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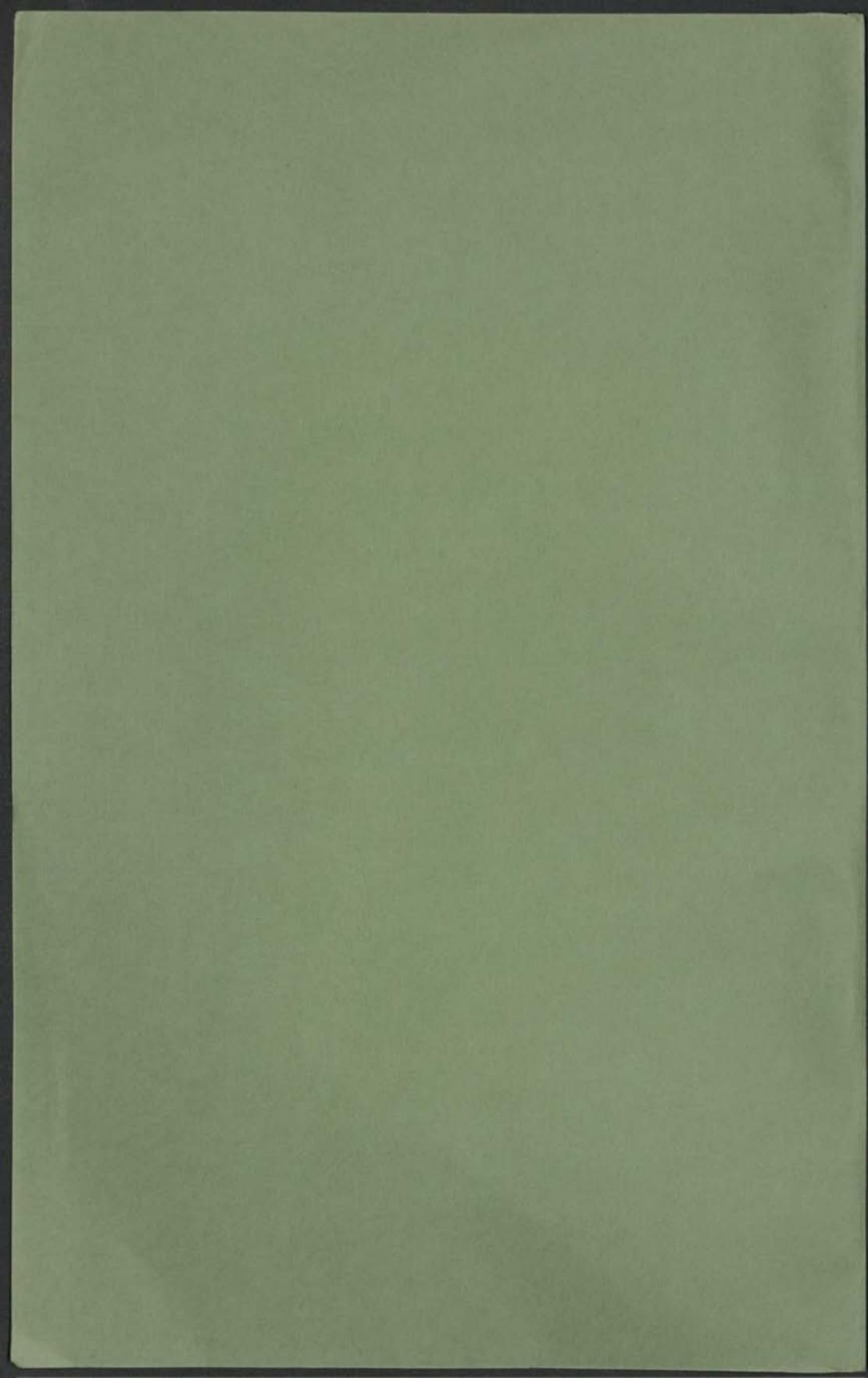
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MILITARY CONSTRUCTION APPROPRIATIONS FOR
FISCAL YEAR 1978

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

H.R. 7589

AN ACT MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1978, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



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COMMITTEE ON APPROPRIATIONS

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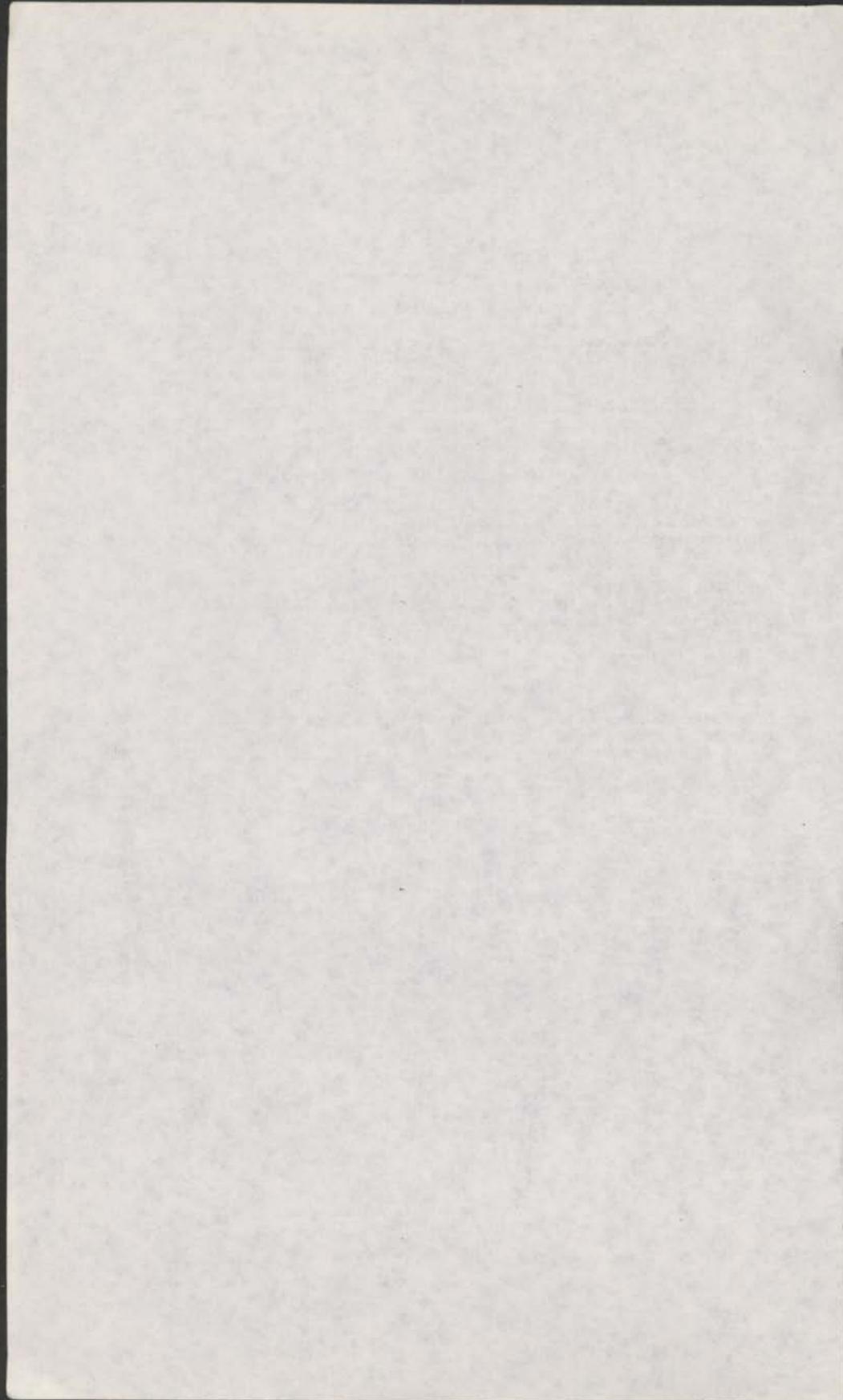
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MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1978

TUESDAY, FEBRUARY 22, 1977

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

The subcommittee met at 10:25 a.m. in room S-146, the Capitol,
Hon. J. Bennett Johnston (chairman) presiding.

Present: Senators Johnston and Stevens.

DEPARTMENT OF DEFENSE

INSTALLATIONS AND HOUSING

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE, INSTALLATIONS AND HOUSING

ACCOMPANIED BY:

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BUDGET REQUEST

Senator STEVENS [presiding]. I am sorry we kept you waiting .We had a bit of a conflict.

This is the day to receive testimony in support of fiscal year 1978 budget request for military construction. This program encompasses worldwide facility construction and modernization for our Active, Guard and Reserve forces, U.S. contributions to the NATO program, the construction, operation and maintenance of military family housing, payment on outstanding past housing mortgages, assistance to certain military homeowners and some forms of community impact assistance.

DECREASE IN FISCAL YEAR 1978 REQUEST

The appropriations request for fiscal year 1978 is almost \$2.9 billion, or over \$600 million below amounts enacted in fiscal year 1977. This is not the complete picture, though. The total program we are considering is actually \$183 million higher, since that amount of available prior-year assets is being applied to offset gross requirements.

If we exclude some \$116 million associated with reduction in mortgage indebtedness, the fiscal year 1978 program is \$724 million below fiscal year 1977 levels, with the construction portion declining by almost \$900 million. This significant decrease is attributable to a construction moratorium pending the outcome of a comprehensive study on domestic military installation needs.

The chairman has some reservations on this wholesale approach. He has indicated that we will go into that in more detail later.

We had hoped President Carter's recommended budget adjustments would have been transmitted early enough so that any pertaining to military construction could have been incorporated into today's presentation. As I understand it, though, that budget amendment is to be officially forwarded today, and congressional leaders received highlights yesterday.

In that context, it would be appreciated if witnesses would expand their remarks to address any adjustments to the program now before us.

The principal witness this morning is the Honorable Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing who, I understand, will present a general overview and major highlights of the fiscal year 1978 request. We are also to hear testimony on the Defense Agencies and Family Housing programs.

In subsequent meetings, the chairman indicates we will be exposed to the specific requests of the individual services in somewhat more detail.

Mr. Secretary, do you have a statement to make this morning?

Mr. FLIAKAS. Yes, Mr. Chairman.

If I may, I would like to brief it, highlight it, and then submit it in its entirety for the record. It is a comprehensive, fairly lengthy statement.

Senator STEVENS. I think that will be proper, if you would like to do it that way.

STATEMENT HIGHLIGHTED

Mr. FLIAKAS. Mr. Chairman, I am pleased for the opportunity to again appear before this committee and present the fiscal year 1978 Department of Defense Military Construction Appropriation program. The program we are presenting today has been developed in consonance with the 5-year defense plan and has taken into consideration a great number of diverse contributing factors, including the ongoing total force policy, the condition and adequacy of existing facilities throughout our physical plant, overall priorities and special needs generated by new and developing weapons systems and to the extent permissible, long-range requirements for modernization and replacement of obsolete facilities.

The new appropriations request for fiscal year 1978 totals \$2,821,440,000. In fiscal year 1977, the Department of Defense requested \$3,579,500,000, or some \$758 million more than is in the current program. Actual enactment in fiscal year 1977 totaled \$3,451,306,000, or almost \$630 million more than we are requesting for this year.

The sharply reduced program for fiscal year 1978 reflects a conscious effort to restrain a substantial amount of construction at domestic bases pending a comprehensive study of the services' basing structures.

Senator JOHNSTON [presiding]. Please excuse my tardiness. I was testifying before the Agriculture Committee.

Mr. FLIAKAS. Good morning, sir.

With your permission, I will continue to just summarize my statement.

Senator JOHNSTON. Yes.

Mr. FLIAKAS. A comparison of the fiscal year 1978 proposed program with that requested and enacted for a comparable 12-month period in fiscal year 1977 is on page 2 of my statement.

AMENDMENTS TO DEFENSE BUDGET

Mr. Chairman, as you are undoubtedly aware, the Secretary of Defense today announced certain amendments to the Defense budget, one of which—several actually—affect the military construction program we are addressing today. My statement was made up substantially based on the Ford administration submission, but I am prepared to offer testimony in support of the President Carter amendment.

Senator JOHNSTON. That is the \$200 million additional—

Mr. FLIAKAS. Yes, sir, actually the amendment adds a total of \$310 million to the 1978 military construction appropriation request. Of this amount, \$200 million is in the United States and \$110 million is overseas. I will be happy to provide additional details on the makeup of that \$200 million.

Senator STEVENS. Do you have a summary of just what is in the \$200 million and \$110 million?

PREPOSITIONED STOCKS

Mr. FLIAKAS. Yes, Mr. Stevens. I can submit this for the record. It is made up of a number of projects. Very briefly, there are about \$48 million or \$49 million at Fort Polk, La.; there are two projects at Fort Ord; there are three projects, for a total of about \$25 million, at Fort Benning, Ga. The total for the Army in the Z.I. amounts to about \$79 million. In addition, the Army has in the amendment, \$50 million in Europe for facilities for prepositioned stocks, primarily in Germany.

Senator JOHNSTON. Preposition stocks?

Mr. FLIAKAS. Yes, sir.

Senator JOHNSTON. Ammunitions—

Mr. FLIAKAS. Ammunition and equipment that is prepositioned and destined for units that are designated to go to Europe in the event of a conflict.

Senator STEVENS. They are not in Europe but they are destined to go to Europe?

Mr. FLIAKAS. The units are not in Europe. The stocks are. These are equipment and ammunition for those units.

The Navy addition is for 49—

Senator JOHNSTON. Let me interrupt you there. This is light equipment; this is not tanks?

Mr. FLIAKAS. There are some tanks; yes, sir. They are in what is called POMCUS. I am not sure what the acronym stands for but it is prepositioned material, including heavy equipment that is in dehumidified storage areas. The equipment is buttoned up and is exercised periodically for use by units that rotate or will be rotated.

INABILITY TO TRANSPORT LARGE EQUIPMENT

Senator JOHNSTON. One of the criticisms of our program—when we are talking about our ability to strike quickly anywhere in the world—is our inability to get our equipment there because our planes do not carry the big tanks. What you are saying, in effect, is that we have a full mix of our equipment over there prepositioned in Europe; in case of an attack, we can bring a division over and they would be, in effect, fully equipped?

Mr. FLIAKAS. That is essentially correct, Mr. Chairman. The details probably could be fleshed out by the Army witnesses; with respect to the numbers and the units, how much in terms of days of supply—

Mr. HARRINGTON. Personnel carriers, things of that nature—as you say, stock that normally requires too much airlift in order to get them over.

Mr. FLIAKAS. The Navy total is some \$49.6 million. Principally there are some shipyard modernization projects at the Philadelphia Shipyard, Norfolk Naval Air Station, Long Beach Shipyard and the Mare Island Shipyard. Again, sir, I will submit a detailed project listing for the record.

The Air Force total is for some \$61.8 million in the United States at some 19 or 20 different installations made up primarily of operational, training and logistic facilities.

In addition to that total for the Air Force in the United States, there is \$60 million for overseas, again in Europe, \$30 million for shelters and another \$30 million for readiness facilities and passive defense activities and facilities, for a total of \$60 million overseas.

In addition to the Army, Navy and Air Force totals, there is some \$9.5 million for family housing—100 units of new construction at Fort Polk for \$3.545 million plus \$3 million for the Navy and \$3 million for the Air Force for improvement projects to family housing in the United States. That total, then, comes to some \$310 million, which is in the President's submission today to the Congress.

As I indicated, the table on page 2 of my statement does not include this addition.

[The information follows:]

The additional projects included as a result of the President's proposed budget amendment follows:

Installation and project

	<i>Cost (thousands)</i>
Title I—Army:	
Fort Polk, La.:	
Hospital	\$44,340
Tactical equipment shops	4,380
Fort Ord, Calif.:	
Tactical equipment shops	2,671
Direct support maintenance facility	1,478
Fort Belvoir, Va.: Defense systems management college	354
Fort Benning, Ga.:	
Dental clinic	3,279
Barracks complex	16,104
Reception station	5,886
Fort Sill, Okla.: Health clinic	370
U.S. Military Academy, N.Y.: Air-condition print plant	238
Europe: Storage for repositioned stocks	50,000
Army totals: Authorization/appropriation	<u>129,100</u>
Title II—Navy:	
Philadelphia NSY, Pa.: Propeller facility	11,750
NAS Norfolk, Va.:	
Insulation and storm windows	100
Heat, ventilation and air conditioning	700
Lighting system	300
Runway extension	10,300
Air freight terminal	2,950
Naval Amphib School, San Diego, Calif.: Surface warfare officers school	3,450
Long Beach NSY, Calif.: Pier conversion	4,400
Mare Island NSY, Calif.:	
Crane service berths	4,700
Electrical distribution lines	6,050
NSY Puget Sound, Wash.: Waterfront support facility	3,000
NRMC Pearl Harbor, Hawaii: Medical/dental clinic cost adjustment	350
Navy totals: Authorization/appropriation	<u>49,600</u>
Title III—Air Force:	
Hill AFB, Utah: Hazardous material storage facility	1,558
Kelly AFB, Tex.: Logistical material storage facility	5,676
Tinker AFB, Okla.:	
A/C fuel system maintenance and corrosion control	3,220
Composite medical facility	8,800
Shemya AFB, Alaska:	
Gymnasium	1,654
Base operations	1,440
Luke AFB, Ariz.: Alter BEQ	2,200
Altus AFB, Okla.: Walter pollution abatement	660
Kirtland AFB, N. Mex.: Fire prevention (Sandia)	362
Eglin AFB, Fla.:	
Armament systems integration facility	3,915
Life support systems facility	1,576
Addition to explosive propulsion facility	240
Wright-Patterson AFB, Ohio: Technical intelligence photo process facility	1,893
Sheppard AFB, Tex.: Cold storage facility	980
Pope AFB, S.C.: Replace and widen taxiway	765
Ellsworth AFB, S. Dak.: Land acquisition (AICUZ)	125

<i>Installation and project</i>		<i>Cost</i>
Title III—Air Force—Continued		<i>(thousands)</i>
Holloman AFB, N. Mex. : Visiting officers quarters	-----	1,585
Andrews AFB, Md. : Security police operations	-----	692
Lackland AFB, Tex. : Dental clinic	-----	4,700
Mather AFB, Calif. : Airmen dorms (appropriation only)	-----	1,439
Travis AFB, Calif. : Alter airmen dorms	-----	3,560
McGuire AFB, N.J. : Refueling vehicle shop	-----	415
March AFB, Calif. : Aircraft corrosion control	-----	1,387
Pease AFB, N.H. : Control tower	-----	910
Offutt AFB, Nebr. : Emergency power plant	-----	1,364
Seymour-Johnson AFB, N.C. :		
Squadron operations	-----	1,503
Aircraft maintenance control shop	-----	903
Aircraft general purpose shop	-----	1,410
Langley AFB, Va. : Addition to data processing facility	-----	3,488
Various locations : Avionics systems training facility	-----	3,380
Various locations, Europe : aircraft shelters	-----	30,000
Readiness facilities	-----	25,000
Passive defense facilities	-----	5,000
Air Force totals :		
Appropriation	-----	121,800
Authorization	-----	120,361
Title V—Family housing, Defense :		
Army :		
Fort Polk, La. : 100 units family housing	-----	3,545
Various locations : Minor construction reduction	-----	(45)
Navy : Various locations : Family housing improvements	-----	3,000
Air Force : Various locations : Family housing improvements	-----	3,000
Total, family housing	-----	9,500
Total, all accounts :		
Appropriation	-----	310,000
Authorization	-----	308,561

SPECIAL AREAS OF REQUEST

Mr. FLIAKAS. Against that general background, Mr. Chairman, I would now like to address the program in its totality and, to some extent, highlight those areas within this year's request which we consider of special significance.

EFFECT OF CONSTRUCTION COST INFLATION

Again this year, as last, we have had to recognize the real continuing effect of inflation, both in materials and labor costs.

Although these trends have moderated somewhat since last year and we hope for a further decrease in the current rate, as realistic program managers we have provided what we believe to be a prudent allowance for cost rises in the industry.

For the projects in our fiscal year 1978 military construction program, we have developed estimates to include an allowance for cost growth to the midpoint of the construction period. This allowance is at a rate of 8.3 percent per year through calendar year 1977 and reduces to 8 percent per year for any construction which extends beyond

that time. The total estimated impact of this allowance for cost growth is approximately \$112 million.

Senator JOHNSTON. Let me interrupt you there. Do you prefer to finish your statement?

Mr. FLIAKAS. Any way you like, Mr. Chairman. I will respond to your questions.

Senator JOHNSTON. I will come back but I want to make a point on this.

Mr. FLIAKAS. What I had in mind was to brief the entire statement.

Senator JOHNSTON. Why don't you go ahead and do that, then?

COSTS FOR MILITARY CONSTRUCTION PROJECTS

Mr. FLIAKAS. I would like to say our experience with costs for military construction projects during the past year was excellent. There was considerable competition for our work with the majority of low bids below the projects programed amounts. Similar to last year, this experience was a reflection of the depressed state of the construction industry with its continuing rate of high unemployment.

Based on consultations with civilian construction industry leaders, trade association projections and Government estimates, we believe that our construction cost growth allowance will be adequate to cover construction cost inflation for the fiscal year 1978 program.

For the second consecutive year, we experienced a record performance in the award of our military construction program. The military departments have done an excellent job in getting the projects on the street and awarded early. By December 31, 1976, almost 93 percent of the fiscal year 1976 program was executed, which far exceeded the performance of prior years. We are continuing to stress the need to place our approved fiscal 1977 projects under contract as early as possible.

ENERGY CONSERVATION INVESTMENT PROGRAM

This year we are continuing our departmentwide program to emphasize the facilities energy conservation investment effort albeit at a somewhat reduced funding level. As I think you know, the program is aimed at retrofitting existing facilities as a positive means of conserving all types of energy and reducing utilities cost increases to the minimum.

A 7-year program has been identified at an overall cost of \$722 million. For 1978 we are requesting an expenditure of \$17.5 million while the fiscal year 1979 program is being proposed at a level of \$179.1 million. The disparity in amounts between 1978 and 1979 is a result of project deferrals from fiscal year 1978 to 1979 pending completion of the previously mentioned base structure studies. All projects for this program will amortize in 6 years or less.

HEALTH FACILITIES MODERNIZATION

You will recall that this program was initiated 4 years ago to bring the long neglected military health care facilities up to an acceptable and efficient functional standard. We made a good beginning over the first 3 years with approval of an average of \$242 million of proj-

ects per year. Last year, circumstances required that the program be reduced to \$145 million, and the overall general restraint this year will limit the 1978 proposal to \$48 million. The cutbacks will probably require the extension of this program through 1982.

TRIDENT SUPPORT FACILITIES

The military construction program in support of the Trident weapons system is currently under way with significant construction already in place at Patrick Air Force Base, Indian Island and the U.S. Naval Submarine Base, Bangor, Wash.

Congress appropriated \$212.3 million for 1974 and 1975. Approximately 70 percent of the combined program is completed. In 1976 Congress appropriated \$142 million. Of the 31 subprojects in that program year, 22 are under contract with seven more to be awarded by April. All subprojects will be under contract by June of this year.

Senator JOHNSTON. Now, these are projects for what—for the housing associated with Trident?

Mr. FLIAKAS. Yes, sir, not only housing. The training facilities, the operational facilities, the drydock, the missile-handling pier, all the waterfront as well as the logistic facilities for handling of the missiles as they are delivered and taken off of the boats and the housing of the personnel.

Senator JOHNSTON. Right now it is all done out of Seattle?

Mr. FLIAKAS. The construction work?

Senator JOHNSTON. No—

Mr. FLIAKAS. Bangor, Wash., is perhaps an hour's drive from Seattle.

Senator JOHNSTON. That is what I mean. Cape Canaveral will give us an addition?

Mr. FLIAKAS. There is some construction at Cape Canaveral essentially complete for launch complexes and R. & D. facilities in support of the development of the Trident missile itself. But the first 10 submarines in this program will all be based in the Pacific at the Bangor, Wash., site.

Senator JOHNSTON. Excuse me; I just thought that was a change. I was thinking of Bangor, Maine.

Mr. FLIAKAS. It is in Seattle—very close to Seattle.

TRIDENT CONSTRUCTION PROGRAM

The Trident construction program essentially is on schedule with all necessary facilities planned to be operational to support the deployment of the first Trident submarine in September 1979. In 1978, the Navy is requesting \$121.4 million for the continuation of this program. Navy witnesses will provide full details of the construction status of this program during their appearance before this committee.

NUCLEAR WEAPONS SECURITY PROGRAM

Security improvements have been initiated at our worldwide nuclear weapons storage sites to reduce their vulnerability to terrorist attack. Construction awards for the first 14 sites in NATO countries should be accomplished by the early spring 1977. Additional awards

for construction at NATO sites are programmed through 1978. The work at our CONUS and overseas sites is essentially on schedule.

RECOUPMENT OF NATO UPGRADE COSTS

We are requesting this year \$89.8 million for work inside and outside the United States. The total funds authorized and requested through fiscal year 1978 are slightly more than \$260 million. Because a considerable number of the sites are in the NATO geographical area, we are seeking to recoup a major part of the NATO upgrade costs through reimbursement under the infrastructure program.

Senator JOHNSTON. What are the chances of that recoupment?

Mr. FLIAKAS. Sir, we have had some problems in getting our criteria accepted by the NATO mission. The U.S. criteria that was developed and that JCS approved, is probably 30 to 40 percent greater than what the SHAPE criteria was. We are negotiating that.

Until such time as we are in agreement, we probably will not get recoupment, or the least that can happen: We would recoup only up to that point that the NATO mission will recognize if we proceed to design and construct toward our larger—

Senator JOHNSTON. No question about getting it at least up to the SHAPE cost?

Mr. FLIAKAS. No, sir, there is no question on that.

AIRCRAFT SHELTERS

Again this year we are proposing another increment of the ongoing program to provide physical protection for tactical aircraft assigned to Europe in support of our NATO commitment. In 1978, we are requesting \$35.9 million to prefinance some 36 shelters with associated hardened support facilities for this vital program.

The funds requested will go to provide shelters for aircraft currently eligible under existing NATO criteria. To that extent, we will be able to seek recoupment of the appropriate share of their cost under NATO infrastructure.

THE NATO INFRASTRUCTURE PROGRAM ITSELF

This year, we are requesting \$85 million for the U.S. share of multilaterally financed facilities essential to improvement of the combat posture of NATO forces, including those of the United States in Europe. Under the present cost-sharing formula, the U.S. share of costs involved in such projects continues at approximately 21.5 percent when the U.S. special program is considered.

RESERVE COMPONENTS

Our facilities request for the Guard and Reserve components of the Army, Navy, Marine Corps, and Air Force is \$176.1 million. As you know, under the total force policy, considerable reliance has been placed on the combat and support—

Senator JOHNSTON. Excuse me; let me interrupt you there. We are going to have a special hearing on NATO. But you are requesting \$85 million. Is that \$85 million the 21 percent or is that 100 percent?

Mr. HARRINGTON. Sir, that is the required amount of money as is submitted by the NATO mission to pay our portion of the total.

Senator JOHNSTON. Our 21.5 percent?

Mr. HARRINGTON. That is exactly right.

Senator JOHNSTON. So the total project is four times that?

Mr. HARRINGTON. Yes; at least four times that. But this represents our obligational, you might say, responsibility to contribute our 21.5 percent—21.6, whatever it is.

Mr. FLIAKAS. Regarding the Reserve components, the maintenance, operational, training, and support facilities contained in this program directly support the evolving missions being assigned the Guard and Reserve while reducing a construction backlog that is nearly \$2 billion.

HOUSING

The family housing program alone constitutes the largest single element in this year's military construction program. This is, of course, mainly because the family housing program encompasses not only construction but also operation, maintenance, leasing, debt payment, and other support. For 1978, our program requires appropriation of \$1.4 billion. This is about \$140 million above our request for fiscal year 1977.

BACHELOR HOUSING

The bachelor housing program, which covers only new construction and modernization, requires appropriation of \$76 million. This is about \$102 million less than last year.

The DOD no longer has large overall programable deficits for new family housing units. However, we are continuing to program new units at locations where we are experiencing sizable buildups—

Senator JOHNSTON. Excuse me. What is "no longer has large overall programable deficits for new family housing units"? What does that mean?

Mr. FLIAKAS. Five or six years ago, sir, our deficit of family housing was perhaps 130,000 to 150,000 units. We calculated the deficit in those areas where people either cannot find housing suitable or adequate within their means or where there is no housing, like in some of these new areas.

Over the years, because we have programed some 50,000 or 60,000 of units of housing over the last 6 or 7 years, plus the advent of the comparability pay raises, particularly in the lower grades of the military—have brought about a situation where our deficit, our statistical deficit as we calculate it, is only about 6,500 now throughout the DOD.

This, of course, is for only those that are considered eligible for housing. We have discussed with you at other times the fact we have an additional population in the lower grades that we do not consider eligible for housing. These are the E-4's with less than 2 years in the military and below.

As I indicated, we do program new construction where we are experiencing sizable buildups and where there is no current alternative to new construction. Accordingly, our request is for 856 units contained in this year's program. Additionally, the decision to examine domestic basing requirements has placed a constraint on programing new housing.

This has also resulted in a limited program for bachelor housing. We are requesting this year 4,816 units of new construction and the modernization of 3,584 spaces of existing bachelor housing. These are for minimum essential requirements at carefully selected locations.

FAMILY HOUSING REQUESTS

The family housing request for operation, maintenance, and debt payment is higher than last year's request, due to the increased costs of utilities and operations and reflects the first year funding of a program designed to reduce our maintenance deficiency to a manageable level by the end of fiscal year 1982.

As this committee knows, and has consistently supported and urged, we have been trying for some time to obtain Department of Housing and Urban Development assistance in obtaining legislation which would permit HUD to issue mortgage insurance commitments for speculative building in military impacted areas.

These military impacted areas are places like Folk Polk, for example, or Fort Stewart, and in Bangor, Wash., where it has not been considered that a suitable secondary market exists to permit FHA mortgage insurance.

This year's program was developed under the previous administration with the understanding that legislation would be proposed which would provide HUD the capability of stimulating community housing development in areas surrounding remote installations. This legislation which would amend section 238 of the National Housing Act is under consideration by the new administration.

Senator JOHNSTON. That does not require legislation, does it?

Mr. FLIAKAS. It would require amendment to the National Housing Act. This is legislation that was passed by the House last year as a late starter, but the Senate Banking and Currency Committee did not take action on it and it was subsequently deleted in conference. It did not come before this committee, so it would be before the Banking and Currency Committee. But it is legislation that would measurably assist the Department of Defense since we could rely on private development in these remote areas rather than have to make the investment on base ourselves.

Senator JOHNSTON. I thought we could do that, though, under this existing program. I knew there was legislation.

SECTION 318 LANGUAGE

Mr. FLIAKAS. There was, sir. You may be referring to what was the old section 318 language but HUD found that legally deficient. They could not implement it according to their interpretation of their statutes requiring economic soundness and, therefore, new legislation was required. We developed this with HUD, principally by HUD, and it was introduced last year. But, as I say, it failed.

Senator JOHNSTON. What does the Carter administration propose to do about that, do you know?

Mr. FLIAKAS. I cannot say, Mr. Chairman, except that we have urged HUD to propose legislation. It is under review by the new team at HUD and at OMB.

I would like to mention one other program change we are proposing this year to improve our family housing situation in foreign countries.

We have been trying to interest investors in foreign areas to build housing units which would be leased by the U.S. Government for assignment of public quarters. Present authority permits us to lease for no more than 5 years. There have been indications that investors would be more interested in such arrangements if we could lease for up to 10 years since this would afford more time to recoup the investor's costs.

LEASE-CONSTRUCT PROGRAM

Senator STEVENS. What is the situation here in the United States on that? You do not have that—

Mr. FLIAKAS. No, sir. We do not have what is called a lease-construct program in the United States. Although we have a domestic lease program, this is fairly modest—10,000 units. But once again we are relating back to my previous statement, we rely on HUD to stimulate private growth in the United States. Overseas, since HUD does not extend its authority overseas, we have undertaken to develop with entrepreneurs or investors housing projects that we would lease. But with a 5-year authorization, we have found it has been very limited, as far as success is concerned. We believe a 10-year period would encourage them to go into this kind of program and also lower our cost as well since amortization would be over a longer period.

We have overseas some 15,000 units authorized for leasing, but we have been unable to match this authorization. This is one of the constraints. The attraction here is that this is a limited risk to the U.S. Government, a lease arrangement rather than an acquisition or construction, particularly in these areas where perhaps our tenure is not as long as—

Senator STEVENS. Is that 5-year constraint from legislation or from appropriations?

Mr. FLIAKAS. It would be authorization, yes, sir.

THE HOMEOWNERS ASSISTANCE PROGRAM

This program provides financial assistance to Department of Defense military and civilian homeowners whose homes are located in areas where the real estate markets are depressed by military base closures and realignments.

The fiscal year 1978 program requests \$3 million to meet current and projected needs for financial assistance to eligible homeowners.

BASE REALIGNMENTS

Because of the Congress' expressed vital interest in actions affecting Department of Defense military installations, I would like to summarize what has transpired during the past year.

During March-April 1976 each of the departments announced plans to initiate formal studies of a number of candidate base realignment actions to streamline their organizations and reduce overhead. The objective was to make available resources for allocation to force modernization and to added combat capabilities for future security needs. The announcement of candidate realignment actions for study is the result of policy changes in the Department of Defense and in keeping with the spirit and intent of the National Environmental Policy Act

(NEPA) of 1969, and also recent Federal court opinions. Those new procedures allow affected Members of Congress, local communities, and other interested parties to contribute to the study effort before a base realignment decision is made.

Although a number of minor base realignment actions have been completed, studies regarding the candidate major realignment actions are underway and the results will be announced as the studies are completed and decisions are made by the Secretary of Defense.

Included in the 1977 Military Construction Authorization Act is section 612 which requires reports to the Senate and House Armed Services Committees on decisions regarding base realignment actions. At those installations where the authorized level of civilian personnel will be reduced by 1,000 or 50 percent. This applies to military installation with authorized civilian employment levels of 500 or more where the action will require the expenditure of funds authorized to be appropriated by the act.

UNSPECIFIED LOCATIONS

With reference to my earlier statement concerning the constrained military construction program for this year and a pending study of the Military Departments' domestic basing structure, I should clarify the reason for a substantial number of projects designated for construction at unspecified locations. This comes about as a result of the imposition of the constraint after all proposed projects had previously been screened and either approved or disapproved for inclusion in 1978. Although there is no argument as to the validity of the requirement, there was some degree of question as to whether the proposed location for the facility might not subsequently be changed after completion of the study. In those cases, although we have a preferred and firm location in mind, at this time we have elected to describe the proposed location as unspecified for purposes of future flexibility in accommodating to the recommendations of the basing study. The military departments will be prepared to indicate those preferred locations.

CONCLUSION

In conclusion, Mr. Chairman, I am most appreciative of this opportunity to appear before you today to present the military construction program. We would like to take this opportunity to express our appreciation for the understanding and support of this committee which has been so helpful in past years.

I do have with me, Mr. Chairman, various members of my staff. Together we will be available to answer any questions you may have regarding our proposed program.

Senator JOHNSTON. Thank you very much, Mr. Secretary.

BUDGET CUT BY PREVIOUS ADMINISTRATION

President Ford, right before he left office, sent up a budget which included a cut, as I recall, of \$861 million. Is that a correct figure?

Mr. FLIAKAS. Depending upon the various ways that this is measured, it was perhaps more than \$983 million.

Mr. HARRINGTON. Actually, \$933 million.

Mr. FLIAKAS. Excuse me, \$933 million. I can provide the exact figure.

Senator JOHNSTON. Of that amount you are restoring \$310 million?

Mr. FLIAKAS. Again, essentially that is correct except the \$110 million overseas was not included in that deletion, to my knowledge. So this is a new requirement.

Senator JOHNSTON. I understand.

Mr. FLIAKAS. It is essentially a restoration against that.

Senator JOHNSTON. The \$110 million is sort of an add-on in a different category?

Mr. FLIAKAS. A new requirement, yes, sir.

Senator JOHNSTON. Of the \$933 million, how much of that was more or less designed or ready to go during the fiscal year?

