### QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

*Question.* Pier 32 at the New London Submarine Base is desperately in need of an upgrade to meet safety and security requirements. My understanding is that the piers construction planned for fiscal year 19 has now been delayed for several more years-can you please explain this delay and the new anticipated construction date? Further, will the new Pier 32 be designed and built to meet length and width requirements for Block V and beyond VPM-enabled boats?

*Answer.* The Navy prioritizes our military construction budget request every fiscal year to ensure we provide maximum support for warfighting readiness within fiscal constraints. As a result, specific projects beyond the budget year often fluctuate. Although the fiscal year 2019 budget request is still pre-decisional, the Navy will continue planning and design efforts in fiscal year 2018 for a future project to replace SSN berthing at Pier 32. The military construction project for Pier 32, as currently planned, does not support BLK V with VPM requirements. While project's scope and cost are not finalized at this time, the latest analysis shows that Piers 31 and 17 are better suited to be lengthened to support VPM-enabled boats.

*Question.* Will the Navy be using part of the \$240 million additional funding in fiscal year 17 marked to restore readiness to accelerate the planning for the engi-

neered overhaul of the USS Boise to return it to the fleet a year earlier than planned?

*Answer.* The Navy is dedicated to accomplishing crucial maintenance on operational submarines and delivering mission ready assets to the Fleet in a timely manner. To this end, the Navy issued a competitive solicitation of the USS BOISE (SSN 764) Engineered Overhaul (EOH) on March 17, 2017, and is in the process of conducting a limited competition between General Dynamics Electric Boat and Huntington Ingalls Industries-Newport News Shipbuilding. While the capacity and capability may exist in the private sector in the mid-2018 to start execution of BOISE's EOH, the Navy's ability to accelerate this procurement is constrained by the planning effort required, availability of funds, and acquisition timeline. Planning for this major availability requires 12 to 15 months of effort. The planning effort is currently budgeted for fiscal year (FY) 2018 which will result in the EOH starting in fiscal year 2019 due to the required planning timeline. The additional Operation and Maintenance funding in fiscal year 2017 was prioritized for other critical readiness needs. Although beginning the BOISE EOH earlier is highly unlikely due to these constraints, the Navy will continue to review and pursue viable opportunities for acceleration during the planning process.

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QUESTIONS SUBMITTED BY SENATOR TOM UDALL

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops. Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* Commercial, small Unmanned Aircraft Systems (sUAS) proliferation is an emergent issue posing challenges domestically and abroad, and presenting unique policy and legal issues. These systems are difficult to detect, track, identify and defeat, with recent incursions over critical facilities in the US highlighting the potential risk associated with sUAS attacks. The fiscal year 2017 National Defense Authorization Act authorized the Secretary of Defense to protect assets and facilities related to DoD's nuclear deterrent, missile defense, and space missions against sUAS threats. Efforts under this authority are underway, led by the Air Force and Navy. The Department is also working to expand the categories of assets and facilities protected from unmanned aircraft threats, to include assessing the cost implications of threat mitigation.

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops. Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* The Department of Defense is very concerned about the potential use of commercial drones for surveillance of our bases and other assets. Additional information regarding Navy concerns can be provided in a classified briefing, if requested.

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QUESTIONS SUBMITTED TO LIEUTENANT GENERAL GWENDOLYN BINGHAM

QUESTION SUBMITTED BY SENATOR MARCO RUBIO

EUCOM AOR

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* The Army MILCON investments within the EUCOM AOR under the European Deterrence Initiative (EDI) support National Defense Strategy (NDS) requirements. Army infrastructure requirements will continually be updated based on

the evolving and dynamic operating environment and the Combatant Commander's assessment of threat and risk.

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QUESTION SUBMITTED BY SENATOR TOM UDALL

COMMERCIAL DRONES

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops. Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* Army Senior Leaders are very concerned about the potential threats posed from this technology, and are working to ensure all Army facilities, assets and installations, including any new construction are resilient to the Unmanned Aerial Systems (UAS) threat. Terrorism threats and threats from direct and indirect fire are already incorporated in Unified Facilities Criteria (UFC) 4-020-01, DoD Security Engineering Facilities Planning Manual which serves as a guide for all our construction designs. The Army will work further updates to this guide based on the evolution of UAS threats.