DESIGN ADVANCE

Mr. FLIAKAS. Sir, with the support of these committees we have given the military departments the authority and the funds to advance design their 1978 program. So it is under design now. Funds were not deleted from the program against our planning and design money, so we are proceeding with design essentially against the entire program.

I might take a minute to say how this was done.

The constraint or reduction was imposed primarily not with prejudice, necessarily, but to avoid any influence or any sunk costs or any projects that are being programmed for a particular installation when these installations are reviewed against future missions, and their ability to expand or contract.

All of the funds were added to the 1979 program in the out years, so it was not intended to be punitive. It was just intended that projects would be deferred pending a complete review of our basing structure.

Senator JOHNSTON. What I am getting at, Mr. Fliakas, is this: We have got programs for which apparently all of that \$933 million is needed and will eventually be spent. Am I correct in that?

Mr. FLIAKAS. Yes; you are correct in that statement. We have screened very carefully the military departments' requests. They also screen them very carefully to assure marginal projects and marginal bases are not proposed. I would have great confidence in the majority of these projects.

Senator JOHNSTON. \$933 million is a lean figure?

Mr. FLIAKAS. Yes.

Senator JOHNSTON. And are required to be eventually built. And all of this by definition is construction in the United States?

Mr. FLIAKAS. That is correct.

Senator JOHNSTON. And if we gave you back \$933 million we would pump that much into the economy during fiscal 1978. Am I correct there? How much of that would be spent in fiscal 1978?

Mr. FLIAKAS. As you know, the spend-out of military construction is rather slow. About 10 percent would be actually expended in the first year. About 50 percent in the second year. The awards, that is, the actual contract awards would be accelerated and would be made largely in calendar year 1978, but you have to understand how outlays or expenditures lag considerably behind obligations, particularly in the first year.

Senator JOHNSTON. For example, I am looking here that Congress authorized 13,754 units of new construction and you are requesting 4,816.

BACHELOR HOUSING

Mr. FLIAKAS. That is for bachelor spaces, I believe, sir. That is just for barrack spaces in housing; not for family housing.

FAMILY HOUSING

Senator JOHNSTON. What is authorized for family housing?

Mr. FLIAKAS. 856 is requested.

Senator JOHNSTON. That is requested in this present budget?

Mr. FLIAKAS. That is correct.

Senator JOHNSTON. How much is authorized?

Mr. FLIAKAS. The same amount, plus the 100 units additional in the Carter administration amendment.

Senator JOHNSTON. There has been some cut.

Mr. FLIAKAS. Yes.

Senator JOHNSTON. What I am getting at, as against the \$933 million—that is the need—how many family housing units would you have if you had the \$933 million?

Mr. FLIAKAS. I will fill this out for the record, but if I recall perhaps another thousand units or so were requested and deleted by this general reduction that we are speaking of.

[The information follows:]

There were a total of 1,810 units of family housing tentatively approved for inclusion in the fiscal year 1978 new construction program before the deferral we are now discussing.

CONSTRUCTION NEEDS

Senator JOHNSTON. What I am getting at, and it seems perfectly obvious to me, is that the military needs \$933 million worth of construction, and this is one area that is most depressed in our economy, namely, construction. You are going to build it sometime. You would save the Army money by building it now. Second, that is the best way to stimulate the economy. To me it makes absolutely no sense to be making this slash in military construction other than for the political imagery of saying we are cutting Defense.

Mr. FLIAKAS. Of course, I am here to defend the President's budget, but certainly you are right. It would cost more when you defer it because we estimate anywhere from 8 to 10 percent cost growth inflation each year. But it is intended by both the old as well as the new administration that we take a very hard look at our basing structure in the United States. We are going to make some very difficult decisions.

Senator JOHNSTON. In other words, consider closing some bases?

Mr. FLIAKAS. There may be, but what I am saying is as long as we have a force structure of the 2.1 million men and women in uniform, we should have a good handle on what our hard core and our best installations are that we should concentrate on, then I believe the construction money can be well spent. There is no question, the military departments and we would not be doing our job if we were proposing construction at marginal bases. So we believe the projects that we have proposed are good projects.

SPENDING OF ADD-ONS

Senator JOHNSTON. Let me say this: I would like to request that you go back and tell us how you would spend—we are talking about \$933 million that in effect has been cut—how you would spend add-ons. I will let you make the increments, but give us a couple of increments within that \$933 million.

Mr. FLIAKAS. Very briefly, as we did on the \$200 million amendment we would review the projects for need. This was done once but we will certainly try it again. We will review the installations at which those requirements were identified and we would certify them.

Senator JOHNSTON. What I would like for you to do is take, say, an additional \$200 million and an additional \$400 million and tell us how you would spend that, and what the effect would be with particular reference to those projects that can have the quickest spend-out and have the biggest impact in the construction industry, so that Senator Stevens and I can consider whether we want—

Mr. FLIAKAS. The biggest impact, of course, would have to be examined geographically. The unemployment situation in the construction industry ranges from 10 percent on the West Coast to perhaps 40 percent in the northeast. Overall, it is about 17, 17.5 percent throughout.

I do not know we would necessarily do it this way. We could tailor an additional requirement to those areas where the construction industry is hurting the most. I would prefer, of course, to develop those most essential projects at those most essential installations from a military standpoint that would—

Senator STEVENS. Can't you do that?

Mr. FLIAKAS. Yes; I think we could.

Senator JOHNSTON. Why don't you give us a \$200 million, \$400 million, and \$600 million add-on.

Give us some descriptions of those factors. I think that is a factor that ought to be considered if you have 40 percent unemployment in an area. On the other hand, the military requirement ought also to be considered. So you can give us your best overall judgment on that.

When I think about this program as against a \$50 tax rebate, it is not even close as to which one would do the economy the most good.

Senator STEVENS. I do not disagree with you. If we put the whole \$900 million back in, as I understand it, you would only be spending \$90 million this year.

Mr. FLIAKAS. Maybe I misled you, sir. What I am saying is we would of course endeavor to obligate and award this entire amount within the calendar year. As I indicated, we have awarded 93 percent of the entire 1976 program by the end of the calendar year.

Senator STEVENS. When are you going to spend this? That is the question.

Mr. FLIAKAS. After a construction contract is awarded and the funds are obligated, say, for a million-dollar project, usually the expenditures in that first year are only about 10 percent. That is in terms of outlays.

Senator STEVENS. I agree with the chairman, if there is some way to accelerate this construction, that is really what we are talking about.

Mr. FLIAKAS. That has been a historical point of fact that the outlays for any investment program normally lag behind, say, an operation and maintenance account which spends out almost 90 to 95 percent in the first year.

Senator STEVENS. I understand. What I would like to find out is which projects are under way that could be accelerated. The construction industry is down severely. It does seem to me that business as usual would take a year and a half to put the funds to work.

Mr. FLIAKAS. I don't want to mislead you on this point. The reason it spends out this way, normally a construction project may take 18 to 24 months for the kind of thing we are talking about.

Senator JOHNSTON. Not family housing.

Mr. FLIAKAS. Even family housing might take 18 months, perhaps more.

Senator STEVENS. We are talking apples and oranges now. At least I am. Because you have progress payments on these construction jobs. The question is how soon are people going to be put to work? If you are not going to make your progress payments until 2, 3 months after they get to work, that is another matter. I think if you are going to have an add-on we have to justify on the basis of how many people are going to go to work when.

Mr. FLIAKAS. That is correct, Mr. Stevens.

I think perhaps I misled you on this spendout discussion. We estimate that for each \$100 million of construction about 7,500 workers are placed on the job, directly on the job, and perhaps another 7,500, maybe 150 percent of that figure are affected in terms of jobs for secondary or allied industries like transportation and supply, manufacturing, et cetera.

Senator STEVENS. We postponed some family housing, my memory is, 3 years ago when Senator Mansfield was chairman, because of the pipeline. Now we are coming into a real bust year, 20,000 people going off that job at the end of this year.

I would be very interested in seeing if there are any of those things that could be cranked in so they pick up some of the unemployment next year. If you are going to crank it back in, there has got to be some indication they would, in fact be on the payroll even though you may not pay them.

Mr. FLIAKAS. This is the distinction, I think, in the discussion we have had. With the signing of the contract, a contractor then would mobilize his work force and bring on board those people required for the life of that construction project, which may be 18 months, 2 years, maybe 3 years. This would be required at the outset.

Senator STEVENS. How much of this money have you already got in the pipeline? You have some money not committed, do you not?

Mr. FLIAKAS. We are now operating against the fiscal year 1977 appropriated program and are beginning to execute that. Most of that would be awarded this spring and this summer.

TIME LIMITS ON WORK AWARDS

Senator STEVENS. Can you put that in the record, and what your timing is for that?

Mr. FLIAKAS. Yes, sir.

Senator STEVENS. At least as you see it.

[The information follows:]

For the past several years, we have been stressing the early award of our work in order to obtain early beneficial occupancy of needed facilities and to reduce the erosion of the buying power of our construction dollars. This also has assisted the economically depressed civilian construction industry. With the fiscal year

1975 and fiscal year 1976 military construction programs, we executed 67 percent and 77 percent, respectively, of each program by the end of the fiscal years. With the earlier availability of the fiscal year 1977 appropriations, we are looking to have 75 percent or more of the dollar volume of the fiscal year 1977 program executed by the end of the fiscal year. Jobs are created shortly after project awards as the winning contractor mobilizes his labor force, orders required equipment and materials and commences construction. Our program execution is a better indicator of when jobs are created than the outlay rate. Outlays reflect payment for work accomplished by contractors and these payments lag behind the actual creation of jobs.

REDUCTION IN HOUSING CONSTRUCTION NOT FEASIBLE

MR. FLIAKAS. I think the point that should be made is even though military construction is a fairly minor portion of the overall construction effort in this country, perhaps only 2 or 3 percent, the fact is it has been a steady state to the \$3 billion each year. Any reduction in that could cause some disruption in contract work forces and it could delay the start-up an inordinate length of time when it is finally picked up again, to say nothing of the additional cost.

SENATOR JOHNSTON. It is insane to shut down military construction that you have got to do anyway. The construction industry has 40 percent unemployment in some areas. So you can give everybody a \$50 rebate.

MR. HARRINGTON. Mr. Chairman, I would like to make a point on a comment Mr. Fliakas made. When you award contracts, the contractor immediately places his orders for cement, for reinforcing steel, for heating, ventilating, and air conditioning equipment. And he does this on his own credit.

The manufacturer starts to manufacture, and he hires more people if he has to. Now, the payout, the partial payment, if you will, the progress payments, may not come until months later and be reflected in the relatively low payout rate we have. But the energizing effect on employment is done the day you award the contract, because the contractor already knows what he is going to need to do the job, and he immediately places his order so he will not have any delay in getting it on the job.

So to that extent the payout factor which we use throughout Defense for investment type is a little misleading in the construction field to some extent when we award a contract it produces an effect.

EFFECT OF ADD-ONS IN FISCAL YEAR 1978

SENATOR JOHNSTON. To the extent we gave you add-ons, would it be felt in fiscal year 1978?

MR. HARRINGTON. As he said, very close to perhaps 90 percent of it would be done by the end of the calendar year 1978.

MR. FLIAKAS. We obligated, awarded, some 93 percent by the end of December in calendar 1976 against the 1976 program. We would expect to better that for the 1977 program so that by the time this program is appropriated in, say, September or October of this year, we will have largely executed the 1977 program, and cleared the way for a continual flow of contract awards against the 1978 program. This is the way we normally like to do business so the Corps of Engineers and the Naval Facilities Engineering Command can keep a steady rate of contract executions and awards.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Senator JOHNSTON. The Carter amendment for 1978 assumes the closure of the Uniformed Services University of the Health Sciences Medical School, over at Bethesda. We had a pitched battle here for 2 years. Now why does DOD suddenly back away after money had been appropriated and construction has been begun?

Mr. FLIAKAS. I think, sir, it is a very hard decision. I can only speak to the facility end and would have to defer to the medical people to indicate—

Senator JOHNSTON. This was not just a deferral, this was a decision to kill.

Mr. FLIAKAS. It was a decision to terminate the program and the project. As I understand it, the very high operating cost and the comparison of those costs of educating doctors for the military services was considered the major factor in the decision to terminate the program.

Senator STEVENS. I was involved in that, and you came up here with all kinds of rebuttal for that point of view. I cannot quite understand this 180 degree turn.

Mr. FLIAKAS. As I indicated—

Senator JOHNSTON. We all knew the dollar sign.

Mr. FLIAKAS. Yes; when you say all, there were other people that were defending it. I can only speak to the construction facility requirements of the medical university I understand what you are saying. I believe it represents a very tough decision on the part of the Secretary—

FACILITY COSTS

Senator STEVENS. Let's go to the facilities. Has the cost gone up so much on the facility to change the economics of the construction?

Mr. FLIAKAS. I do not believe there was a facility cost because they—

Senator STEVENS. How much of the money did you spend that we gave you? We faced fights 3 years in a row on this, I think, and we defeated them on the basis of need.

Mr. FLIAKAS. The first increment you will recall was for some \$15 million at Bethesda. That is almost completed—that increment—about 80 percent completed now in terms of the facility.

The second increment was for some \$69 million, and that is perhaps 17 to 20 percent completed. It has been fully awarded, and what we are faced with now from a construction standpoint is to determine whether we should terminate construction and suffer termination cost or whether we should complete the facility but redesign the interior to be adapted to some compatible use at the Bethesda grounds. These are decisions that are yet to be made, but the construction costs are largely sunk costs. They have already been appropriated and awarded and obligated. So in the entire project both increments totaled about \$85 million, I believe.

COMPLETION COSTS

Senator STEVENS. How much would it cost to finish what we originally planned?

Mr. FLIAKAS. It would cost \$85 million.

Senator STEVENS. You have that money already.

Mr. FLIAKAS. That has already been awarded.

Senator STEVENS. No more money would be required to continue what you planned?

Mr. FLIAKAS. No, sir.

Senator STEVENS. Except the money to operate.

Mr. FLIAKAS. That is correct. It was largely, sir, the operating costs that influenced the decision, not the construction cost, because the facility is there. It is coming out of the ground. It is just going to be a magnificent structure.

Senator JOHNSTON. You say, "it is going to be."

Mr. FLIAKAS. It is.

Senator STEVENS. Construction is going on?

Mr. FLIAKAS. The construction is ongoing.

DECISION ON MEDICAL SCHOOL

Senator JOHNSTON. I know, but you say you have made a decision to kill the medical school, but you are going to finish building that?

Mr. FLIAKAS. No; I did not say that. The decision was made to terminate the medical program. As far as the facility is concerned, we have yet to make the decision at what point do we terminate construction, at what point do we redesign the facility for some other compatible use.

Dr. Brown mentioned that one possibility is to sever it completely and to provide it to other users, such as NIH, et cetera. But we would want, of course, to review our other military requirements in the National Capital region to see if there are other compatible uses that we could put to that structure because it is largely—as I say, the first increment is about finished. The second increment is about 20 percent complete coming out of the ground, but the funds have been obligated.

If we were to terminate the contract, we would suffer very high termination costs. So we have not yet established with the construction agent just what the economics are in terms of either completing or terminating, redesigning for another use. As I say, it was a very, very hard and tough decision that was made by the Secretary.

Senator STEVENS. The Secretary made that, or OMB made it?

Mr. FLIAKAS. I would have to say the Secretary, because I just do not know, Mr. Stevens.

Senator STEVENS. Mr. Chairman, I feel very strongly we better go into this because I cannot see this start and stop business. This is a fallacious argument.

Senator JOHNSTON. I think it is probably appropriate to have a special hearing on that. Whoever made the change, the decision, ought to come up and justify it. Witnesses came up here year after year and told us we had to have a uniformed services medical school, and answered every argument with strong logic and figures and facts, and then suddenly it just disappears one day and there is no justification given. It just fell through the cracks. We are told too bad, we have spent a few million or tens of millions of dollars, but we will figure out something to do with it. We need a special hearing on that.

Senator STEVENS. Besides that, I do not know any other medical school increasing their capability of training.

Mr. FLIAKAS. I am reminded, Mr. Stevens, when I talked to increments one and two that there was envisioned when the total concept was considered that still a third increment would be built, but that is as yet unrequested and unappropriated. That is what we were referring to, but this decision was made only recently, and it was made with the full knowledge, of course, with the status of construction, and we just have not had the opportunity as yet to recommend to the Secretary what other uses may be put to that facility.

Senator STEVENS. I hope you are not going to be too sure about that because I think we are going to have a battle on this one.

Senator JOHNSTON. I was a little reluctant on this question 2 or 3 years ago. I was so thoroughly persuaded, I am inclined to agree with Senator Stevens. We will have a battle on that one.

I have a number of requests in writing. I would appreciate if you furnish the answers for the record.

Mr. FLIAKAS. Yes, sir.

OVERSEAS INCREASES

Senator STEVENS. If we can go back to this overseas increase, I wonder what is the real need for that \$110 million? I understand it was part of a cut in view of the problems of employment that persist.

Mr. FLIAKAS. These are for new requirements that were not initially proposed and are as a result of requests from the Commanders in Europe, both General Haig as well as the Army and Air Force.

Senator STEVENS. If they are so urgent why did you not go the supplemental route?

Mr. FLIAKAS. This was the opportunity to propose them and include them in President Carter's amended budget. So if you will, it is essentially like a supplemental request or an opportunity to amend the program.

The \$50 million for the Army for that prepositioned war reserve equipment has long been recognized and is a reassessment by the Secretary of priorities. It was decided that this should be a high priority.

SHELTERS

Senator STEVENS. You say \$30 million for shelters. What are the shelters?

Mr. FLIAKAS. These are for aircraft protective shelters. Similar to the \$36 million that is in the basic program, these are for an additional number of shelters for the dual base and rapid reactor aircraft that are stationed in the United Kingdom and in the Federal Republic of Germany, essentially.

Senator STEVENS. I am acquainted generally with our needs in Europe, but I do not see how this can come on us—all of a sudden \$30 million for shelters, \$30 million for readiness, \$50 million in this propositioned supply. Those did not come off the horizons. Someone must have seen them coming. I do not understand why they were not in the budget that was presented to President Ford and how they became relevant in our emergency situation here at home. I would like to have some details on it. I support the chairman's concept of increasing expenditures here at home, but I think we need some better justification to have an increase of that size abroad.

Would you give me a little detail on how much is in this budget already? The \$50 million, for instance, that prepositioned supply, is there money already in the budget for that?

Mr. FLIAKAS. I think not, Mr. Stevens.

Mr. HARRINGTON. There is.

Senator STEVENS. How much?

Senator JOHNSTON. \$401 million.

Mr. HARRINGTON. In addition to the \$50 million we are talking about for prepositioned storage, there is another \$50 million which is specifically for ammunition, prepositioned ammunition. It does not include equipment as such.

Senator JOHNSTON. \$401 million altogether for overseas.

Mr. FLIAKAS. Yes; that is the total overseas with perhaps two-thirds of it in Europe.

Senator STEVENS. These supplies, tanks, ammunition—certainly those commanders ought to know a little bit in advance. You are going to put \$50 million over there for that and another \$60 million for these shelters. What does readiness really mean?

Mr. FLIAKAS. It is for hardened facilities.

Mr. HARRINGTON. If I may speak to the shelters, I will try to stay out of the classified portion of the thing.

As you probably have had some briefings, in the 1973 war between the Arabs and the Israelis, a great portion of the Egyptian' air strength was destroyed on the ground. It had no shelter. There is a very sobering lesson to learn from that.

While we have had a shelter program in being years before that in Europe, there has been no great sense of urgency for completing the sheltering of our assigned and in-place aircraft over there. When they saw the tremendous damage that was done by the Israelis to the Arabian Air Forces they accelerated their program considerably. That is one of the reasons why we are seeking to increase the rate of shelter provisions over there for our forces. We have several categories of forces over there. We have the in-place aircraft which are already there, plus some dual based aircraft which are based on other than U.S. bases in Europe.

We have what we call the rapid reactor aircraft which are aircraft already earmarked to go to Europe, and finally we have the follow-on aircraft which will be sent to the theater subsequently.

The ultimate goal is to shelter all of these aircraft. We are still incomplete, but we are making substantial progress.

That is one of the reasons, evidently, Secretary Brown is quite convinced of the necessity of shelter programs. He increased the shelter program over the Ford budget to indicate his support of it.

INTELLIGENCE AND SECURITY ASPECTS

Senator STEVENS. If you have some intelligence or security aspects that we ought to know about, I hope we are going to hear it.

Mr. FLIAKAS. I believe, sir, the Air Force when they appear before this committee can give you more details and go into closed session to go into classified aspects of the program. Similarly, the Army also will be ready to provide additional justification for the \$50 million—

Senator STEVENS. The chairman tells me we are going to have a hearing on April 7. I will defer my questions to then.

How much of this is for aircraft that are not stationed in Europe? You say we need to have shelters for those.

Mr. FLIAKAS. I would say, sir—correct this if I am wrong—I would say none. All of the shelters do meet the NATO eligibility for recoupment.

Mr. HARRINGTON. All of these will either be in place or dual based aircraft in the theater.

Mr. FLIAKAS. They are all in the theater. It is really the acceleration of the program based on a reordering of priorities.

Senator STEVENS. I do not mind reordering of priorities as long as they affect our situation here at home. Again the 1973 war, with due respect, was 4 years ago. Here we have a special add-on made by the new administration. I am not going to argue with the Secretary. I am going to argue with him about \$110 million overseas.

Senator JOHNSTON. They are accelerating overseas and decelerating at home.

Senator STEVENS. Along with the chairman, I would rather add the \$110 million to the \$200 million here at home. I want to know just what is the timing of that, how long is it going to take to get that onstream. There has to be a greater delay in getting that onstream.

Mr. FLIAKAS. If I might add, or call to the committee's attention, we have not really discussed this. All the while we are restudying, at the request of the Secretary, our entire domestic basing structure in the United States.

Secretary Duncan, the Deputy Secretary, directed that this be completed by July of this year so that we can have the benefits of those recommendations in that study in developing our 1979 program.

HANGARS IN ALASKA

Senator STEVENS. We have empty hangars in Alaska today that stand there because there are not any aircraft there. They could be in Europe in 6 hours. As a matter of fact, they could be there sooner if it were a real emergency.

I do not understand why we want to build shelters over there for planes that could be practically stored here. If what you are talking about, if there is some security aspect, tell me—

Mr. FLIAKAS. Indeed it is.

Senator STEVENS. Building some new type of shelter—

Mr. HARRINGTON. No, sir, it is primarily protection of the aircraft after they are there and between their sorties.

Senator STEVENS. I have yet to find any hardened aircraft shelter, that is what I am saying. You are talking about some new form of storage?

Mr. FLIAKAS. These are hardened shelters. I was in Europe just last month and saw a number of them. They are massive structures that are designed to protect all our tactical aircraft in our overseas bases. They are vitally required. There has been a high priority attached to them for the last 3 or 4 years. We have had the support of these committees to fund quite a few. I can provide the number for the record that have

been funded along with, this may be classified, the total number that is required.

STORAGE FOR MACH II AIRCRAFT IN EUROPE

Senator STEVENS. You are talking about Mach II aircraft. I was out flying one last Friday and Saturday. We have places in this country where we can get Mach II over there in less than 6 hours. You start spending this kind of money for hardened shelters for them over there at this time does not make a lot of sense to me. Maybe later on when things adjust and we do not have to have this type budgetary system is another matter. I want to be sure you explore the possibility of alternate storage if you worry about a 1973 type of attack with aircraft on the ground.

CONTRIBUTIONS FROM NATO PARTNERS

Have you explored any increase in contribution from our NATO partners? I note you have 21 percent you are paying for one item. As far as these things are concerned, these matters for increase, the shelters and readiness items and prepositioned supplies, those are non-contributory items; are they not?

Mr. FLIAKAS. Sir, these are prefinanced. U.S. programs are prefinanced but would be recoupable in the NATO infrastructure program in future slices.

Mr. HARRINGTON. That is right. All these shelters we are talking about would be recouped on the regular 21 percent of our contribution.

Senator STEVENS. Supplies, too.

Mr. HARRINGTON. Supplies to the extent they are necessary for the operation of the aircraft. In other words, ammunition—

PREPOSITIONED SUPPLY

Senator STEVENS. I am talking about the \$50 million in prepositioned supply.

Mr. HARRINGTON. That, sir, is in doubt. We are prefinancing it. We will submit a prefinancing statement for it and we will attempt to get recoupment. As you probably know, NATO has always taken the primary precept that logistics is a national responsibility, otherwise we would be paying for all their NATO logistics forces. As far as the aircraft shelters are concerned, most of them will be fully recouped.

Senator STEVENS. That is the \$30 million? There is still \$180 million there.

Mr. HARRINGTON. All of the shelter money—there is a \$60 million add-on of the Air Force of which \$30 million was for shelters, about \$25 million was for hardened structures such as ready crew, buildings.

Senator STEVENS. That is what readiness is?

Mr. HARRINGTON. Yes; and then there is \$5 million for passive defense.

Senator STEVENS. Thank you, Mr. Chairman.

Mr. HARRINGTON. All these would be recoupable.

Senator JOHNSTON. Do you understand now what I want on the \$200 million, \$400 million, and \$600 million? We want each one of these increments analyzed with reference to how essential these particular constructions will be in future years.

Mr. FLIAKAS. Excuse me, Mr. Chairman. Do you want this by project, by service, by installation, or how would you suggest it?

Senator JOHNSTON. It would be preferable as a line item, I think. Then we would need to know the effect on jobs. You do not have to have the effect on jobs for each project, but the overall effect.

In other words, maybe your \$200 million package would be the quickest stimulus on jobs or maybe all \$600 million would be, depending on where and what the unemployment is in each area.

Senator STEVENS. I think we have to know it. Were you to build projects where they already have oversupply it would just disrupt the thing even worse.

Mr. FLIAKAS. We will structure it, sir, by Service, by installation and by project.

Senator JOHNSTON. In other words, what we want in effect is all the information so we can analyze whether we ought to increase that budget, and then we want the material for which to argue for increase. I frankly think it is there. I think the facts support that.

Mr. FLIAKAS. Yes, sir, we will provide that very expeditiously to the committee.

[CLERK'S NOTE: As of April 28, 1977, the requested information had not been provided.]

Senator JOHNSTON. Thank you very much, gentlemen.

Is there anything else?

Senator STEVENS. Are you going to put those other statements in?

PREPARED STATEMENT

Mr. FLIAKAS. Sir, we talked briefly about the family housing program. I do have a comprehensive statement I would like to insert in the record.

Senator JOHNSTON. Yes; I have that. That will be inserted in the record.

[The statement follows:]

STATEMENT OF PERRY J. FLIAKAS
OVERALL FISCAL YEAR 1978 BUDGET

Mr. Chairman and Members of the Committee:

I am indeed pleased for the opportunity to again appear before this distinguished committee and present the Fiscal Year 1978 Department of Defense Military Construction Appropriation Program.

The FY 1978 program we are presenting today has been developed in consonance with the Five Year Defense Plan and has taken into consideration a great number of diverse contributing factors including the ongoing Total Force Policy; the condition and adequacy of existing facilities throughout our physical plant; overall priorities and special needs generated by new and developing weapons systems; and to the extent permissible long range requirements for modernization and replacement of obsolete facilities. Within these total considerations, we have carefully reviewed and evaluated each proposed project to assure that its need was valid, based on firm requirements, and the most feasible and cost effective way to meet an urgent and necessary requirement.

The new appropriations request for FY 1978 totals \$2,821,440,000. In FY 1977, the Department of Defense requested \$3,579,500,000 or some \$758 million more than is in the current program. Actual enactment in FY 1977 totaled \$3,451,306,000 or almost \$630 million more than we are requesting for FY 1978. The sharply reduced program for FY 1978 reflects a conscious effort to restrain a substantial amount of construction at domestic bases pending a comprehensive study of the Services' basing structures. A comparison of the FY 1978 proposed program with that requested and enacted for a comparable twelve-month period in FY 1977 follows:

	(\$ Millions)		
	FY 1977 <u>Request</u>	FY 1977 <u>Enacted</u>	FY 1978 <u>Request</u>
Army	649.5	580.9	472.7
Navy	595.2	549.9	416.0
Air Force	802.3	788.1	277.1
Defense Agencies	81.1	41.4	34.4
Guard/Reserve Forces	148.6	186.5	176.1
Family Housing and Home- owners Assistance	<u>1,302.8</u>	<u>1,304.5</u>	<u>1,445.1</u>
TOTAL	3,579.5	3,451.3	2,821.4

Although our FY 1978 program reflects a substantial reduction when compared to previous years, we have made every effort to insure that within the funds available we have met the most essential and priority needs and assured a continuing capability to support the forces and missions of the Military Departments. We believe that the proposed program reflects a careful balance of competing priorities within the total matrix of Defense needs. Against that general background of how our program was developed, I would now like to address the program in its total, and to some extent highlight those areas within this year's request which we consider of special significance.

Effect of Construction Cost Inflation

Again this year as last, we have had to recognize the real continuing effect of inflation, both in materials and labor costs.

Although these trends have moderated somewhat since last year and we hope for a further decrease in the current rate, as realistic program managers, we have provided what we believe to be a prudent allowance for cost rises in the industry.

For the projects in our Fiscal Year 1978 Military Construction Program, we have developed estimates to include an allowance for cost growth to the mid-point of the construction period. This allowance is at a rate of 8.3 percent per year through Calendar Year 1977 and reduces to 8 percent per year for any construction which extends beyond that time.

The total estimated impact of this allowance for cost growth is approximately \$112 million.

For your information, the FY 1974 and 1975 programs reflected a projected cost growth factor of 6 percent a year for Calendar Year 1974 and the out years. As you know, this proved to be inadequate and deficiency authorizations, scope changes, and/or project deferrals proved necessary during the execution phase, especially the FY 1974 program. When anticipated market conditions indicated that projected cost growth during Calendar Years 1975 and 1976 would be 12 percent and 9.7 percent respectively, these factors were used in estimating the FY 1976 and FY 1977 programs.

Our experience with costs for military construction projects during the past year was excellent. There was considerable competition for our work with the majority of low bids below the projects' programmed amounts. Similar to last year, this experience was a reflection of the depressed state of the construction industry with its continuing rate of high unemployment. Based on consultations with civilian construction industry leaders, trade association projections and government estimates, we believe that our construction cost growth allowance will be adequate to cover construction cost inflation for the Fiscal Year 1978 program.

For the second consecutive year, we experienced a record performance in the award of our military construction program. By the end of June 1976, we had awarded over \$1.5 billion, or 77 percent, of the FY 1976 Military Construction and Family Housing Programs. This was a 10 percent improvement over our previous record with the FY 1975 program at the same relative time. By December 31, 1976, almost 93 percent of the FY 1976 program was executed which far exceeded the performance of prior years. We have over the past two years maximized our early

awards to assist the economy by reducing unemployment in the construction industry.

We are continuing to stress the need to place our approved FY 1977 projects under contract as early as possible. To enhance the record performance of the past two years, we have placed increased emphasis on the early initiation of project designs. With early design completion and the advertisement and award of our work as soon as possible, the erosion of the buying power of construction dollars will be minimized.

Energy Conservation Investment Program

This year we are continuing our Department-wide program to emphasize the facilities energy conservation investment effort albeit at a somewhat reduced funding level. This program was initiated in an effort to reduce energy consumption throughout our existing plant facilities. The program is aimed at retrofitting existing facilities as a positive means of conserving all types of energy and reducing utilities cost increases to the minimum. Existing facilities that are to be retained in inventory are being retrofitted through the use of present day "off-the-shelf" hardware that will provide energy savings and be quickly amortized. The type of projects included in this investment program are self-amortizing in nature and range from storm windows, sunshades, and insulation improvements to the more advanced systems such as heat recovery wheels, electric power demand limiters and energy monitoring control systems. A seven-year program has been identified at an overall cost of \$722 million. In the last two years, Congress has appropriated a total of \$283.3 million for this very worthwhile program. For FY 1978, we are requesting an expenditure of \$17.5 million while the FY 1979 program is being proposed at a level of \$179.1 million. The disparity in amounts between FY 1978 and 1979 is a result of project deferrals from FY 1978 to 1979 pending completion

of the previously mentioned Base Structure Studies. All projects in the FY 1978 and 1979 programs will amortize in six years or less. Subsequently, in the outyears, these modifications will accrue substantial savings in both dollars and scarce energy resources.

Health Facilities Modernization

You will recall that this program was initiated four years ago to bring the long neglected Military Health Care facilities up to an acceptable and efficient functional standard. A major incentive for this program was the elimination of the physician draft which made it imperative to maximize the productivity of our existing medical staff. Over the first three years, a good beginning was made as an average of \$242 million per year of projects were approved. Last year circumstances required that the program be reduced to \$145 million, and the overall general restraint this year will limit the FY 1978 proposal to \$47.8 million. It is expected that FY 1979 will see a full resumption of the medical facility modernization program; however, the cutbacks will probably require the extension of this program through 1982.

Hospital Study

House of Representatives Report No. 94-964 directed that the Department of Defense make an in-depth study of military hospital design criteria, regulations and standards and the additional costs caused by these criteria, regulations and standards. Also comparisons were to be made with past military hospital criteria, and with Veterans Administration and civilian hospital criteria. The firm of JRB Associates/ Science Applications, Inc. /Vosbeck, Vosbeck, Kendrick and Redinger, and The Drake Partnership were retained for this study contract out of 24 joint venture applicants. Work was begun on November 29, 1976, and completion is scheduled for late July 1977. Representatives of the Veterans Administration and the Department of Health, Education and

Welfare are assisting Defense in this study; and those agencies anticipate sharing the beneficial findings. A full report will be made to this Committee upon completion of the study.

TRIDENT Support Facilities

The Military Construction Program in support of the TRIDENT Weapons System is currently underway with significant construction already in place at Patrick Air Force Base, Cape Canaveral, Florida; Indian Island Annex of the Naval Torpedo Station Keyport, Washington; and the U. S. Naval Submarine Base, Bangor, Washington (NAVSUBASE Bangor).

In earlier years, Congress appropriated \$212.3 million for FY 1974 and FY 1975 TRIDENT construction at NAVSUBASE Bangor and Cape Canaveral. Approximately 70 percent of the combined FY 1974/75 program is completed. In FY 1976, Congress appropriated \$142 million at three locations in support of TRIDENT. Of the 31 sub-projects in that program year, 22 are under contract with 7 more to be awarded by April 1977. All sub-projects will be under contract by June 1977.

Last year in the FY 1977 program, Congress appropriated \$129.3 million for construction at four locations. Of the 23 sub-projects in this program, four have been awarded to date with all remaining scheduled for award by Summer of 1977. The TRIDENT construction program is on schedule with all necessary facilities planned to be operational to support the deployment of the first TRIDENT submarine in September 1979.

In FY 1978, the Navy is requesting \$121.4 million for the continuation of the TRIDENT construction program. The major projects in this request are: Dry Dock Phase II and Access Trestle, Explosive Handling Wharf No. 2, Service Pier/Port Control Office, Missile Motor Magazines, administrative and personnel support facilities, and the third increment of Community Impact Assistance (\$11.5 million). All facilities requested

are located at NAVSUBASE Bangor. Navy witnesses will provide full details of the construction status of this program and the request for FY 1978 during their appearance before this Committee.

Nuclear Weapons Security Program

Security improvements have been initiated at our worldwide nuclear weapons storage sites to reduce their vulnerability to terrorist attack. The initial low cost, quick fix measures to enhance security on an interim basis which were noted in the hearings last year have been accomplished, and this type of corrective measure will continue to be taken as the need arises. The permanent construction improvements have also been initiated, and we have stressed the award of this work as early as possible.

A semi-annual report is provided the Armed Services Committees on the status of design and construction at each individual site in the upgrade program. Construction awards for the first fourteen sites in NATO countries should be accomplished by the early Spring of 1977. Additional awards for construction at NATO sites are programmed through 1978. The work at our CONUS and other overseas sites is essentially on schedule.

In addition to the \$56.7 million authorized in FY 1976 and the \$117.7 million in FY 1977, we are requesting \$89.8 million in the FY 1978 program for work inside and outside the United States. Through the FY 1978 program, the total funds authorized and requested is slightly more than \$260 million. Because a considerable number of the sites are in the NATO geographical area, we are seeking to recoup a major part of the NATO upgrade costs through reimbursement under the Infrastructure Program.

I am monitoring this program closely and taking action as necessary to expedite the construction work on this worldwide program.

Aircraft Shelter Program

Again this year, we are proposing another increment of the ongoing program to provide physical protection for tactical aircraft assigned to Europe in support of our NATO commitment. In FY 1978 we are requesting \$35.9 million to prefinance some 36 shelters with associated hardened support facilities for this vital program. We must continue this vital program and remain mindful and deeply concerned with the threat to air superiority if we failed to adequately protect these essential resources. Again this year, we emphasize that the funds requested will go to provide shelters for aircraft currently eligible under existing NATO criteria. To that extent we will be able to seek recoupment of the appropriate share of their cost under NATO Infrastructure in future Infrastructure slices and consequently reduce the net U. S. costs for this vital protection program.

NATO Infrastructure

In FY 1978 we are requesting \$85 million in Total Obligational Authority for the U. S. share of multilaterally financed facilities essential to improvement of the combat posture of NATO Forces, including those of the United States in Europe. This sum for NATO Infrastructure as it is generally referred to, would be made up of \$81 million in new budget authority and \$4 million in recoupments from NATO for sums previously prefinedanced by the United States for U. S. projects. Under the present cost sharing formula, the U. S. share of costs involved in such projects continues at approximately 21.5 percent when the U. S. Special Program is considered. Within the Department, we view our contributions to NATO Infrastructure as one of the most cost effective investments we can make in enhancing the mutual defense of the Western nations.

As you are aware, we have filed prefinancing statements in recent years against our programs for construction of aircraft shelters in

Europe and our substantial investment in improving the security of our nuclear weapons storage. Based on recent advice from knowledgeable participants in the NATO negotiations, we expect that NATO criteria revisions which will permit recoupment of much of these investments will be accepted by the NATO Council shortly. In the area of our ongoing aircraft shelter program, we have prefinanced some \$250 million which is currently eligible for recoupment and have recouped to date approximately \$97 million. Another \$153 million is programmed for future recoupment in Slices of the present 5-year Slice Package and follow-on years, dependent on their relative assigned priority within SHAPE's overall program needs.

Reserve Components

Finally, our facilities request for the Guard and Reserve components of the Army, Navy, Marine Corps, and Air Force is \$176.1 million. This figure is somewhat less than was appropriated in FY 1977, but I consider that it is adequate to provide the necessary facility support to the Guard and Reserve Forces.

As you know, under the Total Force Policy, considerable reliance has been placed on the combat and support capabilities of the Guard and Reserve Forces, since they will be required to augment the active forces in any future national emergency. The Guard and Reserve components receive, train, and operate the same modern equipment currently being manned by their active duty counterparts. In order to achieve a degree of readiness commensurate to that of the active forces, the Guard and Reserve forces must continue to receive a comparable degree of facility support to provide them an efficient and effective training environment.

The maintenance, operational, training and support facilities contained in this program directly support the evolving missions being

assigned the Guard and Reserve, while reducing a construction backlog that is nearly \$2 billion. The FY-1978 program represents the highest construction priorities of each component, and contains only those items which are essential for attaining the highest levels of readiness within the Guard and Reserve Forces. Through its support of this program, the Department of Defense has again illustrated that it recognizes that the Guard and Reserve represent a basic, necessary element of the total military capability of this nation. I am sure that the Congress shares this view.

Family and Bachelor Housing

I would like to address the family housing program this year in conjunction with the bachelor housing program. The family housing program alone constitutes the largest single element in this year's military construction program. This is, of course, mainly because the family housing program encompasses not only construction, but also operation, maintenance, leasing, debt payment, and other support.

For Fiscal Year 1978, our family housing program requires appropriation of \$1.4 billion. This is about \$140 million above our request for Fiscal Year 1977.

The bachelor housing program for Fiscal Year 1978, which covers only new construction and modernization, requires appropriation of \$76 million. This is about \$102 million less than the Fiscal Year 1977 request.

The Department of Defense no longer has large overall programmable deficits for new family housing units. However, we are continuing to program new units at locations where we are experiencing sizable buildups of personnel strength and where there is no current alternative to new construction. Accordingly, our request for new construction has decreased from 3,444 units in Fiscal Year 1976 to 1,054 units last

year and to 856 units contained in the Fiscal Year 1978 program. Additionally, the decision to examine domestic basing requirements and develop a multi-year program for modernization of Defense installations in the United States has placed a constraint on programming new housing. This has also resulted in a limited program for bachelor housing. For Fiscal Year 1977, the Congress authorized 13,754 units of new construction and the modernization of 2,009 spaces in existing bachelor housing. In this year's program, we are requesting 4,816 units of new construction and the modernization of 3,584 spaces of existing bachelor housing. These are for minimum essential requirements at carefully selected locations.

The family housing request for appropriation for Fiscal Year 1978 as well as for Fiscal Year 1979 for operation, maintenance and debt payment is higher than last year's request, due to the increased costs of utilities and operations and reflects the first year funding of a program designed to reduce our maintenance deficiency to a manageable level by the end of Fiscal Year 1982. We calculate that our maintenance deficiency for family housing, estimated to be \$517 million at the end of Fiscal Year 1977, will be reduced to \$332 million in constant dollars by the end of Fiscal Year 1982.

As this Committee knows, and has consistently supported and urged, we have been trying for some time to obtain Department of Housing and Urban Development (HUD) assistance in obtaining legislation which would permit HUD to issue mortgage insurance commitments for speculative building in military impacted areas. Although legislation was enacted two years ago, the legislation which was known as Section 318, was never implemented by HUD. In the opinion of HUD, the Section 318 legislation was technically deficient. Last year, the Administration took the position that HUD should get behind this program and support the growth of

community housing in military impacted areas. Accordingly, a late-starter legislative proposal was introduced and passed in the House. However, it was not supported by the Senate, and subsequently was deleted by Conference action.

This fiscal year's housing program was developed under the previous Administration with the understanding that legislation would be proposed which would provide HUD the capability of stimulating community housing development in areas surrounding remote military installations. This legislation which would amend Section 238 of the National Housing Act is under consideration by the new Administration.

There is no legislation in this bill concerning the fair market rental of both family and bachelor housing. We have previously discussed this concept with you and have provided the background. However, the Department of Defense in the Fiscal Year Military Personnel accounts is budgeting for reallocation of 25 percent of the October 1977 pay raise to basic allowance for quarters as was done last year. These allocations will eventually adjust the quarters allowance to more nearly approximate the average value of housing services received by occupants. Also, as in last year's provision, a rebate will be made to bachelors occupying government quarters.

I would like to mention one other program change we are proposing this year aimed at improving our family housing situation in foreign countries at less cost than we now anticipate in runaway inflation situations there. As you know, we have been trying to interest investors in foreign areas to build housing units which would be leased by the United States Government for assignment as public quarters once built. Present authority permits us to lease for no more than five years. There have been indications that investors would be more interested in such arrangements if we could lease for up to ten years since this

would afford more time to recoup the investor's costs. We request your support for this and several other minor legislative changes proposed which I will discuss in detail during the family housing hearings.

Homeowners Assistance Program

The Homeowners Assistance Program provides financial assistance to Department of Defense military and civilian homeowners whose homes are located in areas where the real estate markets are depressed by military base closures and realignments. Assistance takes the form of (1) reimbursement for loss from private sale or mortgage foreclosure, or (2) government purchase of the home. No funds were requested for this program in Fiscal Year 1977 because anticipated receipts and unobligated prior year funds were sufficient to finance Fiscal Year 1977 requirements. The Fiscal Year 1978 program requests \$3 million to meet current and projected needs for financial assistance to eligible homeowners.

We are also proposing that program benefits be made applicable to otherwise eligible Department of Defense civilian employees and military personnel when an announcement is made to study a plan for a closure or partial closure at a military base or installation, and that announcement results in an adverse impact on the housing market and on the individual concerned.

Base Realignments

Because of the Congress' expressed vital interest in actions affecting Department of Defense military installations, I would like to summarize what has transpired during the past year.

During March-April 1976, each of the Military Departments announced plans to initiate formal studies of a number of candidate base realignment actions to streamline their organizations and reduce overhead. The objective was to make available resources for allocation

to force modernization and to added combat capabilities for future security needs. The announcement of candidate realignment actions for study is the result of policy changes in the Department of Defense and in keeping with the spirit and intent of the National Environmental Policy Act (NEPA) of 1969, the implementing guidelines of the Council on Environmental Quality and recent Federal Court opinions. Those new procedures allow affected members of Congress, local communities, and other interested parties to contribute to the study effort before a base realignment decision is made. Although a number of minor base realignment actions have been completed, studies regarding the candidate major realignment actions are underway and the results will be announced as the studies are completed and decisions are made by the Secretary of Defense. In addition, the Secretary of Defense has directed that additional emphasis be placed on seeking economies in base operations, training, logistics, and other functions through increased use of contractor services.

Defense efforts to decentralize its activities out of the National Capital Region are continuing. Sizable strides have been made to meet five-year targets established in 1972 for vacating administrative space. As to the extent to which the Services have met previous guidelines, I am pleased to report that the five-year Defense target for reduction in the use of administrative space has been substantially achieved.

Included in the FY 1977 Military Construction Authorization Act, Public Law 94-431, is Section 612 which requires reports to the Senate and House Armed Services Committees on decisions regarding base realignment actions at military installations where the authorized level of civilian personnel will be reduced by 1,000 or 50 percent. This applies to military installations with authorized civilian employment levels of 500 or more where the action will require the expenditure of funds authorized to be appropriated by the Act. Implementation

instructions have been issued to the Military Departments to insure that we comply with the provisions of Section 612.

Unspecified Locations

With reference to my earlier statement concerning the constrained military construction program for this year and a pending study of the Military Departments' domestic basing structure, I should clarify the reason for a substantial number of projects designated for construction at unspecified locations. This comes about as a result of the imposition of the constraint after all proposed projects had previously been screened and either approved or disapproved for inclusion in FY 1978. Consequently, we were faced with a number of situations wherein we had projects of verifiable urgency and need proposed at installations which were perceived as possibly being affected as a result of the pending base structure study. In other words, although there is no argument as to the validity of the requirement, there was some degree of question as to whether the proposed location for the facility might not subsequently be changed after completion of the study. In those cases, although we have a preferred and firm location in mind, at this time we have elected to describe the proposed location as unspecified for purposes of future flexibility in accommodating to the recommendations of the basing study.

Conclusion

In conclusion, I am most appreciative of this opportunity to appear before you today to present the Department of Defense FY 1978 Military Construction Program, and to discuss subjects in the construction, housing and installations areas which are of interest to this Committee. I have attempted to provide you with a broad outline of our continuing efforts to achieve a strong base structure which will measurably contribute to the logistical and combat readiness of our Total Forces. We would like to take this opportunity to express our appreciation for the

understanding and support of this Committee which has been so helpful in past years.

I have with me various members of my staff and together we will be available to answer any questions you may have regarding our proposed program.

Thank you.

ADDENDUM TO STATEMENT
BY

Deputy Assistant Secretary of Defense (Installations and Housing)
Before the
Subcommittee on Military Construction
Senate Appropriations Committee

FY 1978 MILITARY CONSTRUCTION APPROPRIATION PROGRAM
(\$ Million)

Active Forces, Military Departments	Army	Navy	Air Force	Total
<u>Facility Class</u>				
Operational and Training	141.9	69.5	80.4	291.8
Maintenance and Production	27.6	142.4	28.6	198.6
Research and Development	50.7	.9	10.7	62.3
Supply	79.6	45.3	64.0	188.9
Hospital and Medical	36.5	4.0	7.3	47.8
Administrative	2.0	-	1.0	3.0
Housing and Community	60.0	30.1	26.7	116.8
Utilities and Ground Improvements	27.0	54.7	12.1	93.8
Real Estate	-	3.3	1.9	5.2
General Support Activities	92.4	98.5	84.4	275.3
Total Direct Program	517.7	448.7	317.1	1,283.5
Less Financing Adjustments	- 45.0	- 32.7	- 40.0	- 117.7
Budget Authority (and Appropriation)	472.7	416.0	277.1	1,165.8
<u>Defense Agencies (Direct Program, Budget Authority & Appropriation)</u>				34.4
<u>Guard/Reserve Forces (Direct Program, Budget Authority & Appropriation)</u>				176.1
<u>Family Housing</u>				
Direct Program				1,386.0
Less Financing Adjustments				- 59.7
Budget Authority				1,326.3
Plus Appropriation Applied to Debt Reduction				+ 115.8
Appropriation				1,442.1
<u>Homeowners Assistance</u>				
Direct Program				8.3
Less Financing Adjustments and Reimbursements				- 5.3
Budget Authority (and Appropriation)				3.0

SUMMARY

	Direct Program	Budget Authority	Appropriation
<u>Active Forces</u>			
Military Departments	1,283.5	1,165.8	1,165.8
Defense Agencies	34.4	34.4	34.4
<u>Guard/Reserve Forces</u>	176.1	176.1	176.1
<u>Family Housing</u>	1,386.0	1,326.3	1,442.1
<u>Homeowners Assistance</u>	8.3	3.0	3.0
GRAND TOTAL	2,888.3	2,705.6	2,821.4

ADDENDUM TO STATEMENT

Proposed Construction in Major Categories of FacilitiesActive Forces (Titles I, II, III, and IV)

The Active Forces portion of the Military Construction Appropriations Program for Fiscal Year 1978 totals \$1.166 billion for the three Military Departments and \$34.4 million for the Defense Agencies. This portion of the program is related to the regular military establishment and provides for facilities and installations necessary to meet operational, logistical and other mission requirements of the three Military Departments and Defense Agencies, other than family housing. For purposes of easy summation, we have grouped the total request into nine standard Department of Defense categories. I would like to describe the principal items contained in each of these categories for the individual Departments. I will omit reference to the Defense Agencies in these descriptions, inasmuch as I will summarize their requirements separately at the end of this presentation. The first of the categories is:

Operational and Training \$291.8 million

The operational facilities contain essential airbase, fleet operations support, communications, security, command and control, and other operational facilities necessary to support the combat readiness capability of the Services. Under training facilities we seek to provide the instructional and training facilities necessary to the development of not only the basic soldier, seaman, airman and marine, but also the technical and professional specialists required to operate, maintain and repair the complex tools of modern war.

Within the above total, the requests for such facilities are:

Army	-	\$141.9 million
Navy	-	\$ 69.5 million
Air Force	-	\$ 80.4 million

Items included in the Army request for operational and training facilities include \$85 million for financing the U. S. share of the NATO Infrastructure Program; \$32 million for relocation of a major headquarters to a classified location; \$2.6 million for resurfacing an aircraft parking apron; \$1.9 million for airfield traffic aids at four installations; \$3.8 million for four operations buildings; \$1.1 million for a Defense Satellite Communications System; \$13.8 million for four training facilities and \$1.7 million for two flight simulator buildings.

Of the \$69.5 million included in this category for Navy \$66.3 million is for operational facilities and \$3.2 million for training facilities. Of the \$66.3 million for operational facilities \$7.8 million will provide airfield facilities at three installations, \$14.5 million for communications facilities at five installations, \$5.9 million for operational facilities at three installations; and \$38.1 million for waterfront facilities at five installations, which includes \$10.8 million for a supply wharf and \$19.5 million for an Atlantic Fleet Ballistic Missile refit site. Training facilities total \$3.2 million and include three training projects.

The Air Force program for operational and training facilities totals \$80.4 million, of which \$63.1 million is for operational facilities and \$17.3 million for training facilities. Significant items within the operational facilities portion include \$30.4 million for airfield protective facilities at numerous installations; \$7.7 million for aircraft instrument landing/navigational facilities at 35 installations; \$6.3 million for aircraft pavement projects at four installations; \$5.5 million for a telecommunications facility; \$2.5 million for aircraft fuel system support facilities at two installations; \$4 million for aerospace data and operational facilities at four installations; \$4.8 million for space track observation and joint surveillance system facilities at two separate installations; and \$1.9 million for a hazardous material processing

facility. In addition, training facilities totalling \$17.3 million provide four flight simulator facilities; four field training facilities, and one range support facility.

Maintenance and Production Facilities \$198.6 million

This category includes all types of facilities necessary for the production, maintenance and repair of military hardware, including field and depot maintenance shops and hangars, shore-based marine maintenance facilities for the fleet, and production, assembly and maintenance facilities for rockets, missiles and various types of conventional ammunition.

The totals of the Services' requests for such facilities are:

Army	-	\$ 27.6 million
Navy	-	\$142.4 million
Air Force	-	\$ 28.6 million

Items included in the Army request are \$8.7 million for six tactical equipment shops; \$9.2 million for two maintenance complexes; \$7.2 million for two maintenance shops; and \$2.5 million for a Theater Readiness Monitoring facility.

Significant items in the Navy request for maintenance and production facilities include \$10.9 million related to missile maintenance at two installations; \$2.1 million for ships maintenance facilities at two installations; \$121.4 million for the TRIDENT Refit Complex; \$5.6 million for automotive maintenance facilities at two installations, and \$2.4 million for other maintenance facilities at four installations.

The construction requested by the Air Force in this category will provide \$5.8 million for an aircraft corrosion control facility; \$5.5 million for an aircraft maintenance facility; \$5.5 million for an addition to a weapons systems components engineering facility; \$2.6 million for an addition to an existing missile service shop; \$5.5 million for hardened avionics maintenance facilities at four installations; \$3.6 million for

aircraft fuel system maintenance facilities at four installations; and \$2.2 million for automotive, avionics, and electronic countermeasure equipment maintenance facilities at three locations.

Research and Development Facilities \$62.3 million

This portion of the construction program is necessary to sustain our search for new and improved weapons systems. The Department considers the projects included herein to be highly essential and vital to the maintenance of U. S. leadership in the development and testing of new defense systems.

The totals of the Services' requests for R&D facilities are:

Army	-	\$50.7 million
Navy	-	\$.9 million
Air Force	-	\$10.7 million

The Army's request includes \$34 million for a High Energy Laser Test Facility and \$16.7 million for four scientific and research laboratories.

The Navy's request under this category includes \$.9 million for an operations building alteration project at Sugar Grove, West Virginia.

The Air Force program for RDT&E facilities contains four projects providing \$1.8 million for an aircraft survivability research facility; \$.7 million for an addition to and alteration of an electronics research laboratory; \$7.7 million for a flight test mission control complex; and \$.5 million for the alteration of an existing science laboratory.

Supply Facilities \$188.9 million

This category includes various supply facilities, including fuel storage, ammunition storage, cold storage, depot and arsenal warehouses and open storage facilities.

The totals of the Services' requests for such facilities are:

Army	-	\$79.6 million
Navy	-	\$45.3 million
Air Force	-	\$64.0 million

Items included in the Army's request are \$62.5 million for conventional ammunition storage projects at various locations; \$14.6 million for nuclear weapons security at several locations; \$1 million for base storage facilities; and \$1.5 million for maintenance hardstands at three locations.

The Navy's request includes \$20.7 million for nuclear weapons security; \$13.4 million for a fuel storage project at Pearl Harbor, Hawaii; \$7.6 million for missile magazines and storage areas for Fleet Ballistic Missile backfit; \$2.5 million for high explosive magazines at two installations; and \$1.1 million for storage facilities at Diego Garcia.

The \$64 million requested for supply facilities for the Air Force will provide \$54.5 million for nuclear weapons security improvements at numerous CONUS and overseas locations and \$9.5 million for jet fuel storage facilities at two installations.

Hospital and Medical

\$47.8 million

Replacement and improvement of our outmoded and obsolescent medical plant continues as one of our urgent priorities. A great portion of our hospital and medical facilities were constructed from 25 to 50 years ago and over the years have become increasingly inadequate to the needs of modern medicine. In Fiscal Year 1978, we have included a substantial increment to continue the replacement of the most inadequate of such facilities.

The totals of the Services' requests for such facilities are:

Army	-	\$36.5 million
Navy	-	\$ 4.0 million
Air Force	-	\$ 7.3 million

Army's request for hospital and medical facilities includes \$24.2 million for one hospital addition and alteration and \$12.3 million for health and dental clinics at four locations.

Navy's request for hospital and medical facilities includes \$4 million for a branch medical/dental clinic at the Naval Station, Midway.

Within the Department of the Air Force, the \$7.3 million requested for hospital and medical facilities will provide \$7.3 million for a dispensary at RAF Bentwaters, United Kingdom.

Administrative Facilities \$3 million

This category includes various administrative facilities such as headquarters, squadron operations, and similar facilities and is by far the smallest category in the FY 1978 request. The totals of the Services' request for such facilities are:

Army	-	\$2 million
Navy	-	0
Air Force	-	\$1 million

Army's request for \$2 million provides for one administrative facility for \$.5 million and \$1.5 million for the Defense Systems Management College.

The Air Force request for administrative facilities will provide \$1 million for an administrative facilities will provide \$1 million for an addition to an existing aircraft maintenance control facility.

Housing and Community Facilities \$116.8 million

Troop housing is one of the most important and vital requirements in our construction program. We recognize the importance of this item in

persuading personnel to stay in the military service as a career, and we believe implicitly that improved housing will provide both immediate and long-range benefits through increased reenlistment, heightened morale, and reduced recruitment costs. The Service programs in Fiscal Year 1978 are:

Army	-	\$60.0 million
Navy	-	\$30.1 million
Air Force	-	\$26.7 million

The Army's request for troop housing and community facilities includes construction of 1,761 bachelor enlisted spaces and 157 officer spaces in Korea and Germany at a cost of \$15.4 million; modernization of 926 enlisted spaces at a cost of \$9.6 million; and provides \$4.5 million to upgrade dining facilities in Korea and the Canal Zone. Also included is \$12.3 million for two schools and \$18.2 million for various welfare, morale and recreational facilities at several locations.

The Navy's program for this category provides 2,074 new bachelor enlisted spaces at a cost of \$21 million, exclusive of the 172 new spaces in the Nuclear Weapons Security Program, and 1,369 modernized bachelor enlisted spaces for \$8 million. Community support items total \$1.1 million for morale and recreational facilities at Diego Garcia.

The Air Force program for this category provides \$4.9 million for construction of 472 bachelor enlisted spaces; \$7.5 million for modernization of 1,289 bachelor enlisted spaces; and \$4.7 million for construction of 180 officer spaces. In addition, this request will provide \$4.9 million for an addition to a dependent junior high school in Germany; \$4 million for a security police operations facility at one CONUS location; \$1.6 million for an addition to the Chapel Center at the Air Force Academy; \$1.4 million for an addition to a Commissary warehouse on Guam; \$7 million for a composite recreation facility at Hill Range, Utah; and \$6 million for a library at Edwards Air Force Base, California.

STATEMENT ON
MILITARY FAMILY HOUSING PROGRAM
HOMEOWNERS ASSISTANCE PROGRAM

Mr. Chairman and Members of the Committee:

I am pleased to appear before this Committee to present the Military Family Housing Program and the Homeowners Assistance Program for Fiscal Year 1978.

It is the objective of the Department of Defense to assure that married members of the military services are suitably housed. Family separations due to lack of suitable housing and/or substandard living conditions constitute a serious morale problem that is detrimental to the effectiveness of our military forces.

Although primary reliance is placed upon adequate private housing to the extent it is available in communities near military installations, the Department of Defense requests Congressional support in addressing any remaining housing deficiencies. These requests take the form of construction of new housing units, leasing of civilian community housing, and improving and properly maintaining our own sizable inventory of on-base housing assets.

The request for appropriation for Military Family Housing for Fiscal Year 1978 amounts to \$1,442,140,000. The program we are presenting exceeds this amount by \$59,790,000, which represents amounts we have recouped from prior year authorized programs, and anticipated reimbursements. This request compares with \$1,304,523,000 appropriated for Fiscal Year 1977, an increase of \$137.6 Million.

A comparison of this year's proposed appropriation for Military Family Housing with pertinent element breakouts for a 5-year span is shown below. We feel the trend patterns are significant, since they reflect changing circumstances which include increased availability of

adequate community support, the need to maintain our sizable capital investment in acceptable condition, and the spiraling cost increases for utilities.

FAMILY HOUSING, DEFENSE
SUMMARY OF SELECTED APPROPRIATED AMOUNTS

	Enacted				Request
	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
New Construction (\$000)	289,876	238,640	83,730	48,461	14,977
(No. of Units)	(10,691)	(6,802)	(3,031)	(1,094)	(856)
Mobile Home Facilities (\$000)	5,700	1,848	-0-	-0-	-0-
(No. of Spaces)	(1,340)	(440)	-0-	-0-	-0-
Improvements (\$000)	62,510	60,000	116,357	25,890	5,908
Leasing (\$000)	44,703	65,540	92,229	97,488	92,937
(No. of leases, end year)	(17,262)	(21,711)	(23,500)	(22,418)	(20,973)
Operation & Maintenance (\$000)	626,779	717,821	879,205	967,712	1,172,063
(Operation)	(330,544)	(359,506)	(429,211)	(539,528)	(604,554)
(Maintenance)	(296,235)	(358,315)	(449,994)	(428,184)	(567,509)
Total Family Housing Appropriation (\$000)	1,192,405	1,255,984	1,332,244	1,304,523	1,442,140
Homeowners Assistance (\$000)	7,000	5,000	-0-	-0-	3,000
Total Appropriation (\$000)	1,199,405	1,260,984	1,332,244	1,304,523	1,445,140

The proposed construction of 856 new family housing units is less than the 1,094 units authorized by the Congress last year and considerably less than the approximate average of 8,500 units per year authorized over the previous five years. This is primarily due to the significant progress made, with the support of this Committee, toward reducing the Department of Defense programmable deficit. We now consider the programmable deficit for eligible personnel to be about 6,500 units of family housing.

There is a total of \$13.7 Million in the program to improve and alter existing public quarters primarily aimed at the older and somewhat deteriorated units for which appropriation of \$5.9 Million is requested. Included within this request is \$1.2 Million specifically designated for energy conservation projects. These funds continue the program for retrofitting our existing inventory of housing for energy saving measures, such as, storm windows and doors, weatherstripping, insulation, and

installation of limited-range thermostats. For Fiscal Year 1977, \$25.9 Million was authorized and appropriated for energy conservation projects. However, no regular improvement projects were approved because \$25 Million of the requested program was diverted to the operation and maintenance account to assist in overcoming the deficiency of maintenance.

The balance of the Fiscal Year 1978 Military Family Housing request covers minor construction and planning, annual costs for leasing, operation and maintenance, and debt payment. Total appropriations requested are \$25,700,000 for the construction requirements, and \$1,416,440,000 for the operation, maintenance, and debt payment portion, for a total of \$1,442,140,000.

The request for appropriation for the Homeowners Assistance Program for Fiscal Year 1978 amounts to \$3,000,000. The total program requirement is \$8,300,000 for payment of valid claims or purchase of houses from eligible homeowners. The difference of \$5,300,000 represents unexpended balances from previous years and anticipated recoupment from the sale of houses previously purchased by the Government from eligible homeowners which will be applied to the total estimated requirement. We have not requested appropriations for this program in the previous two years as the unexpended balances and anticipated recoupments were sufficient to sustain the program. However, in Fiscal Year 1978, \$3,000,000 is required to meet current and projected needs for financial assistance to eligible homeowners.

The total request for appropriations are \$1,442,140,000 for Military Family Housing and \$3,000,000 for Homeowners Assistance, for a total of \$1,445,140,000.

Now I would like to discuss briefly some of the aspects of the Family Housing Program which I believe are of particular interest and significance.

Domestic and Foreign Leasing Programs

The domestic leasing program, under specific criteria and cost limitations, authorizes the leasing of housing in the civilian community in the United States, Puerto Rico, and Guam for assignment to military personnel as public quarters. It is an important supplement to our balanced effort to assure adequate housing for military servicemen and their families in the community and on-base. The program is controlled by statutory limitations on the number of leases as well as the average and maximum rental costs. As in previous years, the average cost limitation proposed is commensurate with the increase in the "rent" portion of the consumer price index. We are not proposing any change to the statutory maximum cost per unit, nor number of leases.

Foreign leasing of family housing is authorized under the general authority of Section 2675 of Title 10 of the United States Code. We believe that leasing, particularly lease-construction agreements in selected overseas locations, represents a viable potential for producing additional housing for military families in foreign countries with limited risk to the United States Government. For Fiscal Year 1978 we are requesting an increase in the statutory average cost limitations based on an estimated escalation in rents of approximately 7 percent in foreign countries and an accompanying increase in the maximum cost limitation.

In addition, authorization is requested to lease family housing units in foreign countries for a maximum period of 10 years in lieu of the current 5 years. The Military Departments have been attempting to provide housing in foreign countries by the lease-construction concept with only limited success in some countries. Under this arrangement, if a builder agrees to build housing to satisfy our needs, the Military Department agrees to lease the completed housing for assignment as public quarters. Although as I have indicated, we have had some success with this program especially in the Federal Republic of Germany, we have

been unable to completely satisfy the need and fully utilize the existing authorization. It appears that investors would be more interested and attracted to the program if we could lease for up to a 10-year term. This would afford more time for the investor to recoup his costs and indications are that we could obtain housing at less cost per year than the current procedures are providing.

We are not requesting any increase in the number of units to be leased for the foreign leasing program.

Reimbursement to the Family Housing Management Account

Currently, reimbursements are made to the Family Housing Management Account when Capehart housing or some substandard housing is rented to civilians, when there are net proceeds from the sale of excess housing, and when services such as utilities are sold to occupants of substandard units and mobile home spaces. All other receipts are deposited into Miscellaneous Receipts of the Treasury. These procedures, based on law, which have evolved over the years, are complex and inconsistent since, they do not apply uniformly to all Defense housing.

Consequently, this year we are proposing authorization that would permit all rental charges for family housing and mobile home facilities to be deposited in the Family Housing Management Account. This would simplify our disbursing and accounting procedures and treat the rental of all housing facilities in the same manner. In the Fiscal Year 1978 program our reimbursements are estimated at \$14.9 Million. The new proposed procedure would increase our reimbursements by an estimated \$7.3 Million.

Operation and Maintenance

For Fiscal Year 1978 the Department of Defense is requesting \$1,172 Million for the operation and maintenance of an average number of 388,720 units of family housing. Last year the Congress authorized and appropriated \$967.7 Million for this same purpose including

\$25 Million that was transferred from the Construction Improvement request in order to reduce the deficiency of maintenance.

This year, for the first time, we are budgeting for anticipated cost escalation for operation and maintenance as required by legislation enacted last year. Cost escalation is estimated at 6 percent. Additionally, the Department of Defense has developed a plan to reduce the serious deficiency in the maintenance of family housing to a reasonable and manageable backlog within a five-year period. Funds are included in this request to begin the first phase of this five year plan. As of the end of Fiscal Year 1977 we estimate our deficiency in maintenance will be almost \$517 Million. The funding program for this year will decrease that deficiency to \$480 Million by the end of Fiscal Year 1978.

The anticipated cost escalation, combined with a recognition of a restricted cost base for operation and maintenance last year and funds requested for the reduction of the maintenance deficiency, results in a requested increase of 21 percent over the amount appropriated last year. This urgently needed increase is required to keep pace with the spiraling cost of utilities and arrest the deterioration of the Defense inventory of housing.

Extension of Homeowners Assistance

The purpose of the Homeowners Assistance Program is to provide assistance to military or civilian employee homeowners by reducing their losses incident to the disposal of their homes when the military installations at which they are serving or employed are ordered to be closed in whole or in part or the scope of operations is reduced. This program has been in existence since 1966 and has provided some form of assistance to over 9,000 personnel.

As a result of policy changes in the Department of Defense and in keeping with the spirit and intent of the National Environmental Policy Act of 1969, the implementing guidelines of the Council on Environmental

Quality, and recent Federal Court opinions, new procedures for base closures and base realignment actions have been initiated. Under the new procedures, the Military Departments announce plans to initiate formal studies of a number of candidate base realignment actions. In some cases, the study announcement may have a depressing effect on the real estate market in the area of the bases involved making it difficult for personnel transferred from the area during the study period to dispose of their homes at reasonable prices. Therefore, we are recommending a modification of the eligibility requirements to cover personnel in this situation. We anticipate this will result in an increase in program costs not to exceed \$500,000 in any one fiscal year. Funds to cover this excess cost are included in our appropriation request of \$3 Million for Fiscal Year 1978.

Housing and Urban Development Programs

As this Committee is aware, the basic policy of the Department of Defense is to rely on the civilian community near military installations as the basic source of housing for our military families. It is only when the civilian community cannot provide the necessary housing that we request the Congress to authorize and appropriate funds for the construction of on-base housing.

We look to the Department of Housing and Urban Development (HUD) to take the lead in stimulating needed community housing growth in the United States. Our current major need is to obtain mortgage insurance in communities where the military installation is the primary employer of personnel in the community. HUD's current authority limits extending their mortgage insurance programs into these military impacted areas since they are considered to be high-risk areas. Lack of mortgage insurance in these areas, such as at Fort Polk, Louisiana, and Fort Stewart, Georgia, severely limit or negate community growth.

Late-starter legislation was introduced and passed by the House

last year which would have provided HUD with the necessary authority to provide housing assistance in military impacted areas. However, the legislation was submitted too late to be considered by the Senate Committee and was subsequently deleted by Conference action.

This year we have again solicited HUD's assistance and requested them to propose the necessary legislation. It is our understanding that proposed legislation is currently being reviewed by the new Administration.

Fair Market Rental

There is no legislation currently proposed nor financial resources requested concerning the concept of fair market rental of the on-base housing inventory. We have previously discussed this concept with you and have provided the background. To date, there has been no decision to implement the plan. However, we have appraised a sizable segment of both the family and bachelor housing inventory, refined the cost estimates associated with fair market rental, and developed an implementation plan. I will keep you apprised of any further developments as they occur.

However, the Department of Defense in the Military Personnel accounts is budgeting for reallocation of 25 percent of the October 1977 pay raise to basic allowance for quarters as was done last year. This reallocation will assist in closing the gap between the basic allowance for quarters forfeited and the average value of housing services received by the occupants. As in last year's provision, a rebate will be provided for those bachelors occupying government quarters.

Conclusion

I have touched briefly on the main elements of this year's military family housing and related topics. I would like to express my appreciation for your continuing support of the Department of Defense family housing program. My staff and I are available to answer your questions and would be pleased to provide such additional information as you may request.

Thank you.

Utilities and Grounds Improvements

\$93.8 million

This portion of the program provides for expansions and additions to utility systems and road nets at various U. S. and overseas locations. A significant element of this year's, as in last year's, program is directed toward further implementing the national policies for controlling water and air pollution and for energy conservation. The Military Department totals in this category are as follows:

Army	-	\$27.0 million
Navy	-	\$54.7 million
Air Force	-	\$12.1 million

In compliance with federal, state, and local air and water pollution control regulations and Executive Order 11752 (19 December 1973), there is included a total of \$23.2 million for 13 pollution abatement projects as a continuation of the program begun nine years ago to eliminate pollution at our military installations. All of these projects have been coordinated with the Environmental Protection Agency.

The pollution abatement projects in each of the Department programs are summarized as follows:

	<u>Air Pollution Abatement</u>			<u>Water Pollution Abatement</u>		
	<u>\$Mil.</u>	<u>Projects</u>	<u>Installations</u>	<u>\$Mil.</u>	<u>Projects</u>	<u>Installations</u>
Army	.4	1	1	1.6	2	8
Navy	.7	1	1	12.2	6	6
Air Force	<u>0</u>	<u>0</u>	<u>0</u>	<u>8.3</u>	<u>3</u>	<u>3</u>
Total	1.1	2	2	22.1	11	17

As part of the Department of Defense's energy conservation program, a multi-year energy conservation investment program has been established. The FY-1978 Military Construction Program includes the third year of this conservation investment program. Projects in this program are self-amortizing within six years and are limited to retrofitting of

existing facilities so as to achieve hard energy savings. The energy conservation investment projects in each of the active Service programs are summarized as follows:

	<u>Energy Conservation Program</u>		
	<u>\$Mil.</u>	<u>Projects</u>	<u>Installations</u>
Army	7.1	2	12
Navy	4.8	11	7
Air Force	<u>2.3</u>	<u>4</u>	<u>4</u>
Total	14.2	17	23

The Army's request includes \$2 million for pollution abatement; \$7.1 million for energy conservation projects; \$6.6 million for a bridge replacement at the Rock Island Arsenal; \$3.7 million for electrical power distribution at three locations; \$7 million for water supply systems at several locations; and a \$.6 million vehicle parking project.