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QUESTIONS SUBMITTED TO VICE ADMIRAL DIXON R. SMITH

QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

*Question.* As you know, in 2009 the Navy announced its plan to homeport an aircraft carrier at Mayport. Following this announcement, in the 2010 Quadrennial Defense Review, DoD confirmed the Navy's decision to base an aircraft carrier at Mayport. I raise this issue again today because these plans were to have an aircraft carrier at Mayport in 2019.

In your testimony, you mention the 2017 Unfunded Priority List addresses additional funding to critical shore infrastructure and Navy readiness. How many 2018 Unfunded Priority List projects are associated with supporting a nuclear carrier at Mayport? Does the Navy plan to list any MILCON projects associated with a nuclear carrier move to Mayport on future Unfunded Priority Lists?

*Answer.* There are no projects on the fiscal year 18 Unfunded Priority List associated with homeporting a CVN in Mayport, and there are no future MILCON projects planned at this time. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not homeport a nuclear aircraft carrier (CVN) in Mayport because current fiscal constraints dictate that the Navy continue to defer investment in another East Coast CVN homeport. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* As of today, none of the work necessary for this to happen has not begun, nor made the unfunded list. I understand the difficult fiscal climate our military has been forced into, but it is not strategically acceptable to base four and soon to be five of our nation's most expensive assets in one location. Have we not learned from history as to what happens when you do this? I want to make it clear; I will not back down on this issue until the Pentagon meets this commitment for the good of our nation.

The 2010 Quadrennial Defense Review endorsed the Navy's request, stating "to mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an East Coast carrier in Mayport, Florida." Then-Chief of Naval Operations Admiral Gary Roughead testified to congress during fiscal year 2017 budget hearings, saying "while there is an upfront cost to upgrade Naval Station Mayport to support our nuclear aircraft carriers, Mayport has been a carrier homeport since 1952 and is the most cost-effective means to achieve strategic dispersal on the East Coast. The national security benefits of this additional homeport far outweigh these costs."

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Current fiscal constraints dictate that the Navy continue to defer the investment in another East Coast CVN homeport.

The Navy's current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Some military construction appropriations necessary to enable the U.S. Navy to carry out its plan to homeport a CVN at Mayport have been appropriated and completed, such as harbor dredging and some pier and infrastructure improvements. However, other necessary projects have been deferred since fiscal year 2013. In its fiscal year 2013 budget submission, the U.S. Navy stated "Although the fiscal year 2013 budget does not contain a construction project supporting the homeporting of a CVN in Mayport, FL, the Department [of the Navy] is committed to the requirement and policy to strategically disperse CVNs on each coast. This is a deferral at this time due to fiscal constraints." Does the Navy intend to request the necessary funds to meet this need?

*Answer.* No. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not reflect another East Coast CVN homeport in Mayport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Do you believe the Navy's cost estimate accurately depicts the costs of homeporting an aircraft carrier at Mayport today? If not, should this cost estimate be updated to better reflect the reduced costs due to improvements and enhancements made to Mayport since the 2011 cost estimate?

*Answer.* No, the Navy's cost estimate, last completed in 2010, does not accurately depict the costs of homeporting a nuclear aircraft carrier (CVN) at Naval Station (NS) Mayport today. Port loading at NS Mayport has changed since 2010, due to an additional Amphibious Readiness Group and Littoral Combat Ships. The Navy's Strategic Laydown and Dispersal Plan (SLD18) will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* What is the risk of a catastrophic event damaging Atlantic Coast CVN homeporting facilities, and how might that risk be altered by homeporting a CVN at Mayport?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack.

Current fiscal constraints dictate that the Navy continue to defer the investment to build new capacity or repurpose existing infrastructure to develop another East Coast CVN homeport.