Significant items included in the Navy's request for utilities include \$12.9 million for pollution abatement; \$4.8 million for energy conservation projects; \$18.4 million for electrical facilities at six installations; \$2.5 million for heating facilities at two installations; \$1.8 million for water facilities at two installations; \$13.3 million for causeway/bridge alterations to the Mare Island Naval Shipyard; and \$1 million for other utility projects.

This portion of the Air Force FY 1978 Military Construction Program includes \$1.1 million for heating plant alterations at five installations; \$8.3 million for three water pollution abatement projects; \$2.3 million for energy conservation projects at four installations; and \$.4 million for a water treatment facility.

Real Estate

\$5.2 million

This portion of the program provides for real estate acquisitions.

The Departments' requests in this category are as follows:

Army	-	0
Navy	-	\$3.3 million
Air Force	-	\$1.9 million

The Navy's request includes \$3.3 million for the acquisition of 81.3 acres at approaches to runway 4 and runway 11 at Naval Air Station, Barbers Point, Hawaii, and authorization for the exchange of 30 acres of government-owned land for a parcel of equal value contiguous to the Naval Support Activity at Long Beach, California.

The Air Force's request provides for the acquisition of a total of 600 acres of land at four installations for expanded clear zones at the ends of the runways.

General Support Activities

\$275.3 million

This portion of our budget request includes funds required for planning and design, construction of military access roads, minor land acquisition under \$25,000, and financing of minor construction projects authorized under standing legislation contained in 10 USC 2674. The amounts requested for each of the Military Departments for these activities are as follows:

	(\$ Millions)		
	<u>Planning</u>	<u>Minor Construction</u>	<u>Totals</u>
Army	66.4	26.0	92.4
Navy	72.5	26.0	98.5
Air Force	<u>58.4</u>	<u>26.0</u>	<u>84.4</u>
Totals	197.3	78.0	275.3

The requests for general support funds are relatively modest and similar to last year's requests. The requests for minor construction funds are small in magnitude when compared with other elements of the total request; however, we consider these funds most important as they

constitute the only immediately available source of funds to finance those relatively small but urgent projects which inevitably evidence themselves during the fiscal year. We strongly urge the Committee to approve them in total.

Defense Agencies (Title IV)

The request for activities of the Defense Agencies is \$34.4 million. This request includes \$2.3 million for new construction at two installations, \$30 million for the Secretary of Defense Contingency Fund, and \$2.1 million for General Support Activities. The program is divided as follows:

Defense Logistics Agency \$1.6 million

The \$1.6 million will provide covered storage facilities at Ludwigsburg, Germany.

National Security Agency \$.7 million

The \$.7 million will provide a fire protection system and an underground communications link at Fort George G. Meade, Maryland.

Contingency Fund \$30 million

The Department of Defense is requesting funds for emergency construction authorization for the Secretary of Defense to provide for construction deemed vital to the security of the United States.

General Support Activities \$2.1 million

This portion of the Defense Agency Budget includes funds required for planning and design, and for financing of minor construction projects authorized under standing legislation contained in USC 2674.

ADDENDUM TO STATEMENT

By
 Perry J. Fliakas
 Deputy Assistant Secretary of Defense (Installations and Housing)
 Before The
 Subcommittee on Military Construction
 Senate Appropriations Committee

The Fiscal Year 1978 Family Housing Program contains a request for 856 new units and a total appropriation request of \$1,442,140,000 for the following functions:

	(\$000)
<u>Construction of New Housing (856 units)</u>	42,831
Navy (852 units) \$42,638	
DIA (4 units) \$ 193	
<u>Improvements to Existing Quarters</u>	13,729
Includes Energy Conservation Investment - \$1,216	
<u>Minor Construction</u>	4,840
<u>Planning</u>	3,000
Total Construction	64,400
Less: Resources Applied	- 38,700
Total Appropriation Request, Construction	25,700
Operating Expenses	617,554
Leasing	92,937
Maintenance of Real Property	567,509
Debt Payment - Principal	115,930
Debt Payment - Interest and Other Expense	39,640
Mortgage Insurance Premiums - Capehart and Wherry	1,453
Serviceman's Mortgage Insurance Premiums	2,507
Total O&M and Debt Payment	1,437,530
Less: Anticipated Reimbursements and Amounts Available from Prior Years	- 21,090
Appropriation Request, O&M, and Debt Payment	1,416,440
<u>Total Appropriation Request</u>	1,442,140

DEFENSE AGENCIES

MR. FLIAKAS. Also I have a very brief statement on Defense agencies which I was asked to provide for the record. That I would like to present to the committee. And I am available, sir, if you would like to ask any questions on those, or I may just insert it for the record.

Senator JOHNSTON. I think these can be inserted in the record.

[The statement follows:]

STATEMENT ON DEFENSE AGENCIES

Mr. Chairman and Members of the Committee:

The request for activities of the Defense Agencies totals \$34.3 million. Included in this amount is \$2.3 million for three construction projects at two installations, \$30 million for the Secretary of Defense Contingency fund, and \$2.1 million for general support. As with the request for the Military Departments, the FY-1978 Defense Agency Program represents a substantial reduction from that requested and approved for FY 1977, due to the suppression of construction at domestic bases pending completion of a comprehensive study of the Department of Defense basing structure. Within the available funds, we have endeavored to identify the most critical projects required to support the missions assigned to the Defense Agencies.

The proposed construction for the Defense Agencies is as follows:

Defense Logistics Agency \$1.6 million

The \$1.6 million will provide a covered storage building with associated paved storage area at the Defense Property Disposal Office, Ludwigsburg, Germany.

National Security Agency \$.7 million

This request is for two projects at Fort George G. Meade, Maryland. \$.2 million will provide a fire protection system consisting of water lines, standpipes and hose stations in Operations Buildings No. 1 and No. 3; \$.5 million will provide an underground communications link from the Satellite Communications Earth Terminal to Operations Building No. 1.

Contingency Fund \$30 million

The Department of Defense is requesting funds for emergency construction authority for the Secretary of Defense to provide for construction deemed vital to the security of the United States.

General Support Activities

\$2.1 million

This portion of the Defense Agencies request includes \$1.6 million for planning and design funds and \$500 thousand for financing of minor construction projects authorized under standing legislation contained in USC 2674.

I appreciate this opportunity to appear before you, and I am prepared to answer any questions the Committee may have concerning the Defense Agencies construction program.

QUESTIONS SUBMITTED BY SENATOR JOHNSTON

Senator JOHNSTON. I have a number of questions there in writing. Thank you very much, gentlemen.
[The questions and answers follow:]

Constrained Program

QUESTION:

The FY 1978 program is sharply reduced from FY 1977 levels, reflecting conscious restraint pending a comprehensive study of the Services' basing structure. Would you please elaborate on the criteria employed to determine whether or not a given project or installation was to receive funding? That is, how was it determined that certain bases would not be affected by such a study and should, therefore, be funded in the FY 1978 budget?

ANSWER:

Each individual project deleted was screened using the following criteria:

- o Project located at an installation whose mission and/or function may be questionable in a long range context for retention.
- o The proposed project would be located at one of several installations which have similar missions. If the long range retention of one or more of these installations should prove questionable, projects at all installations having the same functions have been deferred in order to avoid prejudicing decisions on which installations will be closed.
- o Although the installation is considered a long term requirement, the scope of the proposed project may be inappropriate in view of potential realignments generated by the two criteria above.
- o Although the installation is considered a long term requirement, the function or mission is suspect because of ongoing studies or mission realignments.

The basic principle was to avoid increasing sunk capital investments in bases which might influence the direction or conclusion of the study.

Projects included meet the following criteria:

- o The proposed project is required but is not site-dependent and can be approved without reference to its specific location.
- o The proposed project is required and is sited on an installation with a clear long term requirement.

QUESTION:

What, approximately, would the FY 1978 program have looked like if this domestic construction "moratorium" were not in effect?

ANSWER:

The total obligational authority would have been \$3.9 billion or approximately \$1 billion greater than the initial Ford Administration budget submission.

QUESTION:

Certain upward adjustments to the budget are now proposed by the new Administration. Are these being proposed in the same context--that is, are you still assuming a general construction moratorium? If so, what qualified the specific projects being added as exceptions? If not, why were only these projects selected?

ANSWER:

The specific projects at domestic bases being proposed in the Carter Budget

amendment generally were those deferred projects that fell out due to assignment to one of the following criteria:

- o Although the installation is considered a long term requirement, the scope of the proposed project may be inappropriate in view of potential realignments.
- o Although the installation is considered a long term requirement, the function or mission is suspect because of ongoing studies or mission reassignment.

However, it is our intent after the basing structure study is completed that many of the remaining projects deferred from FY 1978 will be included in the FY 1979 budget.

Available Resources

QUESTION:

The total program for FY 1978 is about \$183 million higher than requested appropriations due, in small part, to reimbursements and to available resources from prior years. With respect to the latter, over \$400 million of FY 1976-and-prior program funds have been applied to FY 1977 and FY 1978. Considering your discussion of the impact which inflation has had in the past, how was it possible to generate assets in such magnitude?

ANSWER:

First, clarification of the \$400 million referred to is required. Included in this number are funds (\$122 million) transferred into the military construction appropriations in fiscal year 1977 from the appropriation "Restoration of Facilities on Guam, Defense." The balance, representing primarily available resources from prior years, was generated by considerable competition for construction contracts with the majority of low bids coming in below the projects' programmed amounts. This is a reflection of the depressed state of the construction industry.

QUESTION:

Would you provide for the record a display, by program year, of the origins of these assets?

ANSWER:

As to the origins of these assets, the fiscal year 1976 program, through project cancellations and the favorable bidding climate, generated approximately \$250 million in the military construction accounts and \$20 million in family housing construction. There were various pluses and minuses in fiscal year 1975 and prior years programs.

FY 1977 Program

QUESTION:

As enacted, the FY 1977 appropriation bill assumed approximately \$100 million in available financing from prior years. The current FY 1977 program assumes about \$205 million. To what is the additional \$105 million being applied, particularly since we are experiencing lower than expected award prices due to the depressed state of the construction industry?

ANSWER:

The major item here is, again, the transfer in of the \$122 million from the appropriation "Restoration of Facilities on Guam, Defense." This transfer

gets recorded as an increase in program financed by transfers in, which gives the appearance of an increase in available financing from prior years.

QUESTION:

Are all FY 1977 adjustments within the parameters of the Authorization and Appropriation approvals for that year, or does the current program assume additional authorization and/or reprogramming action.

ANSWER:

All fiscal year 1977 adjustments have been, or will be, made only with approval of the Congress.

Program Performance

QUESTION

You show laudable progress in executing the construction program, as is evidenced by the fact that 93 per cent of the FY 1976 program was under award by December 31, 1976. Since, under the new Congressional budget procedures, you are now assured of an appropriation prior to the beginning of a fiscal year, might we now expect even better performance? What is the status/outlook for the FY 1977 effort?

ANSWER

New records were established by the early execution of our FY 1976 Military Construction Program. For the FY 1977 and subsequent programs for Military Construction and Family Housing, we have established execution goals of 75 per cent by the end of the fiscal year and 90 per cent by the end of the following quarter. These are minimum goals and with an appropriation prior to the beginning of a fiscal year under the new Congressional budget procedures, we expect to surpass the record FY 1976 execution performance with the FY 1977 program.

QUESTION

What is the practical effect of improved performance on rates of outlay for this appropriation? Are the historically low outlay rates now reflected in the budget still appropriate?

ANSWER

The program execution acceleration effort will indeed effect our rates of outlays. This will become apparent in subsequent years. However, excluding family housing operation and maintenance, approximately 90 to 95 percent of the fiscal year 1978 outlays result from fiscal year 1977 and prior year programs. The outlay rates now reflected in the fiscal year 1978 budget are considered appropriate, but will require continued updating in subsequent years.

Relationship to Jobs

QUESTION

You refer to the construction industry as "depressed," with high unemployment. What is the relationship between the funded construction program and employment in the private sector? That is, how many jobs are created by a given dollar level for military construction, and how many of them materialize in the same fiscal year?

ANSWER

For each \$100 million funded for military construction, it is estimated that 4000 to 5000 man-years of work are created in direct construction and construction related industries. This estimate, based on Department of Labor statistics, may be conservative in that leaders of the civilian construction industry informally estimated 5000 to 7500 jobs are created for each \$100 million spent on construction. Jobs are created shortly after project awards as the winning contractor mobilizes his labor force, places orders for required material and equipment and commences work. In that over 77 per cent of our FY 1976 program was awarded by June 30, 1976, a substantial number of jobs were created during the program fiscal year.

QUESTION

If outlay rates reflect the impact of construction dollars actually "on the street," could not improved performance in program execution--and, correspondingly, outlays--result in an earlier effect on the jobs market?

ANSWER

The outlay rate reflects our payment for work accomplished by the contractors and these payments lag behind the actual creation of jobs. Program execution is a better indication of when construction jobs are created. We have and will continue to stress the need to get our work "on the street" as early as possible. With the earlier appropriation of construction funds with the FY 1977 program, we are looking to exceed our record execution rates established, successively, with the FY 1975 and FY 1976 programs.

Energy Conservation

QUESTION

You indicate a seven year program, costing over \$700 million, for investment in projects to conserve energy. Such projects amortize their initial cost in six years or less. Only \$283 million of this is funded to date, and the FY 1978 program includes only \$17.5 million due to the construction moratorium. What is the wisdom of deferring these worthwhile efforts when base studies will certainly reaffirm certain installations as presently configured and, even for those which might change mission or structure, most will remain in some form as physical entities?

ANSWER

We have added another \$2.6 million to the FY 78 Energy Conservation Investment Program at firm locations. While certainly most of the \$117.7 million program originally scheduled for FY 78 could be constructed in that year, prudence dictated deferral for one year to insure best use of military construction dollars until determination is made of candidate base closures.

Pollution Abatement

QUESTION: In a similar vein, the FY 1978 program contains only 13 pollution abatement projects, valued at \$23.2 million. Are projects in this category also being deferred pending outcome of base studies? If so, will the involved areas simply continue in violation of Federal and state laws?

ANSWER:

The base study has impacted pollution abatement projects as it has other military construction items. The Department of Defense is expected to meet its legal statutory obligations to comply with Federal, state, interstate, and local air and water pollution standards. In the area of air pollution, we presently have approximately 90 sources (out of more than 700 total) which are not in compliance with established standards. A large portion of the 90 sources (i.e., 36) are open burning of waste munitions, a very special technology problem. We are now developing, in coordination with regional EPA offices, consent agreements with compliance schedules for those air polluting sources not yet in compliance with emission standards. These agreements, signed by DoD, EPA, and, in some cases, state/local representatives, are based on the over-all air quality in a given region, the types of fuels expected to be used, the availability of appropriate technology to reduce pollutant emissions, and the availability of funds appropriated by Congress. Our program called for all emitters (except for open burning of ammunition wastes) to be in compliance by September 1979, several years beyond the deadline, but covered by consent agreements. It will be necessary to renegotiate these agreements because of the deferment of abatement projects from FY 1978 to FY 1979.

With regard to the water pollution control program:

In October 1972, P. L. 92-500 was enacted which provides more stringent requirements for water pollution control. The law requires the "best practicable" technology to abate pollution by July 1977 and the "best available" technology by July 1983. The Act also established a National Pollutant Discharge Elimination System which started in April 1973 and requires that a permit be obtained from EPA for all discharges. Defense installations have applied for these permits which are in various stages of review by EPA.

For last year's program, DoD took the position that although some of the projects would not be in operation by the statutory deadline of July 1977, all projects for which permits had been issued in time to permit FY 1977 funding were included in the FY 1977 program indicating the desire of DoD to comply with requirements. Originally it was intended to continue this approach in FY 1978.

Impact of reduced funding in FY 1978:

The impact of these reductions will be that DoD will have a number of projects not in compliance with statutory deadlines, and since funds were not requested of the Congress, cannot qualify for exemptions under the laws. This would leave DoD vulnerable to citizens suits brought for lack of compliance. Assuming these funds were to be restored in FY 1979, the impact would be an added year of pollution by the Department of Defense.

QUESTION: What has been the funding, by year, for these projects in the past? What is the total program cost now estimated to be, and what is the current implementation schedule for total compliance?

ANSWER:

Previous Years Funding (In Millions \$)

<u>Air Pollution</u>						
<u>FY-71</u>	<u>FY-72</u>	<u>FY-73</u>	<u>FY-74</u>	<u>FY-75</u>	<u>FY-76</u>	<u>FY-77</u>
6,515	67,700	54,759	38,620	14,320	8,516	48,187

Water Pollution

<u>FY-72</u>	<u>FY-73</u>	<u>FY-74</u>	<u>FY-75</u>	<u>FY-76</u>	<u>FY-77</u>
62.5	106.0	68.3	77.3	103.8	109.6

Current Implementation Schedule (In Millions \$)

<u>Air Pollution</u>					
	<u>FY-79</u>	<u>FY-80</u>	<u>FY-81</u>	<u>FY-82</u>	<u>FY-83</u>
Army	17.3	75.1	12.4	0	0.15
Navy	11.7	10.0	10.0	10.0	10.0
Air Force	10.5	.8	2.1	1.4	---

Water Pollution

	<u>FY-79</u>	<u>FY-80</u>	<u>FY-81</u>	<u>FY-82</u>	<u>FY-83</u>
Army	125.6	39.8	19.1	32.6	9.8
Navy	61.1	65.0	40.0	40.0	40.0
Air Force	33.0	7.7	51.5	45.0	26.0

Nuclear Weapons Security

QUESTION

A total of \$89.8 million is requested in the FY 1978 budget for upgrading security at nuclear weapons storage sites. This brings cumulative programming to over \$260 million over the last several years. What is the total cost of the program currently estimated to be, and when will it be completed?

ANSWER

Current projections are that the Navy and Air Force will not require additional funds in FY 1979 to complete the ongoing upgrade program at nuclear weapons storage sites. Dependent on the bid experience for the prefinanced upgrading of NATO nuclear weapons storage sites, the Army may require additional funds in the FY 1979 budget for this work. It is too early to estimate the additional funds, if any, which may be required by the Army for the NATO upgrade program. The upgrade program is scheduled for completion by mid-1980 at all sites. The completion date for each individual site is in the semi-annual report provided Congress on the status of this program.

QUESTION

It would appear that chemical and/or binary weapons storage sites present equally attractive targets to terrorist organizations. Does the Department now have a program similar to the nuclear security program for chemical/binary sites? If not, why not?

ANSWER

The Army as Executive Agent for the Department of Defense for the storage of chemical (binary weapons have not been authorized by Congress) weapons has developed and is executing a security upgrade program for these storage sites. The details of this program and construction schedule for individual sites are included in the semi-annual report to Congress noted above.

The Guard and Reserve

QUESTION:

At \$176.1 million, the FY 1978 program for Guard and Reserve construction is somewhat lower than in prior years. Since these elements would not appear to be involved in your base requirements study, why has the program been constrained, particularly given a construction backlog approaching \$2 billion?

ANSWER:

I do not consider that the Guard and Reserve construction programs have been constrained. As you are aware, the military construction programs must compete with other high priority items in Procurement, Personnel, Operations and Maintenance, and all other Major Programs during the formulation of the Department of Defense budget. The final Defense budget request contains the most urgent construction programs as they relate in priority to the other Defense Programs. Using this synthetic process, the FY-1978 request for the Guard and Reserve is 5 percent less than what was appropriated for FY 1977; but it is sufficient to support their assigned missions while concurrently effecting a decrease in the construction backlog. Although the backlog is considerable, it should be pointed out that the previously increasing trend experienced over the past several years has been halted, as the backlog has not increased from that reported during the FY-1977 Hearings. By judiciously using the flexibility inherent in the lump-sum Authorization of the Guard and Reserve construction program, I believe that substantive improvements are achievable in the construction backlog area.

Bachelor Housing

Question:

In FY 1977, Congress authorized the construction or modernization of almost 16,000 barracks units. For FY 1978 it is slightly over 8,000, again reflecting deferral of construction pending the base study. What were the criteria used in picking the "carefully selected locations?"

Answer:

In April 1976 the Military Departments were provided updated guidance and procedures for determining bachelor housing requirements. This revised program guidance was intended to assure that needs are evaluated realistically to preclude use of critical military construction resources on housing which may not be fully utilized. The FY 1978 bachelor housing programs proposed by the Military Departments last

Fall reflected construction or modernization of about 24,500 spaces. As a result of evaluation of these proposals against the new programming guidance, a total of about 8,000 spaces were judged to be within criteria. Subsequently, a little over 10,000 spaces were deferred pending the basing study.

Our FY 1978 bachelor housing program includes only those projects that are essential and are located on an installation whose missions and/or functions are not questionable for retention. Projects were deferred at installations (including those with a long-term requirement) where a function or mission is about to be studied in the long-range basing study.

Question:

What is the currently estimated total requirement for barracks construction and modernization over the foreseeable future? If possible, differentiate between construction required to meet numerical need as opposed to that required to meet current standards.

Answer:

The Military Departments report a total programmable deficit of about 305,000 spaces (about \$2.4 billion dollars worth of new construction at today's prices). In addition to the new construction deficit, they indicate that about 217,000 existing spaces require modernization. Based on recent experience it is estimated that it would take about \$1.1 billion to modernize that many spaces.

These requirements have not been validated against the current programming criteria. Experience indicates that when individual projects are evaluated carefully, bachelor housing needs are frequently overstated. It is often found that bachelor housing requirements can be satisfied through improved utilization of existing assets.

Planning and Minor Construction

QUESTION:

In FY 1978 you are requesting a total of \$285 million for advance planning and minor construction. How are these requirements calculated--that is, how do you determine that a specific dollar level is needed for planning, given all that entails, or for minor construction when the latter is often of an emergency nature? Why not \$10 million more or \$20 million less?

ANSWER:

Calculation of planning and minor construction requirements involves consideration of several factors which vary in nature and scope from one year to the next. In the instant case, the increased planning requirement, over and above the normal prior year request, is due to anticipated base closure and/or realignment actions which change the project makeup of the FY-1979 and FY-1980 programs. This increase, which is keyed to projects moved to the FY-1979 program, plus those already in the FY 1979 program, will cover the redesign of old projects as well as the design of new projects which may be created by the base closure/realignment actions. Similarly, increased minor construction requirements are needed to accommodate mission changes resulting from these base closure/realignments. Most often, these changes are of an emergency nature involving the unforeseen need for movement of missions which can be accomplished on a more timely basis with minor construction funds.

Contingency Fund

QUESTION:

Under the Defense Agencies appropriation, \$30 million is being requested for emergency construction vital to the security of the United States. Is there a specific project plan to support the estimate? If not, why is it necessary to request funding, as opposed to authorization? Why cannot emergent requirements be accommodated in the same manner as with the Services, wherein you are requesting authorization, but not funds, to meet unexpected needs?

ANSWER:

The Contingency Fund under the Defense Agencies Military Construction appropriation is to meet unforeseen emergency construction requirements vital to the security of the United States. No specific projects are planned to support the estimate, if specific projects were known at the time of preparation of the estimate they would be included in the specific requirements of the Military Departments or Defense Agencies.

The \$30 million request for the program is based on prior year experience of valid usage. When the circumstance arises that prior year appropriation and authorization are adequate to meet the \$30 million program, then Defense, as was the case last year, requests only sufficient appropriation to meet the \$30 million program.

Unlike the Military Departments, the military construction appropriation for Defense Agencies is rather small and for a limited number of specific projects related to individual Defense Agencies and therefore, the flexibility of reprogramming action is extremely limited.

Uniformed Services University

QUESTION:

One of the actions apparently planned under the amended budget is the closure of the Uniformed Services University of the Health Sciences, with its facilities "put to other uses." How much military construction funding has been appropriated for the University, by program year?

ANSWER:

Military Construction funds appropriated for the University amounted to \$15 million for FY 1975 and \$64.9 million for FY 1976, for a total of \$79.9 million.

QUESTION:

What is the current status of fund obligation?

ANSWER:

Of the \$79.9 million appropriated, \$63.6 million have been obligated through December 1976, including \$5.7 million for planning and design.

QUESTION:

Of physical construction?

ANSWER:

At the present time, the first increment (appropriated in 1975) is approximately 80 percent complete, whereas the second increment (appropriated in 1976) is approximately 17 percent complete.

QUESTION:

What other uses can be made of the buildings, particularly since such other uses were never authorized?

ANSWER:

With respect to other uses for the buildings, the following actions are underway:

1. Analysis of current construction status to determine the appropriate and most cost effective point at which construction should be stopped.
2. Analysis of current DoD requirements in the National Capital Region currently occupying high cost commercial lease space to determine feasibility and cost effectiveness of satisfying these needs.
3. Feasibility of expansion and modification to support Defense Intelligence Agency's requirements in lieu of building the facility currently being planned for Bolling Air Force Base in the FY-1979 program at approximately \$90 million.

In addition, consideration is being given to other possible medical uses for the University building. This includes a review of that portion of our 5-year medical construction program which involves the replacement of obsolete medical buildings in the National Capital Region. Included are such items as buildings for training medical and dental technicians and various hospital buildings now in use at the National Naval Medical Center in Bethesda.

Consideration is also being given to the future building requirements of the Department of Health, Education and Welfare's National Institute of Health.

However, because this facility was authorized for the specific use of the Uniformed Services University of the Health Sciences and funds were appropriated specifically for that purpose, Congressional authorization is required for conversion to a new use. Disposition, if decided, would also require Congressional approval.

QUESTION:

Considering that the Department has long maintained that this facility was absolutely necessary from a Defense standpoint, and that the costs of producing a doctor compared favorably with other accession methods, why has it now been determined that this is no longer true?

ANSWER:

Numerous recent studies have addressed physician supply/demand/distribution problems in the United States. These studies produced varying results which left much doubt as to what the situation would actually be 10 years hence. Concurrently, the doctor draft was eliminated. The Department of Defense developed a number of studies to determine what approaches would assure a continuing supply of physicians for the Armed Forces. The Armed Forces Health Professions Scholarship Program, Variable Incentive Pay, and the University were all legislated to attempt to achieve that objective. Results of these initiatives have only recently begun to come clear.

Overall physical retention rates have improved appreciably since Variable Incentive Pay enactment.

The rapid escalation of malpractice insurance rates has caused many private physicians to look to a career in the Armed Forces.

We anticipate the Armed Forces Health Professions Scholarship Program retention will be considerably higher than for draftees.

The national supply of physicians is now projected to increase from 363,000 to 519,000 in 1985 (Special Analysis K, President's Budget FY 1978). This indicates that recruiting prospects should continue to improve.

These are some of the reasons why the Department of Defense now believes that a Federally-funded medical school can no longer be supported. As to the cost per Uniformed Services University of the Health Sciences' graduate compared to others, analyses made within Congress and Defense have never realistically or in their totality been conclusive due to differing assumptions used.

Cost calculations presented to the Committee in May 1975 have been reevaluated. The Department now believes that the method used included two questionable calculations:

1. The inclusion of the Department of Health, Education and Welfare's contributions to civilian medical schools as a cost of the Scholarship Program is questionable. These contributions to civilian programs are not related in any way to the Scholarship Program or the Uniformed Services University. They will continue regardless of the existence of the University or the Scholarship Program. Therefore, it cannot properly be considered an outlay under the Scholarship Program.

2. Costs of the Uniformed Services University were discounted to 40 percent based on the civilian experience with medical schools which determined 40 percent of their costs were associated with medical education. In the case of the University, all of the costs must be associated with the cost per graduate if comparisons are to be made with the cost of scholarship programs. With no University, we have no costs of the University--not a balance of 60 percent.

In summary, reassessment has led us to conclude that other less expensive means exist to fulfill our requirements.

Requirements Outlook

Question:

What is the current programmable deficit for new family housing units? Is there currently an estimate of the approximate annual program that will be required to replace aging units once the deficit has been satisfied?

Answer:

The programmable deficit is approximately 6,500 units. There is no estimate as to how soon the older units in our inventory will need replacement. Most can be economically maintained and accordingly do not need replacement. As units are identified as being beyond reasonable limits of being economically maintained, a survey is conducted to determine whether or not the private housing market could satisfy the requirements for family housing generated by abandoning such units. New construction is programmed only to fill the gap between the family housing requirements generated by such action, and the community's ability to meet this requirement. We program such replacement housing as the need is identified, such as at the Naval Complex, Portsmouth, New Hampshire in this year's program.

Debt Payment

Question:

In FY 1978 almost \$116 million is required to reduce principal on outstanding mortgage debt, and an additional \$39 million in interest on that debt. Would you please explain briefly the nature of this debt, and elaborate on the differences between previous and current methods of financing new housing construction?

Answer:

This debt was incurred during the period 1955 to 1962: (a) to acquire under statutory authority so-called Wherry housing; (b) to build under statutory authority so-called Capehart housing; and (c) to build family housing in foreign countries using foreign currencies generated by the sale of surplus U.S. agricultural commodities. A total of 202,855 housing units were acquired: 114,626 Capehart; 78,446 Wherry; and 9,783 Surplus Commodity. The Capehart and Wherry housing is mortgaged to government and private lenders as security for the debt. We are repaying the Commodity Credit Corporation \$6 million annually, as authorized by law, for the foreign currencies used. Since 1962, new housing construction has been financed through the use of funds appropriated in annual military construction appropriation acts pursuant to annual authorizations.

Question:

What is the Department's current outstanding total mortgage indebtedness? What would be the advantages/disadvantages to retiring this debt and foregoing the \$30-odd million in yearly interest?

Answer:

The following table summarizes the status of this debt as of September 30, 1978:

	(\$ Millions)		
	Debt	Debt	Remaining
	Incurred	Retired	Debt
Capehart	1,829.4	1,158.3	671.1
Wherry	573.2	360.6	212.6
Surplus Commodity	139.6	117.9	21.7
Totals	2,542.2	1,636.8	905.4

(Amounts do not necessarily add due to rounding.)

On the Capehart and Wherry debt, the rate of interest averages at about 4 1/4 percent. There is no interest on the Surplus Commodity debt. If retired, this debt would probably be replaced by other Treasury debt requiring payment of interest at today's much higher rates. There does not appear to be any advantage in retiring this debt under those circumstances.

Cost of Operations

Question:

The FY 1978 budget for operating expenses, at \$617.6 million, increases \$84 million over prior year. How much of that increase relates to additional inventories and how much to increased utility costs? What are the primary assumptions regarding utility cost trends?

Answer:

The FY 1977 average inventory of 382,959 increases by 5,761 units to an average of 388,720 units in FY 1978; operating expenses increase \$9.2 million as a result. FY 1978 utility costs are expected to be \$59.0 million above FY 1977 costs. Other factors such as increases in employment, salaries and wages, and cost of supplies and materials account for the other \$15.8 million increase.

It is assumed that utility costs will continue to rise. The escalation factors used in the FY 1978 budget vary from 16 percent to 18 percent. Factors considered include the impact of recent OPEC petroleum price increases, the assumption that natural gas prices will be fully deregulated, and pending and experienced utility rate increases, among others.

Housing Maintenance

Question:

You indicate that FY 1978 is the first year of funding for a program designed to reduce the housing maintenance deficiency from its current level of \$517 million. How much of the \$120 million increase in FY 1978 is attributable to this program? Is the remainder associated with additional units or with increased effort?

Answer:

About \$104.2 million of the increase is associated with the start of the program to reduce our maintenance deficiency to a manageable level by the end of FY 1982. The \$15.8 million balance of the increase is due to support of 5,761 additional units and to increases in employment and in salaries and wages.

Leasing Program

Question:

The FY 1978 request for leasing declines almost \$8 million from FY 1977, but it is still \$14 million higher than in FY 1976. Would you please elaborate on the changes in this program for the last several years?

Answer:

The number of leases in the domestic program is decreasing as earlier large new construction projects are beneficially occupied, and as increases in military compensation have enabled more personnel to be able to afford rental housing in local communities. Our foreign leasing program has been increasing faster - and at higher unit costs - than the domestic program has decreased. The decrease from FY 1977 reflects the phase-in in FY 1978 of fewer new multi-year leases by Army in Germany than in FY 1977.

Question:

You enlist the Committee's support for a proposal to permit foreign leases for up to ten years. While it is obvious that this type of arrangement would certainly stimulate investors, is it really in the government's best interest? Considering situations like Turkey and Spain, couldn't the United States suddenly get "stuck" if a military pull-out were ordered? Can leases be safeguarded?

Answer:

The benefits to the government of 10 year leases on family housing are (1) the availability of the housing to our personnel in areas where housing is scarce, unavailable, or too expensive, and (2) a housing unit cost per time period less than the cost available under leases of five or less years. It is always possible that the United States could get "stuck" when the political situation in a country or area changes. We intend to use the ten-year authority only as and where actually required, with due consideration given the prognosis for international relations of the U.S. with the specific country where leasing is under consideration. In addition, every attempt will be made to incorporate appropriate safety factors into the lease agreements consistent with U.S. interests, investor interests and the laws of the country.

Question:

What is provided by a lease? Is the government still liable for operation and maintenance costs? If so, what is the benefit of the leasing program over, say, additional construction where the government owns the property?

Answer:

Lease provisions can vary from lease to lease in accordance with requirements of individual landlords, or the particular property. Under some leases, operation and maintenance is the responsibility of the landlord. Where this is not so, the government is liable for such operation and maintenance costs in addition to the lease costs. Lease provisions may also vary in accordance with the laws and customs of the particular country. If the government should have to pull out of a country, the loss would be limited by the lease provisions, and would be less in the short term than the higher investment cost involved in purchasing land and constructing housing on it.

Homeowners Assistance Fund

Question:

By what technique are you able to specifically estimate 650 new cases being submitted in FY 1978? What is the reliability of this technique?

Answer:

The estimate of new cases is based upon recent experience and the anticipated impact of base realignments and closures. The total effects of major closures or realignments are ordinarily spread over a period of from two to three years, so that subsequent budgets can adjust for deviations. Since the program is affected by many variables, such as future housing market conditions, we cannot predict program activity with certainty. Nevertheless, past estimates of requirements have been very close to actual program performance.

Question:

Would you please provide a couple of specific dollar examples of how this program would be applied to a homeowner who is facing a loss on the sale of his private residence?

Answer:

If an eligible owner sells his home privately, the law guarantees him a net return of 95 percent of what its fair market value (FMV) was immediately prior to the date of the announced closure or realignment action. If the home is not sold privately, the Government will buy it for 90 percent of its FMV. Example:

(a) FMV of property before base realignment		<u>\$30,000</u>
95% X "Prior" FMV (95% X \$30,000)		\$28,500
Gross private sale price	\$27,000	
Less sale expenses	<u>2,700</u>	
Net sum realized		<u>\$24,300</u>
Payment due applicant		<u>\$ 4,200</u>

- (b) If applicant could not sell his home, the Government would buy it for \$27,000 (90% of \$30,000) and he would have no sales expenses.

Question:

With the \$3,000,000 requested appropriation in FY 1978, the fund will close out the year with about a \$3.5 million balance. Why is it necessary to maintain a balance which is about half as large as the total program?

Answer:

The projected cash balance at the end of FY 1978 is not considered excessive. If we are to maintain a fully responsive program of financial assistance to homeowners, sufficient operating capital must be readily available for orderly processing of claims and for payments to applicants. Our experience indicates that demands on the program can occur suddenly. A lack of cash would delay assistance which is needed promptly to be meaningful. The mortgage assumption authority which makes up the balance of the program budget would not relieve such a problem.

SUBCOMMITTEE RECESS

Senator Jouxston. Thank you, very much gentlemen. The subcommittee will be in recess, subject to the call of the Chair.

[Whereupon, at 11:45 a.m., Tuesday, February 22, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1978

MONDAY, MARCH 7, 1977

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

The subcommittee met at 10:05 a.m. in room S-146, the Capitol,
Hon. J. Bennett Johnston (chairman) presiding.

Present: Senators Johnston, Huddleston, and Sasser.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF MAJ. GEN. W. R. WRAY, ASSISTANT CHIEF OF ENGINEERS

ACCOMPANIED BY:

MAJ. GEN. H. MOHR, CHIEF, ARMY RESERVE

MAJ. GEN. L. E. WEBER, CHIEF, NATIONAL GUARD BUREAU

A. M. CARTON, PROGRAMING DIVISION, OFFICE OF THE ASSIST-
ANT CHIEF OF ENGINEERS

COL. F. G. KUEHN, CHIEF, INSTALLATIONS BRANCH, OFFICE OF
THE CHIEF, ARMY RESERVE

BUDGET REQUEST

Senator JOHNSTON. The hearing will come to order.

Today we are receiving testimony on behalf of the fiscal year 1978 military construction appropriations request for the Department of the Army, including the construction program for the Guard and Reserves.

The Army program in support of Active Forces totals \$646.8 million for fiscal year 1978, requiring \$601.8 million in new appropriations. Although these amounts represent over 40 percent of the total Defense effort, more than half of the Army request is associated with overseas construction and support to NATO. The amount planned for domestic construction next year is actually the smallest of the three services—a reflection, we assume, of the general moratorium on construction pending outcome of base studies. During this hearing we do not expect to get into the areas of NATO—and perhaps certain other overseas efforts—too deeply, since a special session on these topics has been tentatively scheduled for April 7.

Turning to the Guard and Reserves, the Army request for these components totals \$99.9 million, comprised of \$50.5 million for the

Army Reserve and \$49.9 million for the National Guard. These funds support projects in 43 states and Puerto Rico, providing necessary facilities for units which would augment our Active Forces in time of conflict or natural disaster.

WITNESSES

Witnesses appearing today include Maj. Gen. William R. Wray, Assistant Chief of Engineers for the Army; Maj. Gen. Henry Mohr, Chief of the Army Reserve; and Maj. Gen. LaVern E. Weber, Chief of the National Guard Bureau. We look forward to hearing your testimony, gentlemen.

The first witness will be General Wray, addressing the request for appropriations for the Active Army.

General WRAY. Thank you, sir. I am very pleased to be here before the committee this morning with my colleagues from the National Guard and the Army Reserve.

Senator JOHNSTON. Let me interrupt, General Wray.

I am particularly glad to note that you were born in DeQuincy, La.

General WRAY. Thank you, sir.

Senator JOHNSTON. You are in good company.

PREPARED STATEMENT

General WRAY. Sir, I have a more detailed statement that I would propose to submit for the record.

Senator JOHNSTON. Yes; that will be received, without objection.

[The statement follows:]

Mr. Chairman and Members of the Committee, I am Maj. Gen. William R. Wray, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to appear before this Committee to present the Department of the Army's portion of the annual Military Construction Appropriation request.

BUDGET REQUEST

Our request for fiscal year 1978 includes \$646,800,000 in total obligational authority; \$601,800,000 of this is new obligational authority. Funds available from prior year programs, amounting to \$41 million and expected NATO recoupments of \$4 million, account for the difference between TOA and NOA. Our companion request for authorization totals \$1,181,085,000 and includes \$629,346,000 for Ammunition Facilities for which we are not requesting funding. This funding is included in the Procurement of Ammunition, Army appropriation request. Of the total request, 32 percent, or \$208,707,000 is for construction within the United States. About 40 percent, or \$261 million is for construction outside the United States, primarily in Europe. The remaining 28 percent includes \$85,000,000 for NATO Infrastructure and \$92,400,000 for General Authorization.

In terms of constant dollars, however, this represents a 2 percent decrease compared to fiscal year 1977. I must emphasize that this request is extremely austere and will meet only our most essential and pressing needs.

PROGRAM EMPHASIS

Our military construction program this year emphasizes construction to improve readiness and combat capability. This represents a shift away from previous emphasis on projects to improve the living conditions of our soldiers. Excluding NATO and General Authorization, 51 percent of our request is to directly improve readiness and combat capability while only 34 percent is to improve living conditions. By way of comparison, last year's approved program included 8 percent for projects which directly improve readiness and 49 percent to improve living conditions.

Emphasis has also been shifted from Conus to overseas construction, most of which is directly related to improving our readiness in Europe. Our major con-

struction request which excludes the NATO contribution and General Authorization includes \$260,693,000, or 56 percent for overseas construction. Of this amount, 86 percent or \$223,010,000 is for construction in Europe and the remainder is for construction in the Pacific and a small amount for Panama.

The majority of construction requested in the Pacific is in Korea. The major expenditure in Korea will be for relocatable structures to provide improved living conditions without a major permanent investment.

PROGRAM EXECUTION

I am pleased to be able to report to you that during the last fiscal year we were able to place the majority of the fiscal year 1976 construction program under contract at a substantial saving due to extremely keen competition in the construction industry. Because of these favorable results, we were able to finance \$28 million of the fiscal year 1977 program from savings and to reduce our request for military construction appropriation to finance the fiscal year 1978 authorization funds by \$41 million. We are endeavoring to place the entire fiscal year 1977 program under contract as rapidly as possible to aid in spurring the economy and to take advantage of current competitive conditions but we do not anticipate the same degree of savings as obtained in fiscal year 1976.

PROGRAM SUMMARIES

Before discussing highlights of the various construction categories, I would like to call your attention to the following two tables which summarize the program. Table I shows the distribution of the appropriation request among major commands in the United States and overseas.

TABLE I.—Proposed fiscal year 1978 military construction, Army program

Command	Cost
Inside the United States:	
U.S. Army Forces Command	\$94,977,000
U.S. Army Training and Doctrine Command	55,592,000
U.S. Development and Readiness Command	47,327,000
U.S. Military Academy	3,047,000
Nuclear weapons security	7,764,000
Total, inside the United States	208,707,000
Outside the United States:	
U.S. Army Forces Command	2,831,000
U.S. Army, Japan	3,898,000
Eighth U.S. Army	27,518,000
National Missile Range, Kwajalein	2,603,000
U.S. Army Intelligence and Security Command	2,164,000
U.S. Army, Europe	214,879,000
NATO infrastructure	85,000,000
Nuclear weapons security	6,800,000
Total, outside the United States	345,693,000
Other:	
General Authorization:	
Planning	66,400,000
Minor construction	26,000,000
Total, other	92,400,000
Total, obligational authority requested	646,800,000
Financed from prior year funds	41,000,000
Anticipated NATO recoupments	4,000,000
Total	45,000,000
New obligational authority requested	601,800,000

Table II Shows the construction categories in which the funds are requested and the percentage of the construction dollars in each category.

TABLE II.—PROPOSED FISCAL YEAR 1978 MILITARY CONSTRUCTION, ARMY PROGRAM SUMMARY, BY CONSTRUCTION CATEGORIES

Construction category	Cost	Percent ¹	Percent of total
Operational and training facilities.....	\$62,979,000	13.4	9.7
Maintenance and production facilities.....	60,376,000	12.9	9.3
Research, development and test facilities.....	50,650,000	10.8	7.3
Supply facilities.....	105,385,000	22.4	16.3
Hospital and medical facilities.....	84,495,000	18.0	13.1
Administrative facilities.....	2,350,000	.5	.4
Housing and community facilities.....	76,081,000	16.2	11.8
Utilities and ground improvements.....	27,084,000	5.8	4.2
NATO infrastructure.....	85,000,000	-----	13.1
General authorization.....	92,400,000	-----	14.3
Total obligational authority.....	646,800,000	100.0	100.0

¹ Excluding NATO infrastructure and general authorization.

PROGRAM HIGHLIGHTS

OPERATIONAL AND TRAINING FACILITIES

Our requests for \$62,979,000 for operational and training facilities is required to improve readiness, primarily in Europe. We are requesting \$32,000,000 for Eucom Headquarters, \$2,184,000 for two Defense Satellite Communications Systems projects in Europe and \$20,274,000 to enhance training in the continental United States. The remaining \$8,521,000 is for three flight control towers required to improve safety, two buildings to house flight simulators, and five operations facility requirements.

MAINTENANCE FACILITIES

We are continuing our efforts to remedy the Army-wide shortage of adequate maintenance facilities. The facilities which will be provided by our request for \$60,376,000 will directly improve our readiness posture both in the United States and abroad. We are requesting \$33,568,000 for eight maintenance facilities for prepositioned equipment in Germany, \$14,108,000 for tactical equipment shops projects at Fort Stewart, Fort Ord, Fort Polk, and Fort Knox. Maintenance of tactical equipment in Germany and Korea will be improved by provision of maintenance facilities costing \$1,872,000. In addition, \$8,371,000 is requested for direct support maintenance facilities at Fort Stewart and Fort Ord and \$2,457,000 for an improved Hawk maintenance facility in Germany.

SUPPLY FACILITIES

Our request for supply and storage facilities is \$105,385,000. This is an increase of nearly \$54 million over that approved in fiscal year 1977. The majority of this request, \$83,126,000 is to improve readiness in Germany by providing additional ammunition storage for \$79,567,000 and improving existing POMCUS arms facilities and unit maintenance hardstands for \$3,559,000. We are requesting \$14,564,000 to continue the improvement to nuclear weapons site security in Conus and overseas. We are also requesting funds to improve the physical security of small arms and ammunition overseas and to provide necessary general storage facilities.

RESEARCH AND DEVELOPMENT

The Army's total request for research and development related facilities is \$50,650,000. This will provide for a tri-service high energy laser test facility for \$33,449,000 presently being designed for White Sands Missile Range; a Physical Sciences Laboratory and Energetics Laboratory at Picatinny Arsenal, a research facility at Fort Rucker, and a small test facility being designed for White Sands Missile Range.

BACHELOR HOUSING AND DINING FACILITIES

This year's request includes \$16,104,000 for a five-company trainee barracks complex at Fort Benning to replace existing World War II facilities. \$3,119,000

for construction of 210 new enlisted barracks spaces in Germany, \$12,300,000 for replacement and modernization of 1,627 barracks and BOQ spaces in Korea, and \$9,620,000 for modernization of 926 existing enlisted barracks spaces at Schofield Barracks in Hawaii. The new barracks in Korea are a continuation of our phased replacement of 25 year-old quonset huts with relocatable barracks.

Our program also includes two dining facilities improvement projects in Korea at a cost of \$4,078,000 and one dining facility modernization project in Panama at a cost of \$447,000. The total of \$45,668,000 requested in this area is 70 percent below that appropriated in fiscal year 1977. The major future requirements are for trainee barracks, modernization of permanent barracks and replacement of quonset huts in Korea.

MEDICAL FACILITIES

The fiscal year 1978 request for medical facilities, \$84,495,000 accounts for about 13 percent of this year's program. The main projects are a new hospital at Fort Polk and a major hospital improvement project at Nuremberg. Also included are new dental clinics at Fort Bragg, Fort Benning, Fort Hood and Heidelberg as well as new health/dental clinics at Fort Sill and Korea. The strong fiscal support given the medical program in recent years is rapidly being translated into excellent facilities with the Eisenhower Hospital at Fort Gordon opening in 1976 and the new Walter Reed Hospital scheduled to open this year.

COMMUNITY FACILITIES

The \$30,413,000 requested for community facilities includes \$12,199,000 for Germany to provide community support facilities to support a brigade being relocated to the Northern Army Group or Northag area. The remainder includes two dependent schools in Germany and Japan for \$12,322,000, field house improvements at Fort Wainwright, Alaska, and the United States Military Academy, and commissary and auditorium projects in Germany.

UTILITIES

We are requesting \$27,084,000 for projects in the utilities class, of which the major requirement is for \$6,618,000 to replace the Moline Bridge at Rock Island Arsenal which was closed in December 1976 due to its seriously deteriorated condition. Also included is a request to upgrade electric and water service for \$5,200,000, three pollution abatement projects totaling \$1,984,000 and two energy conservation projects totaling \$7,110,000. Elimination of electrical safety hazards at the U.S. Military Academy will require \$1,260,000. In addition, \$3,784,000 is required for the United States Army share of a joint water supply project with the local communities adjacent to Fort Hood, Texas. The remaining \$1,128,000 is requested to provide required parking space at Bremerhaven and improve ammunition security at Fort Campbell.

NATO INFRASTRUCTURE

"Infrastructure" is the NATO term for multilaterally financed construction, by NATO countries, of operational military facilities important to the combined effectiveness of NATO forces, including United States forces in Europe. We are requesting funding of \$85,000,000 for the United States share, for all services, of the cost of multilateral programs for construction of military facilities and installations in fiscal year 1978. The \$85,000,000 will be financed through \$81 million in new obligational authority, and \$4 million to be derived from recoupments.

ACTION ON PAST CONGRESSIONAL DIRECTIONS

Your fiscal year 1976 and 1977 Military Construction reports requested that the Army make several special studies. I would like to comment briefly on these.

In November 1976, we provided you with our One Station Training and One Station Unit Training (OST/OSUT) study in which we examined this concept at existing installations and evaluated the graduates of this training after they were assigned to Forscom units. We concluded that OST/OSUT is a sound program and that the Army cannot afford to digress from its planned implementation of the OSUT concept in a period when resources are at a premium. To do so would deprive the operational forces of manpower which can be made available by means of training under the OSUT concept.

We have also provided you with the draft of Volume I of our Division/Brigade Stationing Study and will provide the supporting annexes at a later date. Our conclusion is that our present stationing plan is adequate and that there is no reason to realign major units at this time. In April 1976, we forwarded the Army position that controlled mineral exploration can be permitted at Fort Polk, Louisiana, without significant detriment to the Army's readiness goals. Therefore, we are not asking for an extension of authorization or funding for the fiscal year 1976 Military Construction, Army project to acquire mineral rights at Fort Polk. In November 1976, we also provided data on removal of military debris from sites in the Aleutian Islands and the lower Alaskan Peninsula to include fund requirements for three alternatives for accomplishing the cleanup.

Thanks to your efforts to increase our fiscal year 1977 MCA planning funds, we now have a contract for the concept design for improvements to the Tripler Army Medical Center in Hawaii.

SUMMARY

In summary, our fiscal year 1978 Military Construction, Army program is molded to improve readiness, primarily in Europe. We continue to place emphasis on improving the lot of the soldier but at a reduced level of investment. I cannot over-emphasize the austerity of the program and the fact that this request includes only the most urgent and pressing needs.

We have made a sincere effort to ensure that the projects requested in this austere program are responsive to the needs of the Army and will be fully used over the long range.

This concludes my presentation of the Army's fiscal year 1978 Military Construction Appropriation request. As in previous years, the detailed project justification supporting our request is contained in the book which has been furnished to the Committee. The projects are arranged in command and station sequence.

I will be pleased to answer any questions the Committee may have, or to see that answers are provided.

BIOGRAPHICAL SKETCH

Maj. Gen. William R. Wray was born on December 8, 1925 in DeQuincy, Louisiana. He was commissioned in the Army Corps of Engineers following graduation from the U.S. Military Academy in 1946.

He holds a master's degree in civil engineering from Texas A. & M., is a registered professional engineer in the District of Columbia, and is a graduate of the U.S. Army Command and General Staff College and the National War College.

General Wray's service with engineer troop units has included tours in Vietnam as commander of the 169th Engineer Construction Battalion and command of the 45th Engineer Group. He has served on the Army Staff, in the Office, Assistant Chief of Staff for Force Development, and in the Organization of the Joint Chiefs of Staff.

His assignments have included tours with the Joint Construction Agency in France and with the Safeguard Systems Command. He was the Officer-in-Charge of the crew which started the Army's first nuclear power plant and later was among the original investigators who worked in the Atomic Energy Commission's Plowshare Program, studying the feasibility of large scale excavations with nuclear explosives.

General Wray became the first Director of Facilities Engineering, Office of the Chief of Engineers, in January 1974. He assumed duties as the Assistant Chief of Engineers, Office of the Chief of Engineers, in August 1975.

BUDGET REQUEST

General WRAY. Just to summarize my statement, I would like to point out first, sir, as you mentioned, that our request for this year includes \$646,800,000 in total obligational authority; \$601,800,000 of this is new obligational authority. Funds available from prior year pro-

grams, amounting to \$41 million and expected NATO recoupments of \$4 million, account for the difference between total and new obligational authority.

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Our request for fiscal year 1978 is about \$34 million more than that approved for fiscal year 1977. In terms of constant dollars, however, this represents a 2-percent decrease compared to fiscal year 1977. I must emphasize that this request is extremely austere and will meet only our most essential and pressing needs.

PROGRAM EMPHASIS

Our military construction program this year emphasizes construction to improve readiness and combat capability. This represents a shift away from previous emphasis on projects to improve the living conditions of our soldiers. Excluding NATO and general authorization, 51 percent of our request is to directly improve readiness and combat capability while only 34 percent is to improve living conditions. By way of comparison, last year's approved program included 8 percent for projects which directly improve readiness and 49 percent to improve living conditions.

Emphasis has also been shifted from CONUS to overseas construction. Of the \$261 million, 86 percent, or \$223 million is for construction in Europe and the remainder is for construction in the Pacific and a small amount for Panama.

The majority of construction requested in the Pacific is in Korea. The major expenditure in Korea will be for relocatable structures to provide improved living conditions without a permanent investment.

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In November 1976 we provided you with our one station training and one station unit training (OST/OSUT) study in which we examined this concept at existing installations and evaluated the graduates of this training after they were assigned to FORSCOM units. We concluded that OST/OSUT is a sound program and that the Army cannot afford to digress from its planned implementation of the OSUT concept in a period when resources are at a premium. To do so would deprive the operational forces of manpower which can be made available by means of training under the OSUT concept.

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We have made a sincere effort to insure that the projects requested in this austere program are responsive to the needs of the Army and will be fully used over the long range.

This concludes my summary of our program for this year, sir. I will be pleased to answer any questions you may have, either now or at a later time.

PROGRAM REDUCTION

Senator JOHNSTON. Thank you very much, General Wray.

How much did you reduce your budget request from what it would have been before President Ford sent the budget cut down?

General WRAY. Sir, our request was reduced—of course the Army did not reduce the request—the Army's request, let's say, was cut somewhat.

Senator JOHNSTON. Yes.

General WRAY. And the amount of the reduction was about \$300 million.

Senator JOHNSTON. About \$300 million?

General WRAY. Yes, sir.

Senator JOHNSTON. And that was almost all in CONUS?

General WRAY. I believe without exception it was in CONUS, yes, sir.

NEED FOR PROJECTS CUT FROM THE BUDGET

Senator JOHNSTON. All right. Now, how much of that \$300 million represented items that would be subject to some question as to whether they will eventually be built?

In other words, how much of that \$300 million can you say we are definitely going to build, whether it is this year or next year or 2 or 3 years from now, that is, certain to be built? How much of that \$300 million?

General WRAY. Sir, I might just say, first, that there were about \$76 million worth of pollution abatement projects that were cut out, and those, of course, would be needed in any case, as long as an installation is going to continue to operate, just to comply with the law.

Senator JOHNSTON. And there are none of those installations that are subject to any question as to whether they are going to operate or not?

General WRAY. Not in the minds of the Army, in any case.

Senator JOHNSTON. OK.

General WRAY. There are some \$27 million worth of energy conservation projects which would have been required.

Senator JOHNSTON. How much?

General WRAY. \$27 million, sir, in any case. There were \$42 million worth of projects to improve the security of our chemical munitions, and those were at depots the Army has no thought of closing. So those are required in any case. That is about half this \$300 million. I should say that each of the remaining projects were at locations for which the Army had no question about either the permanency, desired permanency of the installation, or the type mission to be conducted there.

FAMILY HOUSING REDUCTIONS

Senator JOHNSTON. How much family housing did you have?

General WRAY. Sir, we had family housing of 500 units for Fort Polk. One hundred units of that has been restored, incidentally.

Senator JOHNSTON. So there are 400 cut?

General WRAY. Yes, sir.

Senator JOHNSTON. Very well.

General WRAY. We had 348 units at Fort Ord, and we also had housing at Fort Stewart that was cut.

Senator JOHNSTON. How much? Do you remember the number of units?

General WRAY. 350, sir.

Senator JOHNSTON. 350.

General WRAY. Yes, sir.

Senator JOHNSTON. And the cost of the cut?

General WRAY. The total cost for all of that family housing was \$42 million, roughly, sir. I can give you the exact figures for the record.

Senator JOHNSTON. All right. Could you?

[The cost figure follows:]

The following Army proposed family housing new construction projects were deferred:

Fort Polk, La., 500 units.....	\$20,312,000
Fort Ord, Calif., 348 units.....	14,139,000
Fort Stewart, Ga., 350 units.....	11,092,000
Total proposed, 1,198 units.....	45,543,000
Less 100 units, Fort Polk, restored.....	3,545,000
Total deferred, 1,098 units.....	41,998,000

FORT STEWART FAMILY HOUSING

General WRAY. I would like to add one thing, sir, with respect to the housing; that the housing we requested for Fort Stewart was cut prior to the time that the massive cut occurred. That was cut on the basis that, with new legislation HUD is proposing to submit, the situation at Fort Stewart might be eased somewhat by construction by private enterprise in the Savannah-Fort Stewart area. But the Fort Polk and Fort Ord housing were cut strictly on the basis of the moratorium that occurred.

CONSTRUCTION TO STIMULATE THE ECONOMY

Senator JOHNSTON. All right.

Now, if \$42 million were provided for that housing, is it pretty well designed and ready to go? In other words, in terms of creating jobs, house building, which involves suppliers, et cetera, is a very quick fix in terms of economic stimulus, isn't it?

General WRAY. It would be a quick fix, sir. I might just clarify somewhat in that the Army does not normally do the detailed design for housing, but we let a turn key contract which could be let rapidly for both design and construction of the house. But, you are correct, this is something that we could proceed with rapidly.

Senator JOHNSTON. Well, I just don't see, with the need to stimulate the economy, why one would take \$30 million from the Army which is going to be needed to be built anyway, and wait until next year, the year after, when presumably the economy could be vastly improved. The greatest area of difficulty in this economy right now is in the construction trades. I just don't see the logic behind it, and we are going to try to press for an additional \$300 million for Department of Defense construction. There are other branches that are in the same shape as the Army.

What you are telling us is that, of the \$300 million, there is not one cent in there, so far as you can see, that is subject to question in terms of eventually being built?

I mean, as far as the Army is concerned, none of these bases are under study for closure, none of the expenditures can be met by some alternative means? You know that you are going to need this many military housing units, and that's true for every cent of that \$300 million, isn't it?

General WRAY. That is correct, sir. We had attempted in every way to insure that the program we submitted did not contain projects and

installations that we thought there was some chance of closing or adjustment of, major adjustment of mission.

ONE-STATION UNIT TRAINING

Senator JOHNSTON. Now, I have a series of questions here on one station unit training, and I want to ask a few and submit the rest in writing.

Could you explain the benefits of conducting initial entry training under the OSUT concept?

General WRAY. Yes, sir. First, perhaps it would be best to say that in the past years our training generally has been conducted—our initial entry training—has generally been conducted in two phases. We would give a soldier his BCT, or basic combat training, which contained about 8 weeks of instruction, and then we would send him to what we called AIT.

The BCT was common to all soldiers entering the Army. The AIT was the special instruction to make an infantryman out of him, or an engineer, or whatever other specialty he was going into.

Senator JOHNSTON. Let me interrupt you to mention to my colleague, Senator Sasser, in case he is not familiar, that there has been a conflict between particularly Georgia's Fort Benning and New Jersey. New Jersey Senators are opposing the one station unit training concept, or have in the past, because they feel it takes some emphasis from the New Jersey bases, particularly Fort Dix.

General WRAY. Yes.

Senator JOHNSTON. Is that the only one? Is Fort Stewart involved in it?

General WRAY. Fort Stewart is somewhat involved in a question on division stations, not in training, sir.

Senator JOHNSTON. So we will probably be called on before the year is out to referee that argument much further. That is why I asked the question. So, please proceed.

ADVANTAGES OF ONE-STATION UNIT TRAINING

General WRAY. Yes, sir. As I say, the initial entry program is broken into two phases, BCT and AIT, which always was conducted in two different organizations, and very often was conducted at two different stations.

For example, a person took BCT at one station, and then moved to another station for his AIT.

One-station unit training, as we define it, envisions training people at one station, in one unit, and instead of breaking up the training into two different parts, he has an integrated training program. He has one set of cadre, one set of supervisors that follows the man all the way through his initial entry training.

In doing training this way, we can cut the training by several weeks.

For example, in infantry, we know that we can cut the training to 12 weeks and get a soldier who is as well trained as we can get in 15 weeks using the old procedures.

Senator JOHNSTON. That is because you have no lost motion in the movement between BCT and AIT?

General WRAY. That is correct. So, we feel that, as we can conduct the training in less time, we need less cadre, the person stays in the training base less time, and therefore he is available in the forces, in the units, for a greater time. So, overall, it saves the Army manpower, it saves money.

In addition, of course, we now would give our armored training all at Fort Knox, Ky., for example; all of our infantry training at Fort Benning; all of our engineer training at Fort Leonard Wood. So the person receives his training at truly the home of that particular arm or service, and we think there is some advantage to that.

MISCONCEPTIONS ABOUT ONE-STATION UNIT TRAINING

General WRAY. There are a number of other advantages that I could detail for the record, but I would like to point out a few other things about OSUT which I think are misconceptions.

One is that people argue that you might be able to reduce training to 12 weeks, using the old method of BCT and AIT, also. We think you cannot do that and get an acceptably trained soldier. But, even if you could, the simple fact that you have to break up the soldier's training and send him from one station to another, process him out of one station into another, in itself requires additional administrative effort, and additional people.

There is a misconception that there is a large amount of money associated with OSUT, that some \$300 million are required in order to implement the concept, and this is entirely incorrect. The costs to implement OSUT will be no more than to implement or to continue our old training concept. In fact, the costs, in my judgment, are somewhat less.

The only special cost that one would incur to implement OSUT at Fort Benning, for example, would be \$2.7 million worth of ranges that would be needed, and we are asking for those this year, and a \$5.5 million reception station that we are asking for at Fort Benning.

In terms of barracks we are asking for, however, as long as we are going to put our soldiers in permanent barracks, and get them out of the old World War II mobilization-type barracks, those barracks must be built somewhere, whether at Benning or Fort Knox or Fort Leonard Wood, Fort Jackson, Fort Dix, or wherever.

So that does not represent an extra expense. And, if we do not go to OSUT at Fort Benning, we will, in fact, need somewhat more barracks than we would need if we go to Fort Benning.

The bottom line is that it does not cost more to implement OSUT at Fort Benning.

I might say that we have already proceeded to implement one station unit training at Fort Knox, Fort Sill, Fort Bliss, Fort Leonard Wood; at all of the other places where we train our combat soldiers.

EFFECTS ON FORT DIX

Senator JOHNSTON. Then what effect would this have on Fort Dix, if any?

General WRAY. None, sir, because at the present time the numbers of trainees that we are required to train each year in the Army is such

that Fort Dix has a full training load itself. In fact, next year we would envision a somewhat higher training load for Fort Dix than has been experienced there in the last year or two.

Senator JOHNSTON. And that is independent of OSUT?

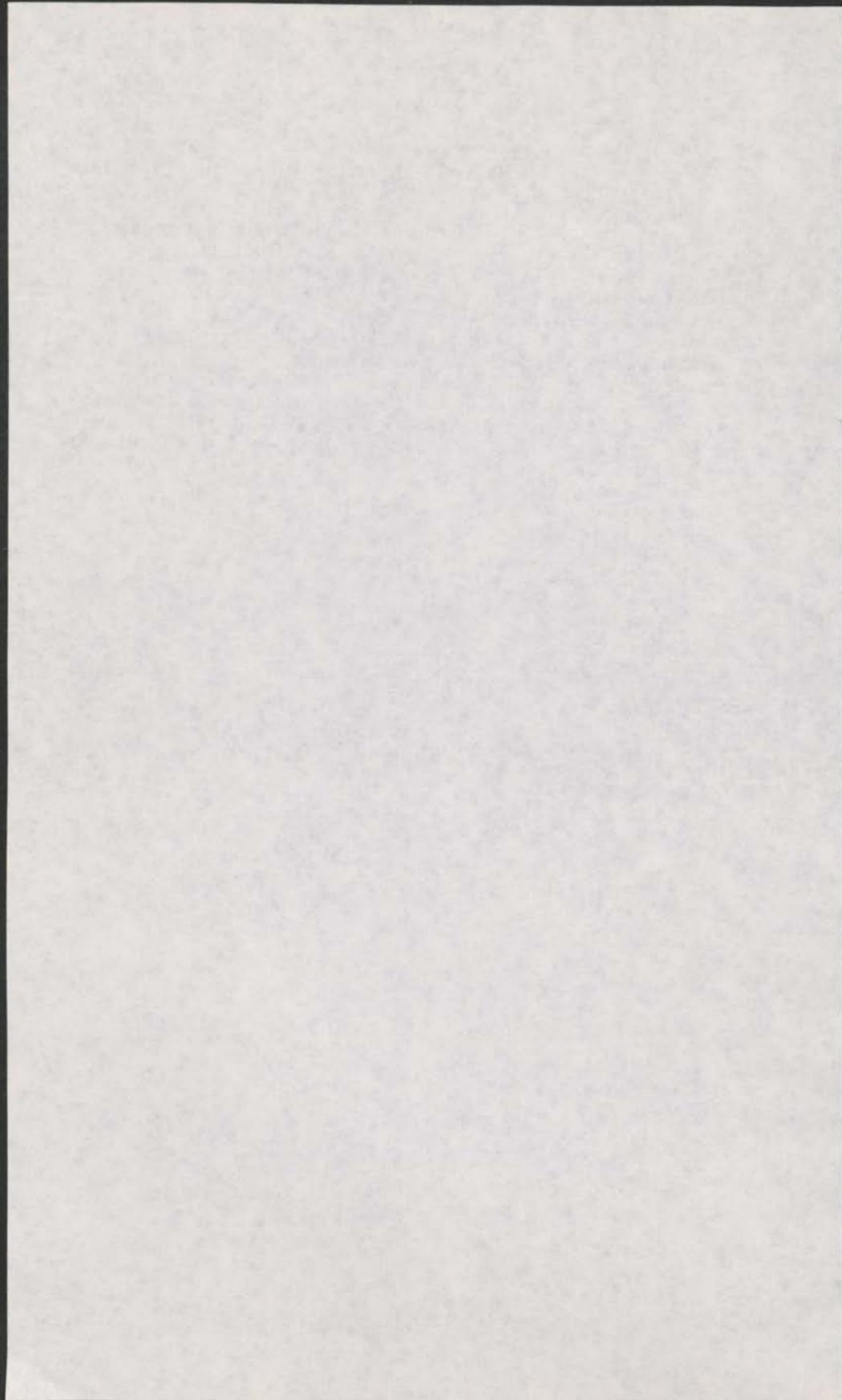
General WRAY. That is independent of one station unit training, yes, sir. In fact, the type training given at Fort Dix normally is the type that provides basic training and specialized training in such things as truck driving, cooks, clerks, a number of the common specialties that support all types of units in the Army, and that is the type of training that Fort Dix is best suited for. In fact, we give that same type training at Fort Jackson in South Carolina.

Senator JOHNSTON. Well, General, I think you have answered most of these questions. But let me submit these in writing, if I may, because we want to have that record on OSUT very well fleshed out. Then I hope that our friends from New Jersey will be satisfied with those answers. I think they should be.

Senator SASSER.

Senator SASSER. I don't have any questions, Mr. Chairman.

Senator JOHNSTON. Very well.



ARMY RESERVE

Senator JOHNSTON. Welcome, General Mohr. We will place your biographical sketch in the record after which you may present your statement.

[The biography follows:]

BIOGRAPHICAL SKETCH OF MAJ. GEN. HENRY MOHR

Maj. Gen. Henry Mohr enlisted in the Regular Army as a private in September 1941. He was assigned to the 11th Field Artillery Battalion, 24th Infantry Division stationed at Schofield Barracks, Oahu, territory of Hawaii where he completed basic training.

General Mohr was in Hawaii when the Japanese attack on Pearl Harbor occurred on December 7, 1941.

In May 1942, he returned to the mainland and after attending OCS, was commissioned as a second lieutenant, Field Artillery in August 1942. He was then assigned to the 6th Division, participating in its campaigns in New Guinea and Luzon in the Philippines.

In 1951, General Mohr returned to active duty as a captain and was assigned as an Assistant G1, Fort Sill, Okla. Later he was assigned to the 18th Field Artillery Group at Fort Sill and accompanied the group to Europe. He was then assigned to Headquarters, Seventh U.S. Army at Stuttgart, Germany.

In 1953, General Mohr left active duty and was assigned in 1954 as assistant to the Chief of Staff, 102d Infantry Division. He later became the Division G3, responsible for plans, training, and operations and was in that assignment when the Division was inactivated in 1965.

The next assignment was with the Office, Chief Army Reserve, Washington, D.C. as a mobilization designee. As part of that assignment, he participated in the planning for, and establishment of, the Army Reserve Commands (ARCOM's).

When the 102d Army Reserve Command was activated, General Mohr was assigned as ARCOM G3, and progressed to Chief of Staff, Deputy Commander, and Commander.

During 1973-74, he also served as a member of and consultant to the Office, Secretary of Defense total force study group chaired by Mr. Eckhard Bennewitz, Deputy Assistant Secretary of the Army.

On June 1, 1975, General Mohr began his latest assignment, serving on a statutory tour of active duty after appointment by the President as the Chief Army Reserve. This Pentagon assignment included promotion to the rank of major general.

In civilian life, General Mohr attended Washington University in St. Louis, Mo. He was president of a real estate company and also the Runny Meade Management Corporation which specializes in mobile home parks. He has served on the Board of Directors of the St. Louis Chapters of the Association of the US Army, and the Reserve Officers Association.

The General and his wife, Dorothy, have three children: David, Jeanette, and Philip.

General Mohr's decorations include the Legion of Merit, Bronze Star Medal with Valor device, the US Presidential Unit Citation, The Philippine Presidential Unit Citation, the Meritorious Service Medal, the Army Commendation Medal and others.

GENERAL STATEMENT

General MOHR. It is a privilege to again appear before this distinguished committee. Today I will present the fiscal year 1978 military construction, Army Reserve budget request.

To me, I think one of the most significant forward thrusts of the past year has been the movement toward unity of purpose, of perspective and of action. The Army Staff, the Commander of the U.S. Army Forces Command, other Active Army elements and the Reserve components are working together in a closely knit relationship, to achieve the proper emphasis in readiness, balance, stability, and quality forces.

As this committee fully realizes, discussion of military construction for the Army Reserve cannot be disassociated from other elements of the program—the realities of readiness, equipment posture, facilities, and the structuring of the total force. Manning levels and technician capabilities relate directly to proper use and maintenance of equipment and facilities for training purposes just as inadequate and obsolete equipment impact on the qualification and proper use of personnel and on readiness levels.

INTEGRATED FORCE STRUCTURE

In the past, the Reserve components have not been provided sufficient resources and equipment inventories. But, honesty compels me to say that much of the fault has been in identifying real needs as they relate to the total force. I can, however, state unequivocally, that more progress has been made in recent months toward long-term viability of the total force program than at any time in my service in the Army Reserve. The idea that the Reserves will be used only as a last resort and only in a general mobilization is obsolete.

We are developing an integrated force structure that can and will deploy in support of Army total force requirements. Integrated Reserve capabilities are reflected in priorities for deployment and training. Army Reserve readiness is becoming a readiness that can be demonstrated by units and individuals in units whenever and wherever the national interest of the United States may require.

ARMY RESERVE MISSION

As you know, the established Army Reserve mission is to furnish, in the event of war or national emergency, and at such other times as national security may require, units organized, trained, and equipped in time of peace for rapid mobilization, expansion, and deployment. These units are to be of types and numbers to meet the requirement of the Total Force—each with its own unique and unduplicated mission. We are also required to provide additional qualified individual personnel for necessary replacements and expansion of the Army.

With the mission stated above in mind, the U.S. Army Reserve is truly a cost-effective instrument in our arsenal of national defense capabilities. The Army Reserve has the capability to reinforce the Active Forces combat power, and, very importantly, contains the resources in our units to provide sustainability to the total land force operation for the scenarios contained in defense contingency plans. Implied in the statement of a cost-effective force is the absolute requirement that the Army Reserve be effective as a force wherever it may be needed.

READINESS AND FACILITIES

Readiness is the umbrella under which we go about the business of determining effectiveness. If we are to achieve the readiness goals of the Army Reserve, it is essential that we have adequate facilities. Army Reserve centers with appropriate organizational maintenance shops are necessary to provide the proper environment for individual and unit training, adequate storage and maintenance of equipment and vehicles, and for security of weapons and other equipment. Army Reserve units continue to receive more equipment as a result of the Army's effort to upgrade the overall readiness of the Reserve forces.