The Navy's current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* If a catastrophic event were to damage Atlantic Coast CVN homeporting facilities, what would be the operational impact on the Navy, and how quickly could the Navy repair the damage and return to normal operations?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack. Specific operational impact and downtime to the Navy from a catastrophic event depends on the criticality of the activity and the type, magnitude, and duration of the event.

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*Question.* Are the costs associated with homeporting a CVN at Mayport worth the benefits in terms of hedging against the risk of a catastrophic event damaging Atlantic Coast CVN homeporting facilities?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack.

Current fiscal constraints dictate that the Navy continue to defer the investment to build new capacity or repurpose existing infrastructure to develop another East Coast CVN homeport.

The Navy's current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Has the Navy accurately estimated the nonrecurring and recurring costs of homeporting a CVN at Mayport?

*Answer.* No, the Navy's cost estimate, last completed in 2010, does not accurately depict the recurring and nonrecurring costs of homeporting a nuclear aircraft carrier

(CVN) at Naval Station (NS) Mayport today. Port loading at NS Mayport has changed since 2010, due to an additional Amphibious Readiness Group and Littoral Combat Ships. The Navy's Strategic Laydown and Dispersal Plan (SLD18) will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Has the Navy accurately assessed the relative merits of Norfolk and Mayport in terms of transit times to key overseas operating areas and training ranges?

*Answer.* Norfolk has a slight advantage over Mayport in transit time to key overseas operating areas, being approximately 400 nautical miles closer to the Strait of Gibraltar, the first chokepoint en route to the key overseas Carrier Strike Group operating areas of the Mediterranean Sea and the Arabian Gulf from the East Coast. This represents an approximately 24 hour shorter transit from Norfolk, depending on transit speed. Norfolk offers similar or slightly greater advantages for transits to the North Atlantic, depending on the precise destination. Norfolk and Mayport both provide acceptable proximity to Atlantic training ranges.

*Question.* Has the Navy accurately assessed vulnerability-related factors at Norfolk and Mayport, including the risk of a natural or man-made catastrophic event damaging CVN homeporting facilities, and the Navy's ability to defend against such an event at either site?

*Answer.* The Navy uses the Mission Assurance Assessment process to accurately assess vulnerability-related factors to mission essential functions at Norfolk and Mayport. The Navy's current Strategic Laydown and Dispersal Plan (SLD17) does not homeport a nuclear aircraft carrier (CVN) in Mayport; consequently, the Mayport assessment does not include CVN homeporting facilities. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Has the Navy overlooked or not given adequate weight to other factors in evaluating the merits of Mayport and Norfolk as Navy home ports.

Such as:

- The ability of private ship repair firms in Northeast Florida to support the maintenance requirements of a CVN?
- The readiness and cost impacts of the aircraft carrier homeporting and maintenance at Mayport on the Navy's traveling workforce?
- The interaction of the base facilities at Mayport or Norfolk with other regional military facilities (such as naval air stations)?
- The possible effect of CVN homeporting on Navy recruiting in the area surrounding the home port?

*Answer.* The Navy's Strategic Laydown and Dispersal (SLD) process considers multiple factors when determining homeporting solutions, such as fiscal and operational impacts, ship maintenance facilities (public and private shipyards), training support, logistical support, environmental concerns, and capacity/availability of base support facilities. SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the current fiscal and strategic environment.

*Question.* Do you believe it is strategically responsible to have all East coast aircraft carriers in a single central location?

*Answer.* The Navy remains committed to the strategic dispersal of the CVN force. Additional East Coast CVN homeports would reduce risk and provide strategic flexibility in the event of natural disaster, manmade calamity, or attack.

Current fiscal constraints dictate that the Navy continue to defer the investment to build new capacity or repurpose existing infrastructure to develop another East Coast CVN homeport.

The Navy's current SLD Plan (SLD17) does not reflect another East Coast CVN homeport; however, SLD18 will re-evaluate the strategic dispersal of our CVN force in light of the fiscal and strategic environment.