And, Mr. Chairman, I can add in there that our equipment posture is showing an upward turn, which is very encouraging.

Many units simply do not have room in their centers to store and perform the necessary maintenance on this equipment. The Army Reserve construction program is programmed to provide the needed facilities, on a priority basis, within available funding. The magnitude of the task is reflected by the current backlog of needed construction of \$516.2 million.

In addition to Army Reserve centers for inactive duty training, we have long-overdue improvements to make in our annual training areas. These improvements are in troop housing, school, and support facilities, outdoor training areas, and ranges. These improvements began in fiscal year 1976.

BUDGET REQUEST

Our program request for fiscal year 1978 is \$50.5 million. The fiscal year 1978 budget plan provides \$41.4 million for major construction projects, \$3 million for minor construction, and \$6.1 million for advance planning for both major and minor construction. There are a total of 37 major construction projects in 25 States, including 10 new centers, 20 expansions of existing centers, one separate maintenance project, and six projects at annual training facilities. One of the expansion projects will be constructed jointly with the Army National Guard.

I want to express my appreciation and that of the entire Army Reserve for the significant improvements in our facilities that have progressively occurred since fiscal year 1972 because of congressional recognition of our urgent requirements by making available the necessary funding to support a viable USAR construction program.

This concludes my opening statement, Mr. Chairman. I will be glad to answer any questions that you may have.

CONSTRUCTION BACKLOG

Senator JOHNSTON. Thank you very much, General Mohr.

You have got a backlog of \$516.2 million?

General MOHR. Yes, sir.

Senator JOHNSTON. And against this you are requesting only a total of \$50.5 million?

General MOHR. Yes, sir.

Senator JOHNSTON. How much did you have in your original request for this type?

General MOHR. Sir, we were cut, as I recall the exact figure here, and Colonel Kuehn, correct me if I have the wrong figure, \$6.6 million.

Colonel KUEHN. That is correct.

Senator JOHNSTON. A cut of \$6.6 million.

General MOHR. That is correct.

Senator JOHNSTON. And what was cut?

General MOHR. The projects that we have reduced from this are a maintenance facility at Fort Drum, N.Y., and rehabilitation work to recently acquired facilities at Ramsey Air Force Base in Puerto Rico. If \$6.6 million were restored to the amount we are requesting in fiscal 1978, it would enable us to take care of this needed construction.

Senator JOHNSTON. I see. And there again is no question about the need for this construction? It will have to be done, and it's not under review to decide if you will do it? They just cut it out?

General MOHR. Yes, sir. This is correct.

Now, in response to the second part of your question, which relates to outstanding backlog, and why more resources have not been programmed. We are preparing a 10-year program, Mr. Chairman, to reduce the overall backlog during that 10-year time frame. But, of course, we have the OSD and OMB review which will have to approve the phasing of that program.

ARMY RESERVE RECRUITING

Senator JOHNSTON. All right.

General, what has been your recent experience in getting recruits for the Army Reserve?

General MOHR. Extremely difficult, sir. Over the past year our net losses have ranged up as high as 3,000 in a single month. We are having extreme difficulty right now. We have added a full-time recruiting force which has not been adequate before for the Army Reserve. This is beginning to have some effect on bottoming out the extreme decline that we were suffering. We also are having retention problems. Of course our facilities do relate directly to the retention.

We find, Mr. Chairman, where we have adequate facilities and modern equipment for people to train with, that it appears to the Reservist that he has a credible mission within the overall Defense Department plans. We find that this in turn has a significant effect on moral and retention of individuals in the Army Reserve.

So, the construction projects we are talking about are extremely important to our program.

ARMY RESERVE STRENGTH

Senator JOHNSTON. How many reservists do you have?

General MOHR. Sir, our authorized structure strength is 276,000. Our peacetime manning level needed is 260,000. The actual onboard now ranges around 193,000.

Senator JOHNSTON. Now, of those 193,000, how many have served as Regular Army people, and gotten out and gone to the Reserves, and how many were recruited initially to the Reserves?

General MOHR. Sir, the number of prior service people that we have onboard is running about 80 percent. We are recruiting only about 20 percent nonprior service personnel.

INITIAL ACTIVE DUTY TRAINING

Senator JOHNSTON. Now, when you get a person you recruited directly from the private sector, and he comes into the Reserves, how much time does he have to spend in initial training?

General MOHR. Male personnel must spend 12 weeks on active duty. For women, we have the civilian acquired skills program which normally requires 2 weeks training.

Senator JOHNSTON. In effect, coming in from outside, 12 weeks' basic training?

General MOHR. Yes, sir.

Senator JOHNSTON. Let's see, that's one station unit training now?

General MOHR. Yes. It will also apply to multiple station training.

Senator JOHNSTON. And then after 12 weeks, they can go back to the civilian job, and then what is the requirement, for a minimum?

General MOHR. It depends on the skills, sir, because we do have some exotic skills in the Army Reserves. In some cases we need training skills which require up to 52 weeks. So the amount of individual active duty that a reservist must perform will vary depending upon the skill that he is training for.

ANNUAL TRAINING REQUIREMENTS

Senator JOHNSTON. What are his requirements then on an annual basis after his initial training?

General MOHR. After the initial training, the requirements are 48 drills a year, plus 2 weeks annual training.

Senator JOHNSTON. Please explain a drill.

General MOHR. A drill is construed as a 4-hour unit training assembly or "UTA". A minimum of 4 hours is established as the time for which the individual receives 1 day's pay. Now, most of the units drill in multiple unit training assemblies or "MUTA." A MUTA-2 would be two of those drills on a Saturday. When two more drills are conducted on a following Sunday, this would be an MUTA-4.

Senator JOHNSTON. Once a month?

General MOHR. Once a month, for an entire weekend. That can go up to a MUTA-5.

Senator JOHNSTON. For that they get a full day's pay?

General MOHR. Yes, sir. But frequently we find our units using those MUTA for field exercises. It is not infrequent that units are engaged in exercises that run 24 hours a day over those weekend MUTA-4's.

As I said, each UTA is for a minimum of 4 hours, however we find frequently that MUTA-2's are used for exercises covering 24-hour periods. So, instead of an authorized 8 hours, being a MUTA-2, we often get 24 hours of actual duty and training. This is a rather interesting point for discussion and consideration in itself.

RETENTION

Senator JOHNSTON. Well now, General, to what do you attribute your inability to retain people, and the difficulty in recruiting them? Is this just sort of a general problem that the Army appears to be

having in recruiting people in time of affluence, or is it because of the new policy of making it clear that the Reserve is not going to be called in—only in the event of a total mobilization, but that you might be the first to go?

General MOHR. Sir, I think that making it clear that the Reserve might be the first to go is an excellent move, and I don't think it has hurt our morale. I believe it has helped it. I think that the major reason for the strength problems we now have are the extreme losses that we had of people who were, shall we say, forced in, or who enlisted in the Reserve forces during the time of the draft in order to avoid being drafted, perhaps to avoid Vietnam. We have now lost nearly all those people. The people we have coming onboard now are there because they want to be.

Commanders tell me that the attitude and morale of the units is improving with the new crop of people.

PAY

Senator JOHNSTON. What can a young man make? Let's say he comes in from the outside and goes through his training. What can he make in his second year, after he finishes his training and he is in his second year?

General MOHR. As far as the pay people receive?

Senator JOHNSTON. Yes.

General MOHR. I don't have the answer to that right off.

Vern, do you know?

General WEBER. Well, about \$50.

General MOHR. That will be in his first year.

General WEBER. He is not apt to be promoted, in his first year, so it would be about \$50 a week.

General MOHR. \$50, \$54, something like that, in his first year.

Senator JOHNSTON. Plus he gets 2 weeks' pay for active duty training?

General MOHR. Yes.

Senator JOHNSTON. What will that amount to?

General MOHR. About \$15 a day for that 2 weeks.

Senator JOHNSTON. So he can make \$750 his first year?

General WEBER. Yes.

General MOHR. About that, in a year's time, yes, sir. If you like, I will provide more specific answers to that question. My understanding is you want to know what a non-prior-service Reservist makes in his second year. I will assume he is promoted during this period. I will provide specific figures for the record.

[The information follows:]

During the second year, the average first term reservist will be promoted to the E-2 pay grade. If he attends all 48 drills, he will make \$599.04 from drill pay. He will also make \$174.72 during his two week annual training exercise. The total annual pay will then be \$773.76.

ELIMINATION OF THE DRAFT

Senator JOHNSTON. Let me ask one more question, if I may. The question that continues to be asked, and I have been asking it ever since the program started, is about the elimination of the draft.

I am wondering what that is going to do, or your feeling about it.

General MOHR. The elimination of the draft?

Senator JOHNSTON. Yes, sir.

General MOHR. It has had an influence on recruiting because it obviously did influence people to go into the Guard and the Reserve and will probably do so again if conscription is reinstated. A very serious problem in the Army Reserve is in the Individual Ready Reserve. We have dropped in that manpower pool from nearly a million to approximately 200,000.

Senator JOHNSTON. What do you mean individual?

General MOHR. That is the Individual Ready Reserve. That is the individual, who has served his period of active duty, or has served a period in the active Reserve and then serves a required period in the Individual Ready Reserve. This pool has dropped from nearly a million trained Ready Reservists, to about 200,000. We expect it to go down to about 70,000 or 80,000 within the next few years.

RECRUITING AND RETENTION

Senator JOHNSTON. Now, you say you have got serious problems in retention. Part of that is attributable to the Vietnam war, and to the fact that you had a previous draft, and those are getting out now. But in addition to that, you would foresee continuing problems of recruitment and retention; is that right?

General MOHR. I see continuing problems of recruiting and retention unless we provide some initiatives to stimulate enlistments, and particularly the reenlistment of personnel.

Senator JOHNSTON. Right; reenlistment bonus increase, that sort of thing.

General MOHR. That sort of thing; yes. The Department of the Army has presented to the Department of Defense a package which is proposed to assist us as a first step toward the achievement of desired recruitment and retention objectives.

Senator JOHNSTON. Well, I personally thought the elimination of the draft was a mistake at the time we put it in. I still think so. I think maybe your problem could be solved that way.

Senator SASSER.

Senator SASSER. Thank you, Mr. Chairman. Let me say I agree with you about the elimination of the draft; I think it was a mistake, also.

WEEKEND TRAINING

General, I want to state to you that I think the concept of getting these Reservists in for a 2-day period over a weekend is much more desirable, as opposed to getting them in for one 4-hour drill or 5-hour drill, or 6-hour drill.

I have had some personal contact with Reserve units, and my own judgment is that they function much better when they drill for a 2-day period, and use that 2-day period for field exercises or field missions.

General MOHR. Well, sir, may I comment on that?

Senator SASSER. Yes, sir.

General MOHR. I certainly agree with you, that for most of the units this is absolutely true. However, we do find that we require some flexibility. We have some units, particularly those in a command and control capacity, with a number of units over their jurisdiction that have to meet weekly. Personnel from those units will have meetings that will, well, in my own experience, meet from 7 o'clock until midnight during a weekday night. Key personnel will often voluntarily meet in an unpaid administrative assembly a second time during the course of that same week in order to keep the current requirements of their operations under control and because of individual dedication to the program. We do need flexibility.

I mention this to point out the differences in training requirements among units in the Army Reserve so that we don't get strapped into something that says that every unit must meet only on one weekend a month. The business of the Reserve goes on a day-to-day basis. It isn't a month-to-month operation. It's every day.

Senator SASSER. I understand.

ACTIVATION OF THE RESERVE

General, one broad question about the Army Reserve: Are the Army Reserve units equipped in such a manner that they could be activated and put into the field in case of a national emergency immediately, or would they have to go to some place like Fort Benning and be reequipped and retrained before they would be able to perform their mission?

General MOHR. The answer is some can and some can't. Right now we have about 83 percent of our authorized major items of equipment. However, we do have some serious shortages. The equipment on hand represents 63 percent of our authorized dollar value. Our shortages are in high dollar items such as automatic data processing equipment, heavy engineer equipment, artillery, and tanks.

Communication equipment is another very serious shortage we have. But we do have a considerable percentage of units that, with the equipment they have, could function.

These units also go to active Army installations and train with active Army units. They are training on the right equipment, but there would be some difficulties in readying some units for deployment unless the equipment were added in after it were activated during mobilization.

We have made tremendous progress over just the last couple of years. This is the first time that we can show an upward trend overall in equipment. With 83 percent of our major items, I think you can see that overall we are not in a bad posture especially if the equipment currently short can be issued to our high priority units.

Senator SASSER. For example, a typical infantry company, in the Army Reserve, would it be ready for field deployment as soon as it was activated, or would you have to send it back to Fort Benning for another month's training, and maybe re-equip it before they would be ready to go?

General MOHR. Well, I think you find that nearly every Reserve unit could function, if it had to. It would do a job. However, there is no way they would have the perfection that an active Army infantry

unit would have. We have roughly 38 days a year in which to train, compared to theoretically 365, for the active Army unit. There is no way that in the current Reserve environment that this degree of perfection can be achieved.

That sort of perfection can be quickly achieved by the Reserves, if some time is available for refresher training, prior to being deployed. However, the Reserves have gone into active duty very quickly in the past and will do so again, when and where needed.

Senator SASSER. General, some of the other Reserve units, Air Force Reserve units and Marine Corps Reserve units that I am familiar with, do have this capability, to perform instantly when activated, do they not?

General MOHR. Yes; they do. We have been doing a study of that. We find very interestingly, that they have also a very much higher percentage of full-time manpower.

Senator SASSER. I see.

General MOHR. We have about 3 percent full-time personnel in our Reserve units. The Air Force has maintained a 72-hour deployment posture in units partly as a result of having 18 to 20 percent full-time Reservist manpower in the units.

We are studying right now the relationship between full-time manpower required to produce very early readiness. We do have a problem in those units that are scheduled to deploy within the first 30 to 60 days. Many of those units are required very early under the new configuration and it is strongly indicated that full-time manning in some of those units will have to be substantially increased.

Senator SASSER. What is the percentage of full-time manpower in the Army Reserve? You say about 3 percent?

General MOHR. Roughly 3 percent overall.

Senator SASSER. Yes.

General MOHR. This is not enough to produce in all cases the readiness that is required.

GAO REPORT ON RESERVE FACILITIES

Senator SASSER. General, in June 1976, the GAO issued a report that stated Reserve facilities could be obtained faster and cheaper by making greater use of existing facilities and by constructing more joint-use facilities. Now, this basically maintained that revised procedures were necessary to insure that viable construction alternatives were considered.

I was wondering what your position is relative to this GAO report, and I thought that there is only one joint-use facility proposed in the fiscal 1978 budget.

General MOHR. The U.S. Army Reserve does make use of existing facilities if and when available. For example, our units are now located in over 29 former missile launch stations as well as using space on many active installations.

It must be noted that when the programming sequence begins the State Reserve Forces Facilities Boards validate the requirements for each Reserve project and recommend either joint or unilateral construction. In some cases existing facilities are not used because a very high dollar recurring maintenance cost is associated with the build-

ings because they are old, they cannot be thriftily adapted to the training needs of the U.S. Army Reserve and/or they are at isolated locations which makes recruiting almost impossible.

I believe that the existing procedures on this subject are more than adequate. In fact, my agency furnishes the other Reserve components copies of our annual long-range programs so as to better insure that all existing facilities are used, when practical, and early planning is done for joint projects where feasible. One of the primary reasons for only one joint project this year is the fact that the Naval Reserve is programing the majority of their funds for aviation facilities rather than for construction of centers.

In addition, whenever we know that the Naval or Marine Reserve or the Guard may wish to add on to one of our centers in the out years, we design the structure so that the other Reserve Forces can add on at the minimum cost and share common use facilities such as classrooms or the assembly hall.

So I think we are fairly well on top of that situation.

Senator SASSER. All right, sir.

I don't have any more questions.

Senator JOHNSTON. Senator Huddleston.

Senator HUDDLESTON. I am interested in our situation in Kentucky, of course. We have a couple of installations down in Kentucky that are of more than passing interest to some of us. We are interested in Fort Campbell, and this request for \$553,000 for ammunition security. Could you explain how this would be used, and what the problems are there relative to this situation?

General WRAY. Yes, sir. At the present time we have two different areas that we are using for storing the ammunition which is used by the division and other activities. Neither one of those areas has adequate security, in terms of the fencing, the lighting, and other controls necessary.

As you know, over the years the Army and all of the services have been concerned about the terrorist threat, and doing everything possible to improve the security.

It turns out, as you know, sir, that we have some storage areas that exist there where nuclear weapons at one time were stored, and we plan to make use of those to consolidate our storage in one place, and to provide the proper additional security around those facilities, that is, the fencing, the lighting, the sensors, and things of this sort. That is what the money is requested for.

Senator HUDDLESTON. Are you having any specific problems down there?

General WRAY. I am not aware of any specific problems, sir. It is just a general effort to upgrade our security where we know that we have less than what we ought to have.

Senator HUDDLESTON. Is this an overall program for the entire Army?

General WRAY. Yes, sir, both overseas and in the United States.

FORT KNOX MAINTENANCE FACILITY PROJECTS

Senator HUDDLESTON. You have a request for funds for maintenance and construction facilities and tactical equipment at Fort Knox. Do you want to give us some information on that?

General WRAY. Yes, sir. First, the maintenance instructional facility is a new facility, permanent facility that we would propose to build to conduct the training of mechanics for our tanks and other type tracked vehicles. For many, many years now we have been operating in old World War II buildings, which are in bad shape. Structurally some of them are really unsafe. We have crowded conditions, conditions that are just not conducive to good instruction. We want to replace those with permanent facilities of the type that we really need to teach our soldiers properly.

We also need additional permanent tactical equipment shops for use by the 194th Armored Brigade to maintain its equipment properly. I am sure you are familiar with the fact that at the present time some of the people who are in permanent shops are overcrowded, with two company's worth of equipment in one company's workshops.

Others are using temporary buildings which should have been torn down years ago, and so we badly need those.

FORT CAMPBELL STRENGTH

Senator HUDDLESTON. Back to your justification book, you indicated that 1982 personnel force at Fort Campbell will drop by about a thousand. What is the basis for this?

General WRAY. I really could not answer that specifically. I could get an answer, sir, for the record.

Senator HUDDLESTON. Is that part of a long-range reduction or anticipated mission change at Fort Campbell?

General WRAY. There is no anticipated mission change, sir. The explanation is that the current strength shown is a misleading figure because it includes a number of transient personnel, a number of Reserve and National Guard personnel that are not permanently assigned there. The out year strength, then, corrects that. Really it is not a real decrease in personnel, but an apparent one due to the different bases for the strengths.

PROJECTS OMITTED AT FORT KNOX

Senator HUDDLESTON. Fort Knox has indicated that they need a couple of items, \$31½ million for centralized tank wash facilities, \$1 million for a dental clinic. Could you explain why these were omitted?

General WRAY. Sir, these were among the projects that were cut out during the moratorium, on the basis that the installations might not be considered as permanent ones, or the mission may change somewhat. This is one of those cases where I am at a loss to explain why they were cut out, because the reduction doesn't conform to any of the criteria that OSD/OMB indicated as the reason for their cuts. It is beyond me.

The pollution abatement project, the wash point for tanks, is absolutely needed, just to comply with the law of the land on water pollution. The dental clinic is another one of those areas where we badly need to up-grade our facilities and provide our troops with proper dental care.

IMPORTANCE OF FORT KNOX PROJECTS

Senator HUDDLESTON. Well, it is my opinion they are very, very needed projects. I happen to live about 10 miles from Fort Knox, and

have some familiarity with their facilities up there and their needs. You won't be unhappy if the budget would be increased to accommodate those?

General WRAY. The Army would be delighted, sir.

Senator HUDDLESTON. That is all the questions I have, Mr. Chairman.

Senator JOHNSTON. Thank you, Senator Huddleston.

NATIONAL GUARD BUREAU

STATEMENT OF MAJ. GEN. L. E. WEBER, CHIEF, NATIONAL GUARD BUREAU

PREPARED STATEMENT

Finally, we have General Lavern Weber, Chief of the National Guard Bureau. I notice General Weber hails from Lone Wolf, Okla. That is pretty close to home. I know it is a very large city and it is very well known to everyone. General Weber.

General WEBER. Mr. Chairman, I am most pleased to have an opportunity to appear before this committee this year and to discuss with you the 1978 budget for the military construction, Army National Guard.

Sir, I have submitted a prepared statement. With your permission, I would like to enter that into the record and talk mostly from notes. We can discuss some of these issues at a later time.

Senator JOHNSTON. Without objection, the statement will be put in the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. LAVERNE E. WEBER

Mr. Chairman and members of the committee, it is a privilege to appear before this distinguished committee to present the fiscal year 1978 Military Construction, Army National Guard Budget request.

For the past 5 years, the National Guard has been striving to develop an integrated force structure that can and will deploy in support of the Army's Total Force requirements. As a result of these efforts the Affiliation Program has grown significantly both in terms of numbers of units participating and in terms of its contribution toward improved training and readiness. During fiscal year 1975, the number of Reserve Component battalions in the program grew from 26 to 89 and in fiscal year 1976 the total has grown to 97. Currently 81 units, or more than 83 percent of the participating Reserve Component units, are from the Army National Guard. Under this program, Reserve Component units required to support mobilization contingencies join with Active Army counterpart units to develop and share means and methods of improving combat readiness and deployability. Additionally, 30 battalion size units of the Guard are affiliated with like-type Active Army units for purposes of improving deployment capability. While these units neither roundout nor augment Active Army units, they conduct intensified training activities with their counterparts to enable them to meet deployment schedules.

As a result of this increased reliance placed on the readiness of the Reserve Forces for the defense of our Nation and the realization that these units must be adequately equipped, the total dollar outlay for ARNG equipment during the period 1 July 1975 to 30 September 1976 was in excess of \$537 million. The bulk of this equipment was in the form of 3,400 new wheeled/tracked vehicles and 171 new aircraft. Our requirements for maintenance and storage facilities for this equipment have increased proportionately. If you couple this with the increased need for more and better training facilities, it is evident why our construction backlog has increased from \$300 to \$612 million since fiscal year 1971.

This backlog does not include cost escalation and since the appropriation requested in fiscal year 1978 is only 8.1 percent of our backlog and the rate of cost escalation is expected to exceed this percentage, a reduction in the dollar value of the existing backlog is not anticipated.

The \$49.4 million fiscal year 1978 Budget Plan provides \$44.4 million for Major Construction and \$5.0 million for Minor Construction and Planning. The Major Construction consists of \$17.7 million for Armories and \$26.7 million for Non-Armory projects. The \$49.4 million requested in fiscal year 1978 is \$11.7 million less than the amount appropriated in fiscal year 1977.

We are proposing 45 Armory projects and 50 Non-Armory projects for a total of 95 projects in 42 States and Puerto Rico. The Non-Armory projects consist of 13 aviation facilities, 16 projects at training sites, 18 vehicle maintenance facilities, and 3 USPFO facilities. All of these projects are urgently needed to support improved training and unit readiness.

We obligated 79 percent of the available funds during fiscal year 1976. The main reason why this percentage was not as high as anticipated was due to the very favorable bidding environment which existed last Spring. The average bid during fiscal year 1976 was only 89 percent of the estimated cost and since most of the savings were realized in late June, sufficient time to prepare additional projects for award was not available. We were left with \$11.9 million to carry over into fiscal year 1977. Our current fiscal year 1977 Budget Plan of \$61.1 million provides an obligation target of \$69.0 million. We expect to reach this target; therefore, we would have a carry-over of \$4.0 million into fiscal year 1978. We plan to obligate \$49 million during fiscal year 1978 which would then give us \$4.4 million to carry over into fiscal year 1979. Our obligation figures include Minor Construction and Planning funds as well as Major Construction.

I wish to express my appreciation for your understanding and continuing support of our efforts to provide adequate facilities for our 390,000-man Army National Guard Force.

This concludes my prepared statement. If there are any questions, I will be pleased to furnish any information that you may require.

BIOGRAPHICAL SKETCH

Maj. Gen. La Vern E. Weber was born on September 3, 1923 in Lone Wolf, Oklahoma. He was commissioned a Second Lieutenant, U.S. Marine Corps upon graduation from Officer Candidate School in 1945 and served until 1946. He was commissioned in the Army National Guard in 1948, and graduated from the U.S. Army Command and General Staff College, 1955.

General Weber's early career included assignments as a U.S. Marine Corps platoon leader in World War II and as an Army Operations Officer in Korea. Subsequent to 1952 he performed staff duty in the Oklahoma Army National Guard at battalion, regimental and division levels. From 1952 to 1964 he served successively as S-3, 179th Infantry Regiment, OKARNG; G-1, 45th Division, OKARNG; and Chief of Staff, 45th Infantry Division, OKARNG.

On March 8, 1965, General Weber was promoted to Major General concurrent with his appointment as State Adjutant General of Oklahoma. He served in the position of Adjutant General until his appointment as Director, Army National Guard, October 11, 1971. He was appointed by the President to be Chief of the National Guard Bureau and confirmed by the U.S. Senate on August 16, 1974.

In the Army National Guard, sir, we had a very good year last year. We continued in our role as the immediate backup to the Active Forces, the total forces policy, if you will. Our No. 1 problem of the last year has been, as is true with most of the services, one of strength. We did real well in recruiting.

RECRUITING AND RETENTION

We recruited 108,000 new individuals in total Army National Guard, and this is the best year that we have had since the elimination of the draft. We have not retained as well as we should have, and

thus our shortfall. Our reasons for failure to retain are those essentially as General Mohr had covered, it is largely the result of the early 1970's when the draft-motivated individuals came into our ranks, and we are quite rapidly losing those people from the ranks, and the Army Guard is the better for those losses.

At the end of this year we will get back to the 377,000; in 1978, to 390,000; in 1979, back to the 400,000, which is the historic level that we in the Army National Guard have maintained. We are confident that we can attain those levels of strength in the Army National Guard.

We are submitting this year to the Congress some initiatives. First we desire to convert our part-time recruiters, roughly 99 percent of recruiting effort which has been part-time, to full-time recruiters on 2 years of active duty. These will be guardsmen who spend their total time in the recruiting areas. We will convert 780 personnel in fiscal year 1977 and increase that to 1,019 in fiscal year 1980.

In addition to converting 780 part time to full time recruiters in fiscal year 1977, we will also add 450 TOE authorized full time career counselors. This number will be increased to 700 in fiscal year 1978. Their efforts are geared entirely to that of retention.

We know that they will fill a void here. After our recent survey we found that 30 percent of our individuals that reach ETS, the end of term of service, have not been appropriately counselled about the merits and advantages of reenlisting, so this is the area that these full-time career counselors will be dedicated to fill. Administratively we desire to place in each of our units a training noncommissioned officer. In the past several years all of the surveys that have been run by agencies of the Department of Defense have found that we are not training as well as we should train; our young soldiers are telling us that we are wasting our time in far too many instances.

We need training improvement. So this is what we are seeking from Congress, permission to run a test in this area during 1978. If we can identify funds in the balance of this year, we would like to start in fiscal year 1977. In talking with the staffs of the appropriate committees we would like, if permitted to do this, to give you a running tab of how effective these tests are, and in fact to bring the test designs to the committee before we actually implement any of them. We think this will be extremely helpful to us.

READINESS

We have had a good year in equipment issues. In dollar issues this year we will be issued \$700 million worth of equipment, all of it deployable equipment. Next year in 1978 we will add to that 300 million additional dollars in total value. This will improve our equipment readiness greatly.

But it does create a problem that impacts on this committee, inasmuch as the majority of this equipment is in the tracked vehicles, wheeled vehicles and aircraft, it requires that we have additional and up-dated modern facilities in which to work on these vehicles, to store them and to maintain them.

In the area of readiness, we have had improved readiness this year, and this has been largely the result of the expansion of the affiliation

program. It has been expanded to 97 units during the past year, and of those 81 of them are in the Army National Guard.

Additionally, we have roughly 30 battalions that are involved in the mutual support program, which is more directly mutual support, very much akin to the affiliation where the Guard works directly with the active units and vice versa. I might add in the round-out program each of your three States are very vitally involved. Tennessee has the 3rd Mechanized Battalion, which is round-out to the division at Fort Carson; in Louisiana, the 265th Brigade right now is reorganizing itself as a roundout brigade to the 5th Division at Fort Polk; and in Kentucky we have three battalions, that have for a number of years been the round-out battalions, too.

Senator SASSER. Excuse me, gentlemen. When you say round-out, does that mean bring the division up to strength?

General WEBER. Yes, sir, and when those divisions are deployed it is the plan that these units would be deployed with those divisions. They receive priority on issue equipment, they receive priorities on dollars for school training, they receive priorities on full-time manning, and they are the highest priority that we have in the Army Guard structure.

Senator SASSER. And you could deploy these units with the divisions and put them in the field on combat readiness pretty quickly?

General WEBER. That is the program, sir. As General Mohr indicated, we still lack some essential equipment, but for the most part by the end of 1978 we will have all of our tanks, our 2,400 tanks will all be a deployable asset, they will all be equipped with 105 guns, so we are in good shape on tanks.

AIRLIFT DEPLOYMENT

Senator JOHNSTON. You say all deployable; but do you have airlift capability for them as well?

General WEBER. I cannot address that, sir. I am not familiar with the airlift, although I do have responsibility for the Air National Guard, which I will be back to discuss that with you on Wednesday. In the Air Guard, in our airlift capabilities, we are having difficulties now.

We are having propeller problems with our 130A models. It is going to be most of next year before we get that satisfied, and Senator Sasser, you have a squadron of those at Memphis.

Senator SASSER. We have a squadron at Nashville. What is there?

General WEBER. Yes, sir, I believe you have E models, and those are not the problem. Problem is only with the A model.

Senator SASSER. They have some problems with the E models.

General WEBER. Airlift capability is a continuing problem. The Air Guard is limited in that all of our airlift is in the 130 aircraft. But we are not privy to see the lift plans of the Air Force for the total airlift of Army units. I will get an answer for you the best I can for the record.

[The information follows:]

The Air National Guard C-130 aircraft are not considered a strategic mobility asset. The strategic deployment of US forces, whether National Guard, Reserve, or Active Forces is addressed in "A Report on Strategic Mobility Requirements

and Programs (Classified)" which was forwarded to the Congress on 12 February 1977. The strategic movement of NATO reinforcements will be accomplished by JCS allocated sealift and airlift resources. Aircraft scheduled to transport these forces are the C-141, the C-5A, and the Civil Reserve Air Fleet (CRAF). The C-130 aircraft are scheduled to be deployed to the theater of operations with cargo and once there will provide intratheater airlift in support of the operation.

RECRUITING OF PRIOR SERVICE PERSONNEL

Senator JOHNSTON. Well, General, before you go on, I wonder if you could fill in information about what percentage of your people are previously full-time service and how many are recruited directly.

General WEBER. We are recruiting at the rate of 60 percent prior service and 40 percent nonprior service. This was true last year and that is our program for next year with our goal of reaching a 50-50 split by 1981.

Senator JOHNSTON. You say "goal." You would rather have more prior service people, wouldn't you? In other words, you would want to stop the drift from prior service people down to 50 percent?

General WEBER. Well, no sir. Yes; we want to draw the prior service down; we want fewer prior service individuals for an appropriate split.

Senator JOHNSTON. Oh, you do? Why is that?

General WEBER. For upward mobility, and to prevent stagnation. If we get too many prior service people, we have difficulty in MOS mismatches, which require retraining.

Senator JOHNSTON. And what is the duty of the National Guard—about the same as Reserve?

General WEBER. Yes, sir.

Senator JOHNSTON. And your liability for call-up is the same as Army Reserve?

General WEBER. Yes, sir.

Senator JOHNSTON. Of course, if they are what you call "fill-in"—

General WEBER. A "round-out."

Senator JOHNSTON. Round-out, yes—then they go as soon as that unit goes?

General WEBER. That is correct, sir. I do not desire to leave the impression that these units are now as ready as the active Army units are with which they are affiliated to round out. It is our goal that we get them that ready.

Senator HUDDLESTON. Just one question. On prior-service ratio, wouldn't it increase your training ratios considerably if you had less prior-service people?

General WEBER. On our prior-service people that we do bring into our ranks we are indeed fortunate if that individual comes into a unit wherein his prior training on active duty is identical with the requirement in the unit.

Senator HUDDLESTON. Of course, they all go through a basic training, so they are bound to have some experience and skills?

General WEBER. Yes, sir, but we will have to send him to service schools in most instances to train him in the new—

Senator HUDDLESTON. In the specific requirements for that unit; I understand that.

General WEBER. That is why we think about a 50-to-50 split is desirable, and that is what the Army has approved for us.

BUDGET REQUEST

For the 1978 budget, sir, we are asking for \$49.4 million, and that will fund the construction of 45 armories and 50 nonarmory facilities in 42 of our States. This \$49.4 million is \$11.7 million less than the Congress provided for us in this year of 1977. And that amount, I would add, sir, would go only a very short way in addressing the backlog of \$612 million that we have in the Army National Guard.

Senator JOHNSTON. What was in your request before it was cut?

General WEBER. In our original request, sir, we had \$71.3 million.

Senator JOHNSTON. \$71.3 million, and cut to what?

General WEBER. \$49.4 million. That happened by two steps, sir. First, our original submit to OMB late in calendar year 1975 for 1978 was reduced by \$14.2 million, and when we got into the budget cycle late in calendar year 1976 we lost an additional \$7.7 million; \$5 million of it was withdrawn to go into procurement, and the remaining 2.2 in the loss of four projects, three of which were later reinstated but without the money.

Senator JOHNSTON. Now, would all of this cut be in the same category that was described for the Regular Army—that is, things that definitely will be needed in the future?

General WEBER. Absolutely, sir. We required the States to formulate long-range construction programs that they, the States, send to the National Guard Bureau on an annual basis; we review those and concur in the update or send them back for modification. These are valid construction requirements for the Army National Guard.

Senator JOHNSTON. And most of this construction would be in the building trades? I mean it is construction as opposed to some high technology effort?

General WEBER. Yes, sir, but a considerable amount of it goes to our training facilities out in the training areas, rebuilding ranges and that type of thing.

Senator JOHNSTON. I am thinking of economic stimulation; I mean it is directly job-creating on a high-intensity basis.

General WEBER. Sir, the Congress has been fair with us the past 3 years. In fact, they have given us the money that we feel we can manage; about \$60 million represents the capability that we have in the States to do the design work, the planning to get the State matching funds where that is necessary; and that also is about the management capability we have in the National Guard Bureau. We need the \$60 million level on an annual basis to appropriately address this \$612 million backlog. And, incidentally, the \$60 million is what the Office of the Assistant Secretary of Defense for Installation and Housing agreed with.

Sir, I might add, before we continue with the questions, that we have made some changes in our program since we submitted the books to you. We have deleted four projects and have added six additional ones at the cost of \$3.6 million, and I would like to present those.

Senator JOHNSON. Those are the Kentucky projects that you had?
 General WEBER. No, sir.
 [The deletions and additions follow:]

State and location	Project	Cost (thousands)
Projects to be deleted:		
California, Fort Irwin	Training facilities	\$2,000
Massachusetts, Methuen	150-man armory	566
Nebraska, Beatrice	Organizational maintenance shop	120
Washington, Tacoma	600-man armory	920
Total		3,606
Projects to be added to the program:		
Alaska, Anchorage	U.S. property and fiscal office	1,888
Alabama, Opelika	150-man armory	435
Arkansas, Marianna	60-man armory	302
Massachusetts, Camp Edwards	Training facilities	244
Mississippi, Lucedale	100-man armory	315
New Mexico, Carlsbad	do.	388
Total		3,572

General WEBER. Sir, we do appreciate the support that this committee has given us in the past years and we are confident that we will continue to administer our programs in the interests of the total defense budget.

That concludes my remarks, sir.

MANPOWER EQUIPMENT AND FACILITIES

Senator JOHNSON. Senator Huddleston,

Senator HUDDLESTON. A couple of years ago we were talking about a volunteer Army and cutting the standard Army requirements to bare bone, making it as lean as possible. The concept was—I guess still is—that in order to do this we had to have a strong, well-prepared National Guard and Reserve to supplement the standard forces. I take it that is still the concept that we are operating under. Are we achieving that level with the National Guard and Reserves?