*Question.* Your testimony highlighted investing in Cyber Warfare and Supporting Combatant Commanders yet fiscal year 18 woefully underfunds both areas. Cyber Warfare received funding for only one MILCON project and support to Combatant Commands amounted to less than 10 percent of the budget.

Do you plan to increase the priority and funding for these two critical areas? Are funding levels of Cyber and Information Warfare Training Centers such as Corry Station adequate to meet rising Cyber force demands?

*Answer.* The Navy's Shore Mission Integration Group performs a rigorous review and assessment annually in order to prioritize hundreds of valid facility investment requirements across all strategic initiatives and warfare enterprises, including Cyber Warfare, within current fiscal constraints. Priority is placed on capital investment projects that will prevent mission failure, increase facility optimization, and

sustain critical power, cyber-security and utility capacity. The Navy is sustaining infrastructure investment levels necessary to support key Cyber Warfare requirements.

*Question.* The creation of CYBERCOM calls for an increase in critical skilled workforce that will need to be trained and retrained. Joint-service Department of Defense training centers such as Corry Station in Pensacola, FL are vital to meeting the cybersecurity demand. In the case of Corry Station, how does the Navy plan to improve the training facilities? In some cases, there were students training in World War era hangars.

*Answer.* Through the Navy's Manpower, Personnel, Training and Education Enterprise Global Shore Infrastructure Plan, facilities that support readiness and training are constantly assessed and prioritized for targeted investment within current fiscal constraints. To that end, the Navy is closely aligned with Cyber Command to ensure infrastructure requirements that support new and expanding missions, including training cyber warriors at Corry Station, are well understood and deliberately programmed.

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* Yes. The Navy maintains constant and open dialogue with EUCOM to ensure infrastructure requirements that support force structure in the EUCOM AOR are well understood and deliberately programmed. We appreciate Congress' support of the European Reassurance Initiative to help meet these needs.

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#### QUESTIONS SUBMITTED BY SENATOR TOM UDALL

*Question.* The Navy will experience the impacts of climate change sooner rather than later as sea levels rise and wreak havoc on our Naval bases. For example Norfolk has already experienced severe flooding. This is only the beginning. In light of the President's decision to pull out of the Paris agreement and the likely worsening of the impacts of climate change that will result how is the Navy preparing its construction projects to mitigate against this threat along the coastline?

*Answer.* The Navy is incorporating the risks of sea level change into its Military Construction planning and risk management processes in order to mitigate their effects, including:

- Addressing potential climate impacts in risk-based threat hazard and vulnerability assessment protocols supporting the critical infrastructure program and mission assurance policies.
- Considering climate effects in encroachment management programs when assessing potential threats to the viability of, and continued access to, areas needed to conduct military testing and training required to maintain mission capabilities.
- Revising Department of Defense Unified Facilities Criteria to incorporate the impacts of sea level change, storm surge and extreme weather over the life-cycle of a Military Construction project.
- For current and future projects located in 100-year floodplain(s), we have assessed flood hazards and vulnerabilities during design and implementing necessary mitigation efforts.

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops.

Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* The Department of Defense is very concerned about the potential use of commercial drones for surveillance of our bases and other assets. Additional information regarding Navy concerns can be provided in a classified briefing, if requested.

## QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER MURPHY

*Question.* Pier 32 at the New London Submarine Base is desperately in need of an upgrade to meet safety and security requirements. My understanding is that the piers construction planned for fiscal year 19 has now been delayed for several more years—can you please explain this delay and the new anticipated construction date? Further, will the new Pier 32 be designed and built to meet length and width requirements for Block V and beyond VPM-enabled boats?

*Answer.* The Navy prioritizes our military construction budget request every fiscal year to ensure we provide maximum support for warfighting readiness within fiscal constraints. As a result, specific projects beyond the budget year often fluctuate. Although the fiscal year 2019 budget request is still pre-decisional, the Navy will continue planning and design efforts in fiscal year 2018 for a future project to replace SSN berthing at Pier 32. The military construction project for Pier 32, as currently planned, does not support BLK V with VPM requirements. While project's scope and cost are not finalized at this time, the latest analysis shows that Piers 31 and 17 are better suited to be lengthened to support VPM-enabled boats.

*Question.* Will the Navy be using part of the \$240 million additional funding in fiscal year 17 marked to restore readiness to accelerate the planning for the engineered overhaul of the USS Boise to return it to the fleet a year earlier than planned?

*Answer.* The Navy is dedicated to accomplishing crucial maintenance on operational submarines and delivering mission ready assets to the Fleet in a timely manner. To this end, the Navy issued a competitive solicitation of the USS BOISE (SSN 764) Engineered Overhaul (EOH) on March 17, 2017, and is in the process of conducting a limited competition between General Dynamics Electric Boat and Huntington Ingalls Industries-Newport News Shipbuilding. While the capacity and capability may exist in the private sector in the mid-2018 to start execution of BOISE's EOH, the Navy's ability to accelerate this procurement is constrained by the planning effort required, availability of funds, and acquisition timeline. Planning for this major availability requires 12 to 15 months of effort. The planning effort is currently budgeted for fiscal year (FY) 2018 which will result in the EOH starting in fiscal year 2019 due to the required planning timeline. The additional Operation and Maintenance funding in fiscal year 2017 was prioritized for other critical readiness needs. Although beginning the BOISE EOH earlier is highly unlikely due to these constraints, the Navy will continue to review and pursue viable opportunities for acceleration during the planning process.

## QUESTIONS SUBMITTED TO MAJOR GENERAL JOHN J. BROADMEADOW

## QUESTION SUBMITTED BY SENATOR MARCO RUBIO

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* The Marine Corps does not have any current military construction requests in the EUCOM AOR. Some infrastructure work (non-military construction) has been required and completed to support current force presence in Europe; however, the Marine Corps is not dependent on MILCON for a rapid buildup of forces in the AOR.

## QUESTION SUBMITTED BY SENATOR SENATOR TOM UDALL

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops. Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* The Marine Corps is concerned about the exponential rise in the number of drones, the enhanced capability of those drones and the ability to operate in the vicinity of our bases and stations. Addressing this challenge will take a whole of government approach and progress is being made. For instance, DoD is partnering with the FAA to create a new category of airspace that will be placed over our bases

and stations to establish areas where drones should not be operating without permission from the installation commander. This will help us to identify unauthorized drone activity which is a necessary step in countering potential drone threats.

Additionally, OSD has recently provided the services with enhanced authorities for dealing with drone incursions. On the technology side, there are a number of counter UAS projects under development which will further enhance our Installation Commanders' ability to protect our bases and station from unwanted drone incursions.

It is important to note that the efforts to curtail nefarious uses of UAS technology runs concurrent with efforts to support the legitimate use of UAS technology by both the local communities near our installations and for military applications under the supervision of installation commanders. We will continue to engage our local partners to protect civilian commercial applications and recreational activities to prevent unneeded interference with military operations and training. UAS technology provides innovative opportunities for military application on our bases as well. We are in the process of implementing policies and procedures which will allow us to capitalize on these opportunities while protecting our people and assets from potential risks and threats.

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#### QUESTIONS SUBMITTED TO MAJOR GENERAL GREEN

##### QUESTION SUBMITTED BY SENATOR SENATOR JOHN HOEVEN

*Question.* Please provide an update on the Air Force plans to replace weapons storage areas (WSAs) across the installations under Air Force Global Strike Command. Please also include when the committee can expect to receive a request for funding to replace the WSAs.

*Answer.* The AF is replacing antiquated (1950s/1960s-era) Weapons Storage Areas (WSAs) at operational Intercontinental Ballistic Missile (ICBM) and nuclear bomber installations through the Weapons Storage Facility (WSF) Investment Strategy.