General WEBER. We are progressing toward that level. We have had a number of problems. We have had force-structure problems, which will probably be the greatest single problem. That is being addressed in a very, very serious fashion and I am of the opinion that very shortly we will have a force structure that will be essentially sound for the next 4 years, that will avoid the turbulence that we have had in our program over the past several years.

I would advise you, that we have less than one-half of 1 percent of our current Army Guards structure that is not in the total required list. But the total force package will in the future avoid that.

With equipment issues, we have gone from virtually zero to where we now have about 68 percent of the dollar value of our authorized equipment, and that is being improved at the rate I mentioned earlier—\$100 million this year, \$300 million additional next year. So with that stability in our units, we can get there, yes, sir.

Now, I will not suggest that we will ever be able to achieve the same degree of readiness in the Army National Guard as found in the Active

Army, but we can get it close and, in some units can be as ready as Regular Army.

Senator HUDDLESTON. You mentioned your manpower. Is there a correlation between manpower and good facilities? Do good armories attract recruits? Are there any statistics?

General WEBER. There is no question that it does, sir. A good armory with the appropriate facilities in the armory for subcaliber firing, as an example, is conducive to not only recruiting but to retention. So equally important, or maybe more important, is that we have good training facilities.

Senator HUDDLESTON. I understand that, but I was just looking for a bonus there in trying to meet manpower problems. Do areas which have had good facilities, good equipment, seem to me to be areas where you have less recruiting problems. Are there statistics that suggest that is possible?

General WEBER. We can develop such statistics, because we know it is true. I don't have the statistics today.

Senator HUDDLESTON. I think it might be helpful to have that.

ARMORY FACILITIES

General WEBER. We do have an additional advantage in the Army National Guard that other services do not have. Our armory facilities are constructed jointly with the States and therefore the States have a vested interest in that armory, and that means that the community has a vested interest.

So that community, if they have a good armory in their locale, gets behind the Guard unit and they assist in the recruiting. In fact, we have a number of communities, in that kind of trade-off at the State level—the local legislator gets a commitment from the community, if he gets the new facilities, that the chamber of commerce, the veterans' organization—that they will, in fact, bring their unit up to full strength, and we have examples where that has happened.

Senator HUDDLESTON. That sounds reasonable. When you have communities vying for limited resources available, how do you choose among various projects for armories?

General WEBER. That is done largely in the States.

Senator HUDDLESTON. I see.

General WEBER. If the facility provides housing to one of our affiliated roundout units, then we give that facility higher priority. But, for the most part, it is done in the State and the Reserve forces facilities B we have in the State.

Senator HUDDLESTON. What about such things as hangars and equipment storage buildings and so forth? Is that determined at the State level?

General WEBER. The States include that in their long-range planning but we influence that quite directly inasmuch as in the Guard Bureau we control the priorities of issuing of equipment. We issue equipment following the priority for mobilization and deployment of the unit, then we provide the facilities that are required for this equipment.

PROJECTS AT LONDON AND WILLIAMSBURG, KY.

Senator HUDDLESTON. We have a couple of projects at London and Williamsburg, Ky. Can you provide information on that?

General WEBER. I am sure we have no real problem on them, sir, or General Frymire would have let us know by this time. Those are in the program this year, yes, sir.

Senator HUDDLESTON. Two new armory additions?

General WEBER. It is an addition.

Senator HUDDLESTON. An addition and a new armory, I believe.

General WEBER. Yes, sir.

Senator HUDDLESTON. I might point out to the chairman that this is an area with some degree of economic problems where these construction projects would be very helpful.

ECONOMIC STIMULATION

Senator JOHNSTON. As I said when we had General Wray's testimony, I think it is a great mistake, in trying to stimulate the economy, to cut military construction; job-intensive Federal expenditures are going to be needed, anyway. It doesn't make any sense to me; to cut that and give everybody a \$50 rebate I just don't think makes sense.

Senator SASSER.

Senator SASSER. What was the roundout unit in Tennessee, General Weber?

General WEBER. Third of the 117th Mechanized Infantry Battalion.

Senator SASSER. Where is that headquartered, do you know?

General WEBER. No, sir, I don't. I will provide that for the record, sir.

[The information follows:]

The third of the 117th Mechanized Infantry Battalion is headquartered at Cookeville, Tenn.

NATIONAL GUARD READINESS

Senator SASSER. You just said something a moment ago that sort of pricked my curiosity. You said that you don't anticipate you can ever bring the National Guard up to the state of readiness that the Army Reserve is in. I am just curious as to why that couldn't be done.

General WEBER. If I stated the Reserve, that was incorrect; the Regular Army, the active Army.

CLOSING OF NATIONAL GUARD ARMORIES

Senator SASSER. I see. The Army National Guard now has a policy of closing all the National Guard armories within 25 miles of each other, isn't that correct?

General WEBER. That is not a National Guard policy, sir, that causes a close review. This is from the Department of Defense level and, when those situations exist, it requires an in-depth review of those facilities. And I would state that, on those that have been challenged, we have gone—as a matter of fact, one in your State—

Senator SASSER. Yes.

General WEBER [continuing]. We have gone back and that has been corrected, sir.

Senator SASSER. I don't have any other questions, Mr. Chairman. Senator JOHNSTON. Thank you, gentlemen.

Senator HUDDLESTON. May I ask just one other question. You have this shared responsibility between the States and the National Guard. How are decisions made to close out a unit in one area, make them move it to another area or combine it with groups? Is this a joint decision on the part of your headquarters and the State?

General WEBER. Might I go in depth on that cost-sharing, sir, because it is presenting a problem to us now. For the past several years, we have had this cost-sharing program wherein the Federal Government provides 75 percent of the construction costs associated with the Department of Defense criteria. The other 25 percent is borne by the State; anything that is in the facility in addition to criteria is 100 percent by the State.

Also, the State prepares the site, brings utilities within a certain distance of that facility and they provide the real estate. That adjusts to about a 50-50 cost, particularly when we consider the cost of operation and maintenance, which the State agreed to do when the facility is completed.

That, I would submit, with the increased utilities costs of operating, maintenance, it is near the time that we feel that we want to ask the Congress to adjust the 75-25 split to maybe 90-10 and that would get us more in line with the 50-50 cost split that we have had in the past. That is something that we will be asking you for very shortly.

Senator HUDDLESTON. What do you mean—"very shortly"? Next fiscal year?

General WEBER. Like right now. We have not formally submitted such a request but we feel it is urgently needed, that the States are having increasingly more difficulty in coming up with this 25-percent matching fund.

But in direct response to your question, if the Federal Government has no vested interest in the armory that is being vacated—as an example, if the armory were built by the WPA, as many of them were, the Federal Government has no vested interest in that facility, so therefore we would move into a new facility and start from scratch.

If the armory had been built during the period of time roughly since 1953, I believe, then the Federal Government would have a vested interest in it and the appropriate depreciation values would be applied there and the State must, then, in building a new facility, pick up at 100-percent value of that vested interest that the Federal Government has in that facility.

We don't have a great number of those, sir. In fact, it is quite seldom that one of the armories that was built that recently is closed out.

QUESTIONS SUBMITTED BY SENATOR JOHNSTON

Senator JOHNSTON. I have a number of additional questions which I will ask you to answer for the record.

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

Question: You indicate that the total program is \$33.9 million above fiscal year 1977, which represents an actual 2 percent decrease in constant dollars, and that it will meet only the most essential and pressing needs. Within these totals, however, how do the domestic and overseas portions compare between years?

Answer: The fiscal year 1977 approved program included \$77,141,000 for overseas construction and \$386,707,000 for domestic construction. A comparison between the two years follows. The figures do not include NATO Infrastructure and general authorization.

	FY 1977 Approved Program (\$000)	FY 1978 Request (\$000)
Domestic	386,707 - 83%	208,707 - 45%
Overseas	77,141 - 17%	260,693 - 55%

Question: In testimony before this Subcommittee on February 22, the Deputy Assistant Secretary of Defense stated that fiscal 1978 construction projects included an allowance for cost growth which would be "adequate to cover construction cost inflation for the Fiscal Year 1978 program." Why, then, does the Army program represent a 2 percent decrease in constant dollar terms?

Answer: The 2 percent decrease is simply a comparison, in constant dollar terms, between last year's Congressionally approved funding and the amount of funds we were allowed to request this year considering the initial "Ford" budget reduction and the "Carter" budget revision. Estimate for individual projects do include 8 percent cost growth which is considered adequate to cover construction cost inflation.

Question: We have been told that the overall construction request for the Defense Department is based upon a general moratorium pending completion of a study to determine our domestic basing needs. Using FY 1977 conference agreement as a departure point, the Army domestic program declines at least \$178 million in FY 78. Is this entirely due to the moratorium, or are there other reasons why a decrease should be expected?

Answer: The major reason for the domestic construction decline was indeed the imposition of the moratorium. The program, prior to the moratorium, would have shown an increase of about \$130 million in domestic construction. That program however, would have shown a shift in emphasis from domestic to overseas construction due to our need to improve readiness, particularly in Europe. The shift would not have been as marked however and about 70 percent of the program would have been for domestic construction.

Question: Could you detail for the record those projects originally planned for FY 1978 but were deferred? Would you also describe the criteria used to determine which projects would or would not be affected by the outcome of a base study?

Answer: The criteria used was developed above Department of Army level. In general, projects were deleted at; installations where mission or function might not be retained, installations that have similar missions, and installations involved in current or potential realignment studies. The projects deferred as a result of this action follow.

<u>INSTALLATION</u>	<u>PROJECT</u>	<u>COST</u> <u>(\$ 000)</u>
Tooele Army Depot	Chemical Storage Security Upgrade	17,415
Anniston Army Depot	Chemical Storage Security Upgrade	4,828
Umatilla Army Depot	Chemical Storage Security Upgrade	2,921
Pine Bluff Arsenal	Chemical Storage Security Upgrade	4,439
Lexington-Blue Grass Army Depot	Chemical Storage Security Upgrade	1,827
Aberdeen Proving Gd	Chemical Storage Security Upgrade	6,738
Pueblo Army Depot	Chemical Storage Security Upgrade	3,011
Corpus Christi AD	Upgrade Industrial Waste Treatment	2,677
Fort A. P. Hill	Sewage Treatment Plant	423
Fort Benjamin Harrison	Regional Sewage Treatment	1,796

<u>INSTALLATION</u>	<u>PROJECT</u>	<u>COST</u> <u>(\$ 000)</u>
Fort Bragg	Sewage Treatment Facility	7,950
Picatinny Arsenal	Regional Sewage System	2,822
Fort Knox	Misc Sanitary & Industrial Waste	2,867
Fort Monroe	Regional Sewage System	539
Holston AAP	Industrial Waste Treatment	26,846
Fort Lee	Dike for POL Training Area	313
Fort Lewis	DuPont Outfall	370
Fort Polk	Land Irrigation w/Sewage Effluent	6,544
Iowa AAP	Spill Prevention Control	357
Badger AAP	Emergency Power Pump Station	208
Fort Belvoir	Emergency Power Sewage Pump	369
Fort Jackson	Water Pollution Control	366
Fort Hood	Sand Oil Interceptors	1,768
Badger AAP	Dredging Bay	480
Fort Sill	POL Pollution Abatement	730
Aberdeen PG	Demil/Detox Facility-Edgewood	3,631
Indiana AAP	Incinerator Contaminated Waste	530
Milan AAP	Incinerator Contaminated Waste	602
Iowa AAP	Incinerator Contaminated Waste	469
Sunflower AAP	Incinerator Contaminated Waste	512
Kansas AAP	Incinerator Contaminated Waste	613
Volunteer AAP	Incinerator Explosive Waste	571
Indiana AAP	Incinerator Explosive Waste	474
Milan AAP	Incinerator Explosive Waste	540
Iowa AAP	Incinerator Explosive Waste	494
Kansas AAP	Incinerator Explosive Waste	471
Longhorn AAP	Incinerator Explosive Waste	460
Redstone Arsenal	Incinerator Contaminated Waste	680
Holston AAP	Fume Abatement Nitric Acid	1,992
Aberdeen PG	Energy Control System	1,015
Detroit Arsenal	Energy Control System	228
Fort McNair	New Boiler	129
Fort Dix	Energy Control System	4,768
Fort Benning	Building Improvements	1,500
Fort Rucker	Energy Control System	1,250
Harry Diamond Lab	Energy Control System	1,305
Fort Dix	Central Heat Plant Alterations	764
Fort Bliss	Hot Water Heaters	95
Aberdeen PG	Add Capacitors Electric Distribution	120
Fort Bliss	Energy Control System	743
Lone Star AAP	Boiler Plant Alteration	816
Fort Meade	Alter Street Lighting	744
Fort Huachuca	Insulation & Windows Alt	237
Fort Belvoir	Energy Control System	4,654
Fort McClellan	Heating & Cooling Sys Imp	1,805
Fitzsimons AMC	Energy Control System	1,372
Fort Richardson	Insulation & Heat Controls	1,990
Fort Huachuca	Energy Control System	469
Fort Meade	Storm Windows & Insulation	2,424
Fort McCoy	Barracks w/Dining	1,105
Fort Polk	Tactical Equipment Shops	2,126
Fort Sill	Tactical Equipment Shops	1,254
Fort Polk	Airfield Support Facilities	3,537
Fort Polk	Dental Clinic	1,700
Fort Ord	Dental Clinic	1,405
Fort Sill	Dental Clinic	1,849
Walter Reed AMC	Fuel Oil Storage & Emer Generator	2,089
Fort Belvoir	Heating Fuel Storage Tanks	480
Fort Sam Houston	Alter Brooke AMC	10,190
Fort Bliss	Dental Clinic - BAMC	1,918
Fort Lee	Dental Clinic Addition	1,491
Fort Carson	Boiler Conversion	747

<u>INSTALLATION</u>	<u>PROJECT</u>	<u>COST</u> <u>(\$ 000)</u>
Fort Campbell	Boiler Conversion	2,455
Fort Huachuca	Boiler Conversion	573
Picatinny Arsenal	Engineering-Administration Bldg	10,781
Sunny Point MOT	Container Restuffing Facility	1,148
Sunny Point MOT	Field Operations Office	312
Sunny Point MOT	Explosive Truck Access Road	319
Fort Hunter Liggett	Health Clinic	1,013
Fort Knox	Dental Clinic	2,200
Fort Eustis	Pier Utilities	758
Fort Benning	Health Clinic	713
Fort Stewart	Dental Clinic	1,914
Walter Reed AMC	Research Support Facility	591
Bayonne MOT	Heating Fuel Storage Tank	442
Natick Laboratories	Environmental Control Research Lab	3,221
Fort Sheridan	Lake Front Groins	2,014
Fort Richardson	Barracks & Dining Facs Mod	3,855
Redstone Arsenal	Post Office	660
Fort Huachuca	Exp Environmental Test Facility	208
Corpus Christi AD	Jet Fuel Comp Repair & Test Facility	1,599
Anniston AD	Metal Finishing Facility	7,345
Red River AD	Theater Readiness Monitoring Facility	870
Seneca Army Depot	Gymnasium	929
Fort Hunter Liggett	Film Processing & Production Fac	1,013
Fort Bliss	Gymnasium	1,250
Fort Bliss	Water Storage Tank	486
Fort Stewart	Roads & Drainage	4,132
Fort Hood	Communications & ADP Center	2,146
White Sands MR	Communications Facility	376
Rock Island Arsenal	Alt Buildings Headquarters Facility	7,352
Fort Hood	CIDC Building	890
Letterkenny AD	Ammunition Truck Inspection Fac	310
Fort Benning	Brigade Maintenance Facilities	1,753
Fort Ord	Health Clinic	3,133
Germany	Commissary Addition	1,968
Corpus Christi AD	Heat Treatment Facility	2,693
Corpus Christi AD	Flammable Storage & POL Facilities	614
Fort Carson	Extend Electric Distribution System	492
Redstone Arsenal	Radar Operations Facility	962
Fort Detrick	Alter Buildings - Res Animal Fac	1,031
Red River Arsenal	Quality Assurance Lab	847
Red River Arsenal	Bridge Crane	1,193
Fort Jackson	Consolidated Ammo Facility	852
Fort Sill	Barracks Complex-Trainee	14,786
Fort Carson	Dental Clinic	1,560
Fort Riley	Dental Clinic	1,186
Fort Sill	Troop Medical Clinic	362
Fort Sill	Chapel	704
USMA	Modernization Admin Building	578
White Sands MR	Land Acquisition	2,100
Fort Huachuca	Water Production Facilities	4,106
Fort Benning	Barracks Complex 5 Co.	12,352
St. Louis Sup Ctr	Health Clinic	1,781
Korea	Medical/Dental Fac, Hialeah	1,653
Fort Sill	Troop Support Facilities	2,344
Fort Stewart	Data Processing Center	998
Fort Stewart	2 Dining Facilities Mod	1,128
Fort Richardson	Dining Fac Mod	887
Fort Hood	Barracks & Dining Fac Mod	7,465
Fort Bragg	Dining Fac Mod	1,976
Fort Lewis	2 Dining Fac Mod	734
Fort Riley	2 Dining Fac Mod	894
Fort Meade	2 Dining Fac Mod	676

<u>INSTALLATION</u>	<u>PROJECT</u>	<u>COST</u> <u>(\$ 000)</u>
Fort Stewart	Regional Sewage System	7,929
Kaujalein MR	Water Pollution	6,246
Kings Bay MDT	Cargo Transfer Area	409
Kings Bay MDT	Field Operations Office	224
Kings Bay MDT	Truck Receiving Yard	390
Kings Bay MDT	Vehicle Cleaning Area	1,757

Question: In your statement you indicate that, at Congressional direction, the Army has already completed studies on one-station-unit-training and Division/Brigade stationing which tend to support current stationing plans, with "no reason to realign major units at this time." What additional information will yet another base study provide that has not already been considered in the Army examinations?

Answer: The Army is convinced that the one-station-unit-training concept is the best, most efficient way to train recruits and that no further study of the concept is necessary or desirable. The Division/Brigade stationing review provides an update of data and discusses suitability and capability of installations for stationing of division and brigade size units. It is limited in scope in that it only looked at division and brigade stationing. It does provide a basis for selection of alternatives to be considered in future division or brigade stationing decisions in event of withdrawal of forward deployed forces or creation of additional units. The DOD Base Structure Study will use the data compiled in this study and will also encompass bases used for support of the logistical, research and development, production, reserve component and mobilization missions of the Department of Defense.

Question: From a recognizedly parochial view, would you indicate for the record what you consider to be the major FY 1978 requirements not contained in the budget now before us? At the same time, indicate their feasibility of accomplishment in the budget year (i.e., design, status, etc.)?

Answer: We have several categories of projects that we consider essential requirements for FY 78. First, we need to upgrade the security at the following chemical weapons storage sites.

<u>Installation</u>	<u>Project</u> <u>Description</u>	<u>Cost</u> <u>(\$000)</u>	<u>Design</u> <u>Comp.</u>
Tooele Army Depot	Chemical Weapons Security	17,415	Jan 78
Anniston Army Depot	Chemical Weapons Security	4,828	Mar 78
Umatilla Army Depot	Chemical Weapons Security	2,921	Feb 78
Pine Bluff Arsenal	Chemical Weapons Security	4,439	Mar 78
Lexington-Blue Grass Army Depot	Chemical Weapons Security	1,827	May 78
Aberdeen Proving Ground	Chemical Weapons Security	6,738	Apr 78
Pueblo Army Depot	Chemical Weapons Security	3,011	Apr 78
		41,179	

Next we do not meet local and federal pollution abatement laws at many locations. The following projects are required in this regard.

<u>Installation</u>	<u>Project</u> <u>Description</u>	<u>Cost</u> <u>(\$000)</u>	<u>Design</u> <u>Comp.</u>
Corpus Christi AD	Upgrade Industrial Waste Trmt	2,677	Oct 77
Fort A.P. Hill	Upgrade Sewage Facilities	423	Sep 77
Fort B. Harrison	Regional Sewer Connection	1,796	Jun 78
Fort Bragg	Upgrade Sewage Trmt Facilities	7,950	Mar 78
Picatinny Arsenal	Regional Sewage Treatment Plant	2,823	Jun 78
Holston AAP	Industrial Waste Trmt Ph II	26,846	Feb 78
Fort Lee	Dike for POL Training Area	313	Jun 77
Fort Lewis	Dupont Outfall	370	Sep 77
Iowa AAP	Spill Prevention Control	357	Aug 77
Badger AAP	Emergency Power for STP	208	Aug 77
Fort Belvoir	Emergency Power for Pump Sta	369	Oct 77
Fort Jackson	Misc Water Pollution Abatement	366	Dec 77
Fort Hood	Sand/Oil Interceptors	1,766	May 78
Badger AAP	Dredge Gruber's Grove Bay	480	Jun 77
Fort Sill	POL Pollution Abatement	730	Nov 77
Indiana AAP	Incinerator Contaminated Waste APC	530	Sep 77
Indiana AAP	Incinerator Explosive Waste APC	474	Sep 77
Vint Hill Farms	Sewage Treatment Plant	960	Aug 77
Fort Hood	Regional Connection	3,200	N/A
	TOTAL	52,640	

We fully support the Administration's concern in the energy conservation area. The following projects would greatly enhance the Army's energy conservation investment program.

<u>Installation</u>	<u>Project Description</u>	<u>Cost (\$000)</u>	<u>Design Comp</u>
Lonestar AAP	Boiler Plant Alterations	816	Jul 77
Ft Bliss	Hot Water Heaters	95	Dec 77
Ft Huachuca	Insulation & Window Alter	237	Jul 77
Ft Huachuca	Energy Control System	469	Jul 77
Ft Richardson	Insulation & Htg Congroils	1,990	Oct 77
Detroit Arsenal	Energy Control System	228	Oct 77
Ft McClellan	Htg & Cooling System Alter	1,805	Oct 77
Ft Bliss	Insulate Buildings	557	Oct 77*
Ft Rucker	Energy Control System	1,250	Nov 77
Ft Meade	Rehab Street Lighting	744	Feb 78
Iowa AAP	Insulate Steam Lines	351	Nov 77*
Aberdeen PG	Energy Control System	1,600	Nov 77
Aberdeen PG	Add Capacitors to Elec Dist System	120	Dec 77
Ft Meade	Insulation & Storm Windows	2,424	Nov 77
Harry Diamond Labs	Energy Control System	1,305	Jul 77
Pres of San Francisco	Heat Recovery & Energy Control System	500	Feb 78*
Ft Belvoir	Energy Control System	4,654	Apr 78
Ft Bliss	Energy Control System	743	Mar 78
Fitzsimons AMC	Energy Control System	1,372	Mar 78
Ft Bragg	Elec Alt, Lights, Energy Control System	3,881	Mar 78*
Ft Carson	Conversion to Fluor Lighting	994	Mar 78*
Ft Lewis	Boiler Monitor System	3,011	Apr 78*
Ft Greely	Insulation & Heat Controls	1,882	Apr 78*
Indiana AAP	Recond Cond Return Lines	217	May 78*
Ft Leavenworth	Insulation & Storm Windows & Doors	498	May 78*
Ft Benning	Energy Control System	1,500	Mar 78*
Red River AD	Humidity Controls	162	Jun 78*
Ft Leonard Wood	Insulation & Storm Windows	7,463	Jun 78*
Tobyhanna AD	Insulate Perm Buildings	599	Jun 78*
Ft Knox	Insulation	198	Jun 78*
Ft McNair	Add New Boiler	129	Apr 78
Ft Meade	Storm Windows & Weatherstrip Doors	2,338	Sep 78*
Red River AD	Insulate Buildings	188	Jul 78*
Radford AAP	Insulate Condensate Return Line	81	Jul 78*
Picatinny Arsenal	Convert Htg Systems Oil to Solar	350	Dec 77*
TOTAL COST		44,751	

* Not in the original FY 78 program but can be awarded in FY 1978 and will contribute to conservation of energy.

Finally, we have some high priority requirements that were deferred from our regular category of projects that should be accomplished now rather than waiting a year and incurring the added inflation cost.

<u>Installation</u>	<u>Project Description</u>	<u>Cost (\$000)</u>	<u>Design Comp</u>
Fort McCoy	Barracks w/Mess	1,105	Sep 77
Fort Polk	Tactical Equipment Shop	2,126	Jan 78
Fort Polk	Dental Clinic	1,700	Nov 77
Fort Ord	Dental Clinic	1,405	Jul 77
Fort Sill	Dental Clinic	1,849	Feb 78
Walter Reed AMC	Fuel Storage Tanks	2,089	Sep 78
Fort Belvoir	Fuel Storage Tanks	480	Sep 78
Fort Lee	Dental Clinic	1,491	Sep 77
Fort Campbell	Boiler Conversion	2,455	Jun 78

Fort Huachuca	Boiler Conversion	573	Jun 77
Sunny Point	Container Restuffing Facility	1,148	Feb 78
Sunny Point	Field Operations Building	312	Feb 78
Sunny Point	Explosive Truck Access Road	319	Oct 77
Fort Knox	Dental Clinic	2,200	Jan 78
Fort Eustis	Pier Utilities	758	Apr 77
Fort Benning	Health Clinic	713	Jun 77
Fort Stewart	Dental Clinic	1,914	Jan 78
Walter Reed AMC	Research Support Facility	591	Dec 77
MOT Bayonne	Fuel Storage Tanks	442	Sep 77
Natick Laboratories	Aircondition Laboratories	3,221	Apr 78
Redstone Arsenal	Main Post Office	660	Jul 77
Fort Huachuca	Expand Environmental Test Facility	208	Sep 76
Corpus Christi AD	Jet Fuel Components Repair & Test Facility	1,599	Nov 77
Anniston AD	Metal Finishing Facility	7,345	Jul 77
Seneca AD	Gymnasium	929	Nov 77
Fort Bliss	Brigade Gymnasium	1,250	Feb 78
FortBliss	Water Storage Tanks	486	Sep 76
White Sands MR	Communications Facility	376	Nov 77
Fort Hood	CIDC Field Operations Building	890	Dec 77
Letterkenny	Ammunition Truck Inspection	310	Apr 77
Fort Benning	Trainee Brigade Motor Park	1,753	Dec 77
Corpus Christi AD	Heat Treatment Facility	2,693	Nov 77
Corpus Christi AD	Flammable Storage and POL Facility	614	Nov 77
Fort Carson	Extend Electrical Distribution System	492	Aug 77
Redstone Arsenal	Radar Operations Facility	962	Jun 77
Red River AD	Quality Assurance Laboratory	847	Nov 77
Red River AD	Bridge Crane	<u>1,193</u>	Dec 77

TOTAL 49,498

Question: The FY 1978 request purports to reflect a shift away from previous emphasis on projects to improve living conditions, now concentrating on projects offering direct contribution to readiness. What do you define as a project contributing directly to readiness? Is this a true shift in emphasis, or is it simply a reflection of the fact that projects to improve conditions at domestic installations have been deferred under the moratorium?

Answer: Examples of projects contributing to readiness are:

Additional ammunition storage facilities	\$84 M
POMCUS maintenance facilities	\$34 M
Equipment maintenance facilities	\$26 M

It does reflect a true shift in emphasis from previous efforts to improve living conditions. The shift would not have been as great were it not for the moratorium but our general trend for the future will be more funding to improve readiness. This does not mean we are ignoring necessary improvements to living conditions. We have expended considerable funds over the past few years to provide adequate housing and medical facilities. We still have a way to go in improving medical facilities but our bachelor housing program is nearing completion with a target of finishing up by FY 1982.

Question: The majority of the FY 1976 program was contracted for substantially less than originally estimated due to keen competition in the construction industry, yet you do not envision the same degree of savings for FY 1977, and certainly not for FY 1978. Why? What has been your experience, to date, for the FY 1977 projects which have already been bid on/let?

Answer: Our budget estimates for the FY 76 program which proved to be very conservative were based on the rapid - even explosive cost experience which occurred during 1974. The subsequent economic slow-down faced much greater competition for the limited construction projects on the market and drove actual bid prices down while the costs of materials and labor were still rising.

Our FY 77 estimates partially reflected our later experience and our FY 78 estimates were revised as late as December to reflect the very latest data.

The experience on the FY 77 program has been relatively good to date but it is based on only a small portion of the program (savings of \$3.5 million on pro-

grated amount of \$16.8 million.) It has been our normal experience that savings decrease later in the fiscal year. It also appears that the results on some of our overseas projects may be much less favorable. On the bids we have received on prior year programs we exceeded the program amount of \$32.7 million by \$5.3 million. Thus our combined experience to date this year shows no savings. We expect this situation will improve to some extent in the next few months.

Question. Each year funds are appropriated to replace older facilities. Justification material usually refers to the old structure as inefficient or a nightmare, with tangible benefits to be gained by erecting a replacement structure. In testimony before the Appropriations Defense Subcommittee, however, the Comptroller of the Army stated that "(a) we provide newer constructed and modernized facilities...the operation and maintenance of these new facilities bring with it added expense." Would you please comment.

Answer. Old structures with obsolete plumbing, sanitary, heating, ventilating, electrical and lighting systems, aging and leaking roofs, unsafe and worn-out floors and doors and windows allowing energy to be wasted all require excessive operation, maintenance and repair costs to keep them usable and habitable. Thus tangible benefits are realized in these specific areas by replacement of an old facility with a new one. Without question, if the old facilities were replaced in kind, tangible benefits would be easily identifiable and visible. However, new replacement buildings are constructed to much higher standards than the old facilities. For example, barracks are now constructed with multiple rooms instead of open bays; multiple plumbing hookups are used instead of the old gang-type installations. The inclusion of such features as sophisticated heating, ventilating and air conditioning systems, communications systems, increased lighting systems, more interior partitions and other amenities to improve mission accomplishment and authorized to enhance the health, welfare and morale of the occupants increases the routine operation and maintenance expense of a new building in an amount that is greater than would be experienced were the building replaced in kind. In summary, the Army obtains new, modern facilities with operational and maintenance costs commensurate with the character and quality of the types constructed.

Question: Substantial sums are requested for readiness projects overseas, particularly Europe. For example, \$179 million is identified for Germany, above and beyond efforts financed within the \$85 million contribution to NATO. With few exceptions, these projects do not meet the criteria for shared NATO funding. Would you briefly indicate the criteria used in determining whether the U.S. pays 100% or 22% of a project's cost.

Answer: The \$85 million is the U.S. contribution to the NATO Infrastructure Program. This represents a 22% contribution to this program by the U.S.

Projects funded under the MCA program are paid 100% by the U.S.

Question: As a related matter, why are projects for Prepositioning of Materiel Configured to Unit Sets (POMCUS) not NATO shared, but a project for seven facilities to maintain and store prepositioned weapons being proposed for common funding?

Answer: Projects which provide for maintenance type facilities, i.e., hardstands, maintenance shops, etc., are not eligible for NATO Infrastructure funding. NATO considers these items as National responsibilities for maintaining equipment, and therefore will not fund them. In the past, NATO has funded for Controlled Humidity Warehouses (CHW) in which POMCUS equipment is stored.

Question: Some \$75.8 million is being requested for ammunition storage igloos at various German locations because of present shortage of capacity and distance from units supported. They are necessary to meet revised utilization requirements and support latest strategies. What are the revisions inherent in the "latest strategies," and what will this program ultimately cost?

Answer: Prior to August 1976, ammunition consumption projections used to determine ammunition storage requirements were based on historical data from World War II, Korea and Vietnam. The rates did not portray the initial, intense highly lethal volume of fire characteristic of a projected European battlefield. Rates would be expected to exceed ammunition consumption data from the 1973 Mid-East war. A study to revise the rates recognized the intense, sophisticated

nature of the European battlefield, the capability to deploy more U.S. forces earlier in the conflict, the increasing threat, and decreasing warning times. The resulting rates were significantly higher, particularly in the last 30 days of conflict; requirements for some artillery rounds increased by 3 or 4 times. The overall requirement for Europe more than doubled compared to the previous 90 day projections. As a direct result of the revised rates, the stockage objective for Europe and the storage requirements have shown proportionate increases.

The total cost of required facilities beyond FY 78 could be as high as \$350 million however, we are attempting to find storage space that we can lease from our allies. Also, NATO is reexamining their usage rates with a view toward increasing their quantities. An increase in the NATO rates would mean that more of our storage requirement would be eligible for NATO Infrastructure funding. Our shortfall now is so large that any conceivable increase in NATO rates would not impact on this year's request.

Question: \$27.5 million is requested for construction in South Korea. About \$19 million of this is generally related to troop support, a large portion being devoted to replacing quonset huts with relocatable barracks. What is the wisdom of a large Korean construction program in light of current talks over the level of our continued presence there? Are these barracks truly "relocatable?"

Answer: Decisions on the number and type of units which might be relocated from Korea have not been made. The U.S. ground forces in Korea consist of a division augmented by Republic of Korea soldiers within the units and a large supporting base capable of expansion.

To permit maximum flexibility we are requesting relocatable construction, as we did last year, and have programed the work at bases we anticipate will be retained for the longest period. If a decision is made to reduce the strength of the U.S. ground forces in Korea there is adequate time before construction would begin to resite the facilities if the magnitude of the strength reduction resulted in a need to relocate them. In any case, our troops now in Korea are living and working in deplorable conditions which are not expected to be eliminated by partial withdrawals. The FY 78 construction should be approved to alleviate these conditions.

The objective of the relocatable building program was to replace existing, badly deteriorated troop housing in Korea and to provide satisfactory housing for approximately 15,000 men living in quonset huts. One of the "first article" building tests (successfully demonstrated) in the procurement contract requires erection, disassembly and re-erection of the relocatable buildings for three cycles. The relocatable building concept recognizes that relocatables won't last as long as semi-permanent buildings. Nevertheless, the concept envisions utilization of the buildings followed by reversion to depot stock for reissue. Building specifications require that building components provide a building to operate for five years under weather conditions encountered within a certain broad temperature range. The barracks are relocatable and given reasonable care in the assembly, disassembling and storage, should be available for reissue. Of course, the barracks slab and the utilities servicing the barracks are not relocatable and some loss of building components is anticipated.

Question: Approximately \$41 million is being requested for barracks in FY 1978, substantially less than in prior years. What is the current estimate of the number of barracks requiring construction or modernization to meet bachelor housing requirements within the Army? This includes both quantitative and qualitative (standards) shortages.

Answer: Worldwide programable deficit is 8,000 officer spaces and 75,000 enlisted spaces. Two thirds of this construction requirement is in the U.S. and the other one-third is primarily in Korea.

Question: What will be the cost of the complete program to initially meet current numerical requirements at accepted standards, and at what point will that program be complete?

Answer: Cost to complete the bachelor housing program will approach \$500 million. Current plans are to complete construction in CONUS with the FY 82 MCA program and wrap-up construction in Korea by 1990.

Question: How much of the FY 1978 program is identified with support to non-appropriated fund activities, both in the U.S. and overseas? What is the current Department of Defense/Army policy with regard to construction of commissaries, clubs, etc. from appropriated resources? Is there a need for change?

Answer: A very small amount. We have included two commissary projects in Germany (\$2.7 M), two clubs in Germany for NORTHAG (\$3.6 M) and about half of the community support complex for NORTHAG is for NAF activities (say \$2.0 M). There are no NAF projects in CONUS. MCA funds can be used for overseas commissary construction but not for commissary construction in the United States. Nonappropriated or more appropriately surcharge funds are used for construction in CONUS and to a limited degree overseas. We are requesting appropriated funds for the NORTHAG facilities since we are establishing an entirely new installation there which, by the way, is mostly funded by the FRG. Since there are no units stationed there now there is no base to generate NAF funds for construction.

Question: In FY 1978 you are requesting \$66.4 million for planning and \$26.0 million for minor construction, both of which are authorized in permanent law. Please elaborate on the method used to determine these specific amounts. Elaborate means justify.

Answer: Planning Funds. Our planning funds are utilized to design projects which will be built over several years. The program which is before you now is under design largely using FY 76 and FY 77 design funds. The entire design process may require several years on complex projects and therefore must be started long before the program is presented to the Congress. The FY 78 funds will largely be utilized to start design of the FY 79 program and even some FY 80 project. Our requirements are computed based on the average design costs for projects, the status of design of previous year programs and the size of future programs.