Our current plan is as follows:

- Fiscal year 2016—F.E. Warren AFB, WY—ICBM Facility \$95 million (we expect construction contractor bids in November Nov 2017)
- Fiscal year 2019—Malmstrom AFB, MT—ICBM Facility; \$150 million\*
- Fiscal year 2020—Barksdale AFB, LA Bomber Facility; \$502 million\*
- Fiscal year 2022—Whiteman AFB, MO Bomber Facility; \$520 million\*
- Fiscal year 2025—Minot AFB, ND Bomber and ICBM Facility; costs TBD\*

\*Projects beyond the current fiscal year 18 Budget Submission are subject to change based on continued refinements to cost estimates, requirements definition and operational mission needs.

Our current plan is to continually reevaluate our WSF construction execution plan in order to to apply lessons learned from each WSF construction project and to execute the program as efficiently and effectively as possible.

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#### QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

*Question.* The Air Force Development Test Center's (AFDTC) overall mission is to plan conduct, and evaluate testing of U.S. and allied nonnuclear munitions, electronic combat, target acquisitions, weapon delivery, base intrusion protection, and supporting systems.

AFDTC carries out this work at Eglin Air Force Base, FL, whose land test areas encompass 463,000 acres, and water test areas cover 86,500 square miles in the Gulf of Mexico, the largest Department of Defense test and training area in the world.

In order to continue to conduct safe but robust testing of our military's newest munitions and systems, deployed by our fastest and longest-range aircraft, surface, and subsurface vessels, test and training range instrumentation must be modernized. What does the Pentagon plan to do to ensure our ranges continue to provide the most modern capability for training and testing of our warfighters and weapon programs?

*Answer.* Headquarters Air Force (HAF) continues to work with AFMC and the Eglin Test and Training Complex (ETTC) to identify required modernization efforts to support next generation weapons testing. These requirements are reflected in the USAF, AFMC, AFTC and 96 TW strategic plans and submitted to compete for funding through the Air Force's POM process. We are also working to implement a process for funding new Developmental Test MILCON projects using the authority pro-

vided under NDAA 2017 “Defense Laboratory Modernization Pilot Program” which will expand options for funding Eglin requirements. Investments at Eglin AFB will be required to support future programs such as F-15C/E modernization that drives higher security requirements, F-35 development/weapons testing, new Joint weapons programs, and Air Force Research Laboratory weapons research. In addition, the Gulf Range Enhancement program is under development to modernize and expand our capability to support future mission sets on the Eglin land and water ranges.

*Question.* Should the current climate escalate to threatening levels, do you believe the Military Construction requests for the EUCOM AOR will allow for a potential rapid buildup of forces? If not, what measures must be taken to ensure our forces have the infrastructure necessary should they require it?

*Answer.* The ongoing and planned European Reassurance Initiative (ERI) construction will increase the ability of the NATO member states to beddown both visiting and deployed U.S. Forces in support of the EUCOM Commander. The ERI bolsters the security of our NATO allies and partners in Europe as well as improves operational capabilities of deploying U.S. forces. The ERI construction program started in fiscal year 2015 with an initial investment of \$201.4M and is postured to execute another \$293 million in fiscal year 2018. U.S. forces in Europe continually assess their infrastructure requirements and submit MILCON requests for prioritization by the Department of Defense when appropriate and executable.

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#### QUESTIONS SUBMITTED BY SENATOR TOM UDALL

*Question.* As the F-16 transition at Holloman progresses, can I have your assurance that you will work with the Department of the Army and both White Sands and Holloman Air Force Base to ensure that base has the resources and facilities it needs to train the next generation of F-16 pilots?

*Answer.* Yes, the Air Force will continue to work with the Department of the Army and both White Sands and Holloman Air Force Base to ensure that they have the resources and facilities it needs to train the next generation of F-16 pilots. On 1 Jun 17, the Air Force selected Holloman AFB as the interim location for two additional flying training unit (FTU) squadrons of F-16s (45 aircraft total), for up to 5 years, pending a final basing decision. The Air Force has been working with White Sands to ensure adequate range availability for pilot training, and is in negotiations with the German Air Force (GAF) at Holloman to lease facility space for F-16 usage. The GAF plans to vacate these facilities no later than 2019. Training a sufficient number of F-16 pilots is a high Air Force priority, as evidenced by our immediate decision to temporarily place the new FTUs at Holloman while a final base decision is developed.

*Question.* In addition to near peer competitors, there is open source reporting on the proliferation of small off-the-shelf drones being utilized in Syria and Iraq to provide Intelligence, Surveillance, and Reconnaissance and offensive capability against the United States and coalition troops. Likewise commercial drones have been sighted near many U.S. bases, raising concerns that adversaries could be surveilling these facilities. Force Protection in mind when it comes to military construction. How concerned are you with the proliferation of this technology? And how are you working to ensure that bases and new projects are protected from this capability?

*Answer.* The Air Force is certainly concerned and paying attention to the proliferation of small unmanned aerial systems for all the reasons cited in your question. From a force protection and facility perspective, the AF considers the probability of an adversary event as measured against the expected survivability and consequence of particular facilities in relation to the full spectrum of threats. In this view, we are constantly reevaluating the resource investment to protect from threats as they evolve. In regards to military construction, we allocate our resources against prioritized requirements to best meet the needs of the Service from both a utility and force protection perspective. Furthermore, the current and perceived near-term concerns with drones and their ability to damage hardened (i.e., brick and mortar) facilities are in the early stages of analysis to include the full spectrum of responses and associated risk.

In the Homeland, our current efforts include working with our interagency counter-parts to balance the civil liberties of our citizens and the necessity for national security through the implementation of small unmanned aircraft systems (i.e., drones) flight restrictions. We are also working on fielding counter drone capabilities at some of our most critical locations.

*Question.* There are two projects on the fiscal year 2018 unfunded priority list for Kirtland Air Force Base. Can you please describe the scope of these two projects

and why it is important for the Congress to support funding for these projects during this fiscal year? With regards to the project to “Replace Fire Station 3” what is the impact on fire protection if it is not funded? With regards to project title “Wyoming Gate Upgrade for AT Compliance” what is the impact on force protection measures if the project is not funded?

*Answer.* The “Replace Fire Station 3” project will construct a new fire station that meets all the National Fire Protection Association (NFPA) 1500 Standard, Chapter 9 and life-safety code requirements. The new fire station will be located in an area of the installation that will enable fire fighters to meet mandated NFPA response times. The current fire station was constructed in 1955 and fails to meet the minimum NFPA standards. The parking bays have been identified by the wing’s safety office as a risk to fire crews due to the potential crushing hazard of personnel when backing a fire apparatus into the fire apparatus bays. A Fire Safety Deficiency I (the highest risk level) is assigned for multiple facility life-safety code deficiencies that create great risk to life and mission continuity. If it remains unfunded, the current fire station location will continue to fail to meet the primary mission factors necessary in determining fire emergency services mission capability.

The “Wyoming Gate Upgrade for AT Compliance” project will re-align Wyoming Boulevard entrance to Kirtland AFB for traffic calming, install standard Air Force security measures for an access control point, and construct a new visitor control building with 24/7 operations capability. The current Wyoming Gate does not meet minimum anti-terrorism (AT) standards set after 2001. Vulnerabilities at the Wyoming Gate have been identified in numerous installation and higher headquarters assessments at the installation. Updated gate infrastructure increases the ability of security forces personnel to effectively and efficiently prevent unauthorized personnel from accidentally or maliciously entering the base. If not funded, vehicle speeds approaching the gate will continue to create a significant vehicle ramming vulnerability due to the straight-in/straight-out configuration, which, when paired with narrow lanes, also contributes to greater risk for vehicle collisions during normal operating conditions. Without a Visitors Center, the gate will not have the means to properly process visitors which will cause security forces personnel to deny visitors/vehicles at the gate and distract from the mission.

#### SUBCOMMITTEE RECESS

Senator MORAN. And with that, our hearing is adjourned.

[Whereupon, at 4:13 p.m., Tuesday, June 6, the subcommittee was recessed, to reconvene subject to the call of the chair.]