This year's request is somewhat higher than in prior years due to our continuing effort to advance the status of design of future programs to improve our budget estimates and to allow contract award early in the budget year, both to reduce the impact of inflation and to get the product to the user as rapidly as possible. This effort was spurred on by the Senate Armed Services Committee in FY 1977 when it directed that - "The committee will insist that design of projects requested in future bills will be well underway unless special justification is submitted."

The Army had \$53,242,000 provided for the FY 77 program, including prior year carry-over. We have obligated \$19,899,000 during the October thru January period. Of this sum, \$8,478,000 was obligated in January alone. We are initiating a re-programming action to convert \$13,000,000 from surplus construction (P6100) funds to planning (P6300) funds at this time. Obligation during the remaining months of FY 77 are expected to remain high. It will also remain high during FY 78. Due to the mandate given in the second paragraph above, we have accelerated release of design programs by about one year. This means that in FY 77, 78 and most of FY 79 we expect to obligate four years design programs. Therefore, the level of funding (\$66,400,000) identified is considered to be both justifiable and necessary to success of MCA programs in FY 78.

Minor Construction. Minor construction funds are required to accomplish urgent unforeseen projects under \$400,000. In addition they may be used to accomplish projects under \$400,000 which can be amortized by dollar savings in less than three years.

In FY 1977 the requirement to authorize construction at Army Ammunition Plants became law even though these projects are funded from other than MCA funds. With this change in law, projects over \$75,000 but under \$400,000 could no longer be accomplished except by authorization or by use of minor MCA funds. We have not yet had any real experience as to the impact of this requirement on our need for minor MCA funds but we assumed for budgeting purposes that at least \$2 million could be required.

In addition our experience indicates that revisions to stationing in overseas areas generate immediate needs for minor projects. We also anticipate both the accomplishment of energy projects which will amortize rapidly and the need to reduce our utilization of natural gas by installing means of using alleviate fuels. With these expectations we consider it prudent management to request \$26 million for FY 78 compared to \$20 million in FY 76 and \$24 million in FY 77.

ADVANTAGE OF OSUT AT SCHOOL INSTALLATIONS

Senator JOHNSTON. What is the advantage of conducting OSUT at school installations?

General WRAY. Each service school, "professional home," is the proponent for the development of doctrine, organization, tactics, and techniques for a particular branch of the arms and services of the Army and for the professional development of the individuals who serve in the enlisted military occupational specialties and officer specialties of that branch.

The service school, "professional home," applies to the training system the combat developments process, working systematically with the concepts, weapons, organizations, and tactics and techniques of the future Army. Integrated into combat developments is the equally rigorous analytical effort of training developments, which adds training standards, instructional techniques, and training devices. Training development analysis overlap their products with today's weapons, organizations, and tactics.

The real value of conducting one station unit training at the professional home lies in the collocation of the experts necessary for the continued refinement of the Army training system and the interface of trainers and students engaged in the institutional training process at the installation.

The presence of trainers and students at the professional home provides to the combat/training developers—

An immediately available test bed for assessment of new training techniques and training devices which are specifically targeted at branch members and branch units.

Entry level students upon whom to experiment with advanced instructional techniques and course designs for later application in USAR schools to support Reserve Component MOS training.

Avoidance of time-consuming and expensive travel to other training sites to conduct the training development activities cited above.

Important feedback information from branch-experienced officers and NCOs returning for professional development training.

Verification of the effectiveness of field training support systems. The school training developers have the opportunity to compare entry-level graduates with returning professional development students to measure the degree of intervening skill progression accomplished in the operating units, using school-developed training support mechanisms.

To the volunteer soldier entering into service for the first time, initial entry training at the Professional Home of his branch means—

Immediate immersion in the ethos of his future branch, since the particular attributes and attitudes which mark each branch of the Army are most evident at the Service Schools. This has special relevance with respect to motivation for Army training, as has been evidenced in the OSUT tests.

Identification from the first day of service with trainers from his own branch. The opportunity, present only at Professional Homes offering OST/OSUT, to be trained by branch-expert Drill Sergeants reinforces later association in the operating forces with branch-NCO trainers—many of whom will have served a tour as a Drill Sergeant.

The Professional Home concept is operational for OSUT as follows: Armor—Fort Knox; Field Artillery—Fort Sill; Signal—Fort Gordon; Air Defense—Fort Bliss; and Military Police—Fort McClellan. Infantry OSUT is programed for Fort Benning.

RATIONALE FOR CONDUCTING OSUT AT FORT BENNING

Senator JOHNSTON. What is the rationale for conducting OSUT at Fort Benning?

General WRAY. The Army objective is to conduct all initial entry training by the most efficient and effective means. The recent test of One Station Training (OST)/One Station Unit Training (OSUT) showed that the use of OSUT at Fort Benning will cause less personnel turbulence and generate the greatest savings in construction costs and manpower than other stationing options.

As the Professional Home of the Infantry, Fort Benning provides other training advantages associated with the professional home concept. It is both training and cost effective to conduct initial entry training at each branch professional

home because the trainers are collocated with the combat/training developers which facilitates focus of effort on the trainees. It provides a readily accessible test bed for new training devices and techniques and facilitates evaluation of course designs and instructional methods. The new trainee is able to identify immediately with their branch and its professional home from the first day of military service.

FACILITIES FOR INITIAL ENTRY TRAINING

Senator JOHNSTON. How are Army facilities organized to conduct initial entry training now? What are future plans, including those for Fort Dix, N.J.?

General WRAY. This chart shows the present training configuration and the configuration that will exist after implementation of infantry OSUT at Fort Benning. This configuration is based on the present projected initial entry training requirements for fiscal year 1978 and fiscal year 1979. You will note that Fort Dix continues to be used in the plan.

TRAINING BASE TRANSITION¹

	Fiscal year 1977		Future structure	
	BCT companies	OSUT companies	BCT companies	OSUT companies
Dix.....	36		45	
Knox.....	27	17	18	19
Jackson.....	49		36	
McClellan.....	10	15	10	15
Leonard Wood.....	32	14	27	14
Gordon.....	9	14	9	14
Sill.....	9	13	9	16
Bliss.....	9	(9)	9	
Benning.....				50
Total.....	181	73	163	128

¹ A comparison of total companies by adding BCT and OSUT companies for fiscal year 1977 with the future structure is not valid. There are 37 more companies shown between the current and future structures; 18 of this increase is attributable to an increase in training input. The remaining 19 is offset by a corresponding reduction in the number of AIT companies in the training base such as the 29 companies at Fort Benning.

² Includes 9 basic training (WAC) companies.

³ Includes 9 basic training (WAC) companies and 1 civilian acquired skills (CAS) Company.

⁴ Pilot training.

TRAINING TIME FOR OSUT SKILLS

Senator JOHNSTON. What is the training time for each OSUT skill and could you compare that with the time required using split training (BCT/AIT)?

General WRAY. Fiscal year 1979 will see 35.2 percent of the initial entry training input trained under the OSUT concept; 12 MOS skills will be OSUT taught.

MOS	Training time (weeks)		
	BCT/AIT	OSUT	Reduction
11B/light weapon infantry.....	15	12	3
11C/infantry indirect fire crewman.....	15	12	3
11D/armor recondition specialist.....	15	13	2
11E/armor crewman.....	15	13	2
12B/combat engineer.....	15	13	2
12C/bridge specialist.....	15	13	2
13B/field artillery basic.....	15	12	3
16P/Chaparral crewman.....	17	15	2
36C/telephone installer and lineman.....	17	13	4
36K/field wireman.....	15	13	2
95B/law enforcement.....	17	15	2
95C/correctional specialist.....	16	14	2

ARMY POSITION ON THE GAO-OSUT REPORT

Senator JOHNSTON. Give us the Army position on the findings and conclusion of the GAO report.

General WRAY. We do not agree in those findings and conclusions. We acknowledge we had some problems in the conduct of the test primarily from the fact

that this was a large scale operational test involving 6 installations and 17,000 soldiers. As such, uniformity in the execution of the test was not what we would have liked. The GAO questioned some of the test results but their focus was not germane to the central issue of whether or not the trainee is as well qualified under the OSUT concept as compared to the BCT/AIT concept. On this point both the Army and the GAO agree that they are. We strongly feel the results of the OSUT test validate the central issue that we can produce an equally qualified soldier in less time and with increased morale at a considerable trainee manpower savings.

TRAINING LOAD INCREASES

Senator JOHNSTON. If the Army has been reducing initial entry training time with the expansion of OSUT and self-paced instruction, why are training loads increasing?

General WRAY. The loads are increasing in this year's fiscal year 1978 request because the training base is required to train more Reserve Component non prior service (NPS) males (over 30 thousand) while the active requirement has been relatively stable.

ANNUAL NPS MALE INPUT FOR TRAINING

	Fiscal year 1977 request (January 1976)	Fiscal year 1978 request (January 1977)	Change
Active input.....	165,600	161,800	-3,800
Reserve Component input.....	45,342	78,700	+33,358
Total input.....	210,942	240,500	+29,558
Initial entry load.....	73,540	78,344	+4,804

¹ A total NPS increase of this magnitude (30,000) would have produced an increase in initial entry training load of about +10,000, however, the improvements in reducing training time have held the net increase to less than +5,000.

TWO STATION UNIT TRAINING

Senator JOHNSTON. While the Army did test OSUT with indications that substantial savings can be made over the previous BCT/AIT, a recent GAO Report and the CBO Report on "The Costs of Defense Manpower" indicate that the Army failed to test new training POI at two stations. Do you believe these savings could be accrued using the OSUT POI at two stations?

General WRAY. No, we do not. An analysis to evaluate the feasibility of conducting a two station test was conducted by the Army after the conclusion of the OSUT tests. The analysis concluded that for any combination of a split OSUT infantry program, the 12 week OSUT program was the most economical, and that a two station split infantry test could not have been conducted due to lack of range facilities. A two station program simply cannot overcome the inefficiencies of one additional inprocessing, one additional outprocessing and the travel between the two stations.

ESTABLISHMENT OF TRAINING EFFICIENCIES

Senator JOHNSTON. Would the Army be able to establish efficiencies in the training base without the implementation of OSUT at the Army Training Commands? What, if any, would be the impact on military construction costs?

General WRAY. The literal answer to the first part of the question is, "Yes." The Army sought and will continue to seek improvements in training efficiency and effectiveness that are unrelated to OSUT. One example is the proliferation of self-pacing in Army school courses and in Advanced Individual Training (AIT) conducted in Army Training Centers (ATC). By allowing a trainee or student to proceed through training as rapidly as his abilities will permit, the concept of self-pacing results in a net reduction in the average time these students spend in the training base. The payoff here is the return of an estimated 3,100 trainee man-years to the force in fiscal year 1977 and an additional 1,700 in fiscal year 1978 for a total of 4,800.

The sense of the question, however, is directed specifically toward the Army's current effort to establish Infantry OSUT at Fort Benning. In this sense, the Army cannot provide the efficiencies of Infantry OSUT in any other way. The

Army believes that the reduction in training time for MOS 11B and 11C (Infantryman and Infantry Mortar Crewman) from the current 15 weeks to the proposed 12 weeks is possible only in the OSUT configuration because only OSUT provides the necessary conditions of an integrated course of instruction, a continuous learning experience, and the stable leadership environment offered by a single cadre at one installation. To simply eliminate a certain number of hours from the present BCT and Infantry AIT courses of instruction in an artificial attempt to duplicate the 2,200 trainee man-year reductions to be realized annually from Infantry OSUT, is to ignore the systematic analysis of the learning experience, as stated above.

The answer to the second part of the question "What, if any, would be the impact on military construction costs?" is that military construction will be required regardless of whether Infantry OSUT is implemented or whether we remain in the BCT/AIT mode. The OSUT mode requires fewer barracks than for BCT/AIT. Failure to implement OSUT will result in an increase in the Army's barracks construction requirements. Only the \$2,661,000 for training facilities and \$5,886,000 for reception station projects at Fort Benning are required solely due to OSUT at Fort Benning.

HOUSE SURVEYS AND INVESTIGATIONS REPORT

Senator JOHNSTON. What is the Army's rebuttal to criticisms of OSUT in the House surveys and investigations (S&I) report?

General WRAY. The Army feels it is no longer meaningful to address in detail the specific criticisms listed in the House S&I Report. In that the report is dated January 21, 1976 many of the report's criticisms have been overcome by events and are no longer applicable due to Army training base and division stationing changes, and completion of the OSUT test.

I would like to comment on these issues.

First, the contention of the committee, based on the S&I Staff Report, is that substantial construction costs have been identified by the S&I Staff which are attributable to one station unit training. Allegedly these costs are attributable to the shifting of training workloads to installations which had supported lesser levels or in some cases no basic training in the past. The Army strongly disagrees with this contention. The Army's position is clear—whether Infantry OSUT is implemented or whether the current infantry BCT/AIT program at two stations is continued, the Army needs new barracks to house its trainees.

Second, the S&I Staff criticized the Army's claim, "that increased morale would necessarily result from one station training" and alleged that "from their (S&I) interviews of trainees there appeared to be no clear preference for training at one installation."

The OSUT test demonstrated that the indications of improved trainee morale received in earlier tests were indeed factual. As an example, the disciplinary rate for BCT-AIT units was about 46 actions per 1,000 trainees (approximately 4 per week) while the rate for OSUT was about 22 per 1,000 trainees (approximately 2 per week). The AWOL rate for BCT-AIT units was about 35 per 1,000 trainees (approximately 2.5 per week) while in OSUT units it was about 9.3 per 1,000 trainees (approximately 0.8 per week).

A comparison of the information obtained through trainee interviews by the staff investigators is somewhat difficult due to different formats. In the OSUT tests the interviews were structured, each trainee receiving the same question. Only Army trainees were questioned since there are so many differences between the training programs of the various services. The staff investigators interviewed approximately 100 trainees none of whom had been through an OSUT program. Finally, all responses on the OSUT surveys are displayed allowing a comparison of differences of opinion.

The conclusion of the analyst, a research psychologist, is that there was a general acceptance of OSUT policies. Approximately 66 percent of OSUT respondents indicated that they prefer training under one cadre. In fact, more AIT respondents (37 percent) indicated a preference for one cadre than did for two (35 percent). While more OSUT respondents preferred (36 percent versus 30 percent) transferring to another post, the majority (53 percent) preferred a 12-week OSUT program over four other programs (14 percent, 6 percent, 13 percent and 12 percent) of which they had knowledge.

A direct contradiction was found with the responses given by the staff investigators on which they based their conclusion that trainees preferred having their

training with separate groups. OSUT and AIT trainees indicated a distinct preference (OSUT 70 percent versus 8 percent) (AIT 51 percent versus 15 percent) for going through training with the same group of trainees versus being separated after basic training.

And lastly the S&I staff indicated that they encountered many personnel who felt there could be potential dangers in too much specialization in OSUT as compared to the existing system. However, current training philosophy is based on an analysis of specific job requirements, identification of tasks by skill level required for job performance in each MOS, and the structure of these tasks into an individual training plan which spans the soldier's career from the day he enters service until he retires. Determination is made as to when in the soldier's career tasks should be taught; whether they should be taught in the institutional training system, in the units or be self-taught. This is believed the best possible method of insuring that all soldiers not only obtain an appropriate "common grounding" but also the expertise to proficiently perform their assigned duties. It is important to note that the majority of soldiers assigned to combat support and combat service support skills will continue to be trained in the same general but improved 8 week BCT program.

GAO CRITICISMS ON OSUT TEST DESIGN

Senator JOHNSTON. What is the Army's detailed rebuttal to the GAO criticisms on the adequacy of the OSUT test design and the statement by GAO that "uncontrolled factors impaired the test?"

General WRAY. We disagree with the findings of the GAO. We constructed the test to minimize the effect of those uncontrolled variables we either could not, or in planning chose not to, collect data on. For those events that occurred despite our plans and efforts, the test officers present at the installation and responsible for the execution of the test weighed the effects, sometimes subjectively, sometimes with data analysis, and reported his findings. This overall treatment of uncontrolled variables is explained and contained in the individual test reports, along with evaluations of events that warrant examination. The GAO's criticisms on the adequacy of the OSUT test design and the Army's rebuttal follows.

Use of discretionary time not controlled or measured

Use of discretionary time is a function of several factors; availability, need, and cadre interest. It involves mainly after hours and weekend use of optional instruction by the cadre. Controlling discretionary time would have disrupted any examination of the training programs capability to react to the need for remedial training. To have been a biasing factor, and not a program peculiar factor, more opportunity for discretionary time would have had to be furnished one program and not the other, thus creating an artificial equality. This was not done. Inspection of the courses of instruction, however, will show that, due to the control (non OSUT) programs greater lengths, there was obviously more opportunity for those cadre to have access to discretionary time. We chose not to measure discretionary time directly due to difficulties in collection requirements. What is available is the trainee perception of how much remedial and extra individual training he received. At Fort Leonard Wood, which the GAO cites, the trainee not only perceived greater use of discretionary time, but their responses indicated that they were members of the control groups. Even with this apparently more frequent use of discretionary time, OSUT trainees responded that they got as much sleep as did the control group and that they felt that the pace of the training was just about right.

We agree that a difference in required use of discretionary time would have been an unacceptable biasing factor, but that did not exist. What the GAO terms as an uncontrolled variable is actually a vital and complex component of the programs.

Changes made in training methods

It was a policy of the Fort Sill training group that maximum use be made of hands-on training. Without further information on the incident cited by the GAO, the extent to which training might have been affected is difficult to address.

The use of different training aids by different instructors is not an unusual occurrence. Training Group evaluations insure that instructional methods used are acceptable.

Wide range in size of test units

Trainees were assigned to units as they arrived at the installations. It was considered important to have a test and a control unit starting training each week. Since trainee arrival rates were not controllable, a method of performance comparisons was utilized which compared the scores of all test units within an MOS against the scores of all control units. Individual units with significantly high or low scores were identified by the procedure. The table below lists the unit sizes and trainee/drill sergeant ratios.

Post	Unit size										Average
	1	2	3	4	5	6	7	8	9	10	
Fort Polk:											
BCT	225	226	228	224	223						225
AIT	229	181	236	227	222	241	219	221	227	196	220
OSUT	207	205	226	219	212	220	230				217
Fort Sill:											
BCT	143	212	173	177	132	166					167
AIT	129	91	105	158	173	158	196				144
OSUT	189	126	132	161	206	104					153
Fort Leonard Wood:											
BCT	216	221	204	214	218						215
AIT	233	205	110	129							169
OSUT	112	186	212	198	204						182
Fort Knox:											
BCT	198	198	173	190	205						193
AIT	138	156	143	106	162						141
OSUT	154	152	179	116	106						141

Post/unit	Trainee/drill sergeant ratio (percent)										Average
	1	2	3	4	5	6	7	8	9	10	
Fort Polk:											
BCT	25.0	20.5	25.3	24.9	14.9						22.1
AIT	28.6	22.6	39.3	28.4	24.7	20.1	24.3	20.1	28.4	21.8	25.8
OSUT	23.0	22.8	32.3	36.5	17.7	24.4	14.4				24.4
Fort Sill:											
BCT	13.0	19.3	14.4	17.7	14.7	13.8					15.5
AIT	11.7	7.0	8.7	14.4	19.2	13.2	21.8				13.7
OSUT	15.7	11.4	13.2	13.4	14.7	9.4					13.0
Fort Leonard Wood:											
BCT	19.6	18.4	14.6	19.4	15.6						17.5
AIT	19.4	22.8	11.0	9.9							15.8
OSUT	10.2	14.3	16.3	15.2	14.6						14.1
Fort Knox:											
BCT	18.0	19.8	14.4	13.6	17.1						16.6
AIT	6.3	9.7	6.5	4.8	6.2						6.7
OSUT	7.3	7.6	7.8	5.5	4.1						6.5

It is obvious that both OSUT and control units varied in size due to random assignment of trainees and that there is no pattern that would indicate an advantage of one program over the other. The disparity between BCT and other units at Fort Knox is the inclusion of tank commanders for AIT and that portion of OSUT dealing with instruction on tanks.

Data not collected on some critical tasks

There were eight tasks at Fort Leonard Wood which were designated as critical tasks after some BCT companies had completed their training on the tasks. All trainees had been tested but not under the auspices of the test control group. Hence first attempt pass rate information was not available. It was decided therefore to exclude these tasks from the BCT-OSUT comparison which concerned first attempt pass rates only. It should be noted that both groups, OSUT and BCT, required demonstrated mastery of these tasks for graduation. Since the overall graduation rate for OSUT at Fort Leonard Wood is very comparable to the BCT-AIT graduation rate (83.6 to 75.4 percent), and since both programs required mastery of these same tasks, the statement that the integration of BCT-AIT "does not result in a decrease in the mastery of the common tasks associated with BCT" seems reasonable.

Indications of more command attention in OSUT groups

Responses on the attitudinal surveys indicate that OSUT trainees felt cadre, including more company commanders, paid more attention to them than did BCT-AIT trainees. Again this is a desired situation believed fostered by the longer association between cadre and trainees under OSUT. Such internal attention should not be labeled as "command attention" e.g., external attention providing unequal conditions for the two programs. The attitude survey responses simply do not indicate external command attention.

It is difficult to address the impact of the disparity in evaluator visits to the test units. Perhaps some were at the GAO's request. There is a difference however between a training evaluator and one with sufficient rank to exert sufficient command attention to produce unequal environments for the test units.

Value of Fort Bliss and Fort Gordon tests questionable

The value of these two tests are not questionable. The OSUT test report clearly states that since there were deficiencies in the test design at Fort Bliss the results of that test would not be used in any fashion. In a similar vein, the lack of an AIT control group at Fort Gordon was addressed and the limited use of that test's results are explicitly stated.

Different MOS groups used in control groups

In some instances it was necessary to use all trainees undergoing BCT at an installation in order to have an adequate sample size. The comparability of the trainees was established through the statistical comparison of their demographic characteristics. It should also be noted that members of different MOS groups were compared only on BCT tasks, which were the same for each group.

Test groups were selected at different times

It was not possible to start all trainees at the same time at the same installations due to trainee accession rates. Generally, there was an OSUT and a control unit started each week. At Fort Polk, Fort Knox, Fort Sill and Fort Gordon, a BCT and OSUT unit began training during each week. At Fort Leonard Wood an AIT and an OSUT unit began training during each week.

Attitude questionnaires were not administered at consistent times

Attitude questionnaires were administered in the last two weeks of the training cycles with the intention of allowing the trainee to complete the large majority of his training cycle. There is a disparity between the number of weeks of training between the test groups since the OSUT cycle was some weeks shorter than the BCT-AIT cycle.

Use of training committee instructors

There will be continued use of committees for some training in OSUT. Certain tasks, such as those requiring handling of explosives, are considered best taught by committee groups; not because committee group instructors have more expertise than MOS qualified cadre instructors, but because more attention can be paid to training equipment care and preparation than can be provided by cadre responsible for troop control. The continued use of committee instruction for some subjects has always been envisioned for OSUT programs.

Our conclusion that the unequal use of committee instructors at Fort Leonard Wood was not biasing is justified with the realization that committee and cadre instructors have the same qualifications and are drawn from the same NCO population.

The Army acknowledges there were some errors made but not of sufficient magnitude to invalidate the test. The GAO focuses on issues not considered essential to the central issue of whether or not soldiers trained under the OSUT concept are equally as qualified as those trained under the BCT-AIT concept. On this point both the Army and the GAO agree that they are.

A copy of the One Station Unit Training (OSUT) Test Report dated 1 November, 1976 has been furnished separately, and will be retained in the subcommittee files.

GAO CONCLUSIONS ON OSUT

Senator JOHNSTON. What was the basic GAO conclusion about the merits of OSUT?

General WRAY. The GAO report states, "The test results showed that under either method the soldiers were equally qualified." The report goes on to criti-

cize the OSUT test design and the handling of uncontrolled factors. However the Army does not agree with the GAO report criticisms. We feel the focus of the report is not germane to the test's central issue. We are confident that OSUT is the best method available to us today to train the skills we have identified.

GAO CRITICISM OF OSUT TEST RESULTS

Senator JOHNSTON. What is the Army's answer to the GAO criticism that the test results are questionable?

General WRAY. We have analyzed the GAO report and do not agree that the test results are questionable. We believe the soundness of the OSUT concept is conclusively shown in the capability of the trained soldier to accomplish his assigned mission. During the OSUT test, over 4,000 supervisors in FORSCOM units were interviewed. They considered the OSUT graduate to be just as acceptable and as well qualified as graduates from BCT/AIT in the same MOS.

The GAO attempts to question the OSUT test by focusing on issues such as test design and uncontrolled factors not germane to the central issue, which is OSUT produces equally trained soldiers in a shorter period of time. We believe the test was valid.

The GAO report does agree, in spite of its criticism, that the OSUT test results showed that under either method the soldiers were equally qualified.

EXPERTISE OF ARMY OSUT TEST PERSONNEL

Senator JOHNSTON. What is the expertise and experience of the Army personnel that designed the test? Conducted the test?

General WRAY. The TRADOC Combined Arms Test Activity (TCATA), was the agency which provided the testing expertise to the OSUT effort. This organization's sole business is testing, primarily operational testing which differs from research and development efforts. In operational testing, the roles and reactions of individuals and groups to proposed systems and concepts changes are of principal concern. TCATA undertakes a wide range of tests from relatively small control tests to large scale exercises involving thousands of participants. Each year TCATA is involved in approximately 50 tests or evaluations. The organization is staffed with both military and civilian personnel, many with advanced degrees in training, qualifying them for test design and execution. TCATA assisted TRADOC in the identification of those portions of the OSUT versus BCT/AIT comparisons that could be tested and in the structure of a test which would furnish the comparison.

The six installations at which separate tests were executed established control organizations within their various departments of training. These organizations were the conductors of the test. Although they were responsible for neither the test design nor testing techniques, they were made aware through working conferences and on-site visits by TRADOC and TCATA of requirements peculiar to the tests.

TCATA personnel performed the surveys of the Forces Command units to determine the relative acceptability of the program graduates. These surveys were conducted independently of the installation tests.

GAO COMMENTS DURING COURSE OF THE OSUT TEST

Senator JOHNSTON. In meetings with the GAO and the Army during the course of the study, did the GAO indicate anything the Army should do differently? What was the Army response?

General WRAY. The consensus reached at the June 1976 meeting between TRADOC and GAO representatives was that the tests already completed were probably the most practical approach to the problem.

At the meeting GAO representatives pointed out what they considered to be shortcomings of the test. Their stated contention was that the OSUT test provided only a portion of the information needed to deal with the committee's concern. They felt that the Army could not positively state whether similar results could be achieved in the same time frame at two stations by deleting nonessentials from traditional instruction programs because the Army had not designed the test to make such a comparison (OSUT versus two station).

At the time of the meeting (June 1976) the OSUT series of tests had been completed with the exception of Phase II of the test, the field surveys. The Army

questioned GAO representatives at the meeting as to *how* such a test could have been designed or *how* such a test could now be conducted? The GAO could not offer a recommendation as *how* such a comparison could be made in practical terms. The GAO guidance at the time was that the Army not conduct any further testing that they would consult with the committee and would get back to the Army on the committee's desires. The Army did not receive any further communication from the GAO on this subject.

The GAO contention (page 7 of the report) that the Army could have evaluated two station aspects as part of the Ft. Polk Infantry test is just not a valid contention. The reason is that AIT at Ft. Polk was fed from BCT at the same installation. The reprogramming of all BCT trainees to another installation would not have been practical. In addition, the test at Ft. Polk was nearing completion at the time of the Congressional Directive to test OSUT (November 1975). In addition on the Congressional Directive specified that tests be conducted at "existing installations."

The GAO contention that the Army had an opportunity to evaluate a two station program after AIT was moved to Ft. Benning is just not realistic. What could the program be compared to?

The comparisons that the GAO felt were lacking in the test were in fact addressed by the Army by separate analyses which included cost comparisons and which examined the feasibility of conducting such a test. The cost comparisons were never envisioned as being suitable for inclusion in the test. The Army feasibility study and the cost analysis were made to determine problems associated with a dedicated two station integrated program with 7 weeks at Fort Dix and 5 weeks at Ft. Benning/as well as other combinations (i.e. 3 and 9 through 9 and 3 weeks Ft. Dix/Benning).

Results of these analyses indicated that a two station integrated Infantry program could not be tested due to the lack of adequate range facilities. Costs associated with such a program and for any combination (split) thereof, confirmed that the 12-week OSUT Infantry program proved to be the most economical.

In summary, there was considerable discussion at the June 76 meeting on features of possible tests that could involve training at two stations, but the discussions were inconclusive. The Army did not receive specific instructions from the GAO that it test TST. In fact, in their final report, the GAO proposes a test which they feel would have strengthened the comparison. They follow their recommendation, however, with the admission that their proposal would not have allowed the envisioned (valid) comparison either, (page 7 of the GAO report).

The Army position was and is that even if the Army had wanted to test TST it could not have done so since the Army was not configured for a test of this concept particularly in the Infantry skills. At two stations the controls necessary for a rigorous test would be prohibitive since facilities, the leadership environment, support, would all be different.

DIFFICULTY OF CONDUCTING TWO STATION UNIT TRAINING TEST

Senator JOHNSTON. How difficult would it have been to conduct a test of the two station unit training and would this have had any relevancy to the considerations of OSUT?

General WRAY. It would have been extremely difficult to conduct a rigorous and viable two station test for the following reasons:

The training base was not configured for a test of this concept particularly in the infantry skills.

Reconfiguration of the training base to conduct such a test would have been impractical and would have required the construction of ranges to support the test.

An analysis to evaluate the feasibility of conducting a two station test was conducted by the Army after the conclusion of the OSUT tests. The analysis concluded that for any combination of a split OSUT infantry program, the 12 week OSUT program was the most economical. And that a two station split infantry test could not have been conducted due to lack of range facilities.

The test of a two station program has no real relevancy to validity of the results of the OSUT test. Tests are conducted separately from cost analysis. In

this sense a two station program cannot overcome the benefits of a one station program to include—

- Reduced transportation time.
- Reduced administrative time.
- The one cadre and an uninterrupted training experience.

OSUT REVIEW BY PRIVATE EXPERTS

Senator JOHNSTON. Does the Army believe the test results would stand up under review by testing experts in the private sector?

General WRAY. Yes, we do. The GAO is also satisfied that the results were correctly derived from the data. The remaining points of contention are the range of the programs involved in the test which is a scoping problem and not so much a part of the test itself, and incidents which occurred during the test. We believe that independent evaluations would verify that the incidents cited by the GAO are variations typically encountered in the system's testing. Since the test results are not an issue, employment of an independent evaluator would not serve a useful purpose and would add only another opinion to the unresolved issues.

LENGTH OF THE OSUT TEST

Senator JOHNSTON. What is the background on how the length of the testing period and report to Congress was determined?

General WRAY. The Congressional requirement for a test of OST/OSUT was first established October 3, 1975 in the House Report 94-530, Military Construction Appropriation Bill, 1976. Since the Army had already initiated a test of OST/OSUT, the Army was able to recommend a study completion date of 30 November 1976. This would allow the minimum time required to conduct additional tests, monitor trainees' performance in troop units, and complete the report. It was a mutual interest of the Army and the Congress to try to complete the studies prior to the testimony on the fiscal year 1978 President's Budget.

CHANGES IN ACCESSION RATE

Senator JOHNSTON. How did the Army determine what appears to be changes in the non-prior service accession figures?

General WRAY. The Army determines its official projection of future strength, gains and losses by the Active Army Manpower Program. This program is produced by the computer model system, Enlisted Loss Inventory Model—Comparison of Manpower Program using Linear Programming (ELIM—COMPLIP) the program is updated monthly with the latest strength gains and loss history and is the basic Army personnel document for the Military Appropriation, Army Budget, the Five Year Defense Plan and the Program objective memorandum.

The Army Manpower Program is very dynamic. Changes in economy, loss trends, retention, new or changed policies, and directed personnel reduction or monetary reduction all generate waves through the projection that may take three to five years to smooth out. Every effort is made to minimize fluctuations in the program.

The first time the fiscal year 1978 initial training input was projected was in the June 1975 Army Program and Budget Guidance. The projection was 218,700. This projection was regularly updated and published in the fiscal year 1977 President's Budget at 248,700 and subsequently published in the fiscal year 1978 President's Budget at 272,400. The breakout by component is listed.

	Projection for fiscal year 1978		
	June 1975	January 1976	January 1977
Active Army.....	162,400	168,800	177,700
Army Reserve.....	22,200	28,900	39,700
National Guard.....	34,100	51,000	55,000
Total.....	218,700	248,700	272,400

These figures depict the major increase is from the Army reserve and the National Guard input.

POSSIBILITY OF 12 WEEKS TRAINING WITHOUT OSUT

Senator JOHNSTON. Could the Army train non-prior service personnel in 12 weeks under any other concept than OSUT? If so give advantages/disadvantages.

General WRAY. The answer is a simple no. Let me explain. Under OSUT only three MOS skills are reduced to the 12 week length, Field Artillery basic (13 B), Light weapon Infantryman (11 B) and Infantry Indirect Fire Crewman (11 C), (Other OSUT course lengths run 13-15 weeks). In each of these high density skills using equal resources training by any method other than OSUT will not achieve the same level of proficiency in the same amount of time. A reduction in training time of one to four weeks is achieved by the OSUT program. However, OSUT implementation is not envisioned for all Army initial entry skills. We believe OSUT is best adapted to selected skills.

The Army is continuing to refine its training establishment and is testing other training innovations. Our goal is to achieve the most efficient and effective training possible within budgeting constraints.

ARMY NATIONAL GUARD

Construction Backlog

Question. The construction backlog is growing, now at \$612 million, yet the fiscal year 1978 budget represents a decrease from prior year. Why?

Answer. Late in calendar year 1975 we submitted both the fiscal years 1977 and 1978 budgets to the OMB/President. Both budgets were cut. The fiscal year 1977 budget was cut \$19.1 million and the fiscal year 1978 cut \$14.2 million. Congress restored \$13.9 million in the "77" budget, but of course nothing was added to the "78" budget. This left the "78" budget at \$57.1 million which was submitted to DA/DOD in August 1976. During the DA/DOD budget cycle, another \$7.7 million was cut to where we now have \$49.4 million.

PROGRAM PERFORMANCE

Question. You indicate that only 79 percent of available fiscal year 1976 funds was obligated, primarily due to favorable award prices. Were all planned fiscal year 1976 projects accomplished at the lower figure, or does part of the savings represent deferrals?

Answer. 110 projects, estimated to cost \$56.5 million, were forwarded to Congress during fiscal year 1976 for the 30-day notification period. 99 of these were awarded at a cost of \$44.6 million which represented a savings of \$3.2 million. The 11 that were not awarded were estimated to cost \$5.7 million. Of the 11, all but 3 have been awarded (CA Red Bluff OMS, IN Cp Atterbury Tug Fac, PA New Brighton AF Res Center).

Question. Is there a practical constraint on the amount of construction funds that could be used in fiscal year 1978? That is, would available manpower, project design status or some other consideration limit the potential scope of the program or the number of contracts which could be executed?

Answer. Yes, there are practical constraints both in the States and in the NGB. The States and I have limited manpower to manage the MILCON program, and the States are limited in obtaining matching funds from their legislatures and sufficient real estate. Approximately \$60 million, at today's dollar value, is a level that both the States and the NGB can efficiently manage.

UNNECESSARY CONSTRUCTION

Question. In June 1976, the GAO issued a report that Reserve Force facilities could be obtained faster and cheaper by making greater use of existing or joint-use facilities. The report was particularly critical of the requirements review process, especially at the State level. What is your position on the findings and recommendations of this report?

Answer. I do not completely agree with the findings as far as the MCARNG program. However, I agree some Reserve Force Facilities Boards (RFFB) could have been more effective. I completely concur with the study's comments on the ARNG projects. Practically all the recommendations in the report are reasonable. Since the study by GAO, the following actions have been taken:

DOD published more detailed instructions requiring the boards to make a more thorough review.

DOD will hold a periodic meeting of all services to discuss the results of the board meetings.

Within the Department of the Army Headquarters, each project is reviewed by the Construction Requirements Review Committee (CRRC) which is composed of representatives of each staff agency. This committee examines the validity of each project plus the possibility of using existing facilities or constructing jointly.

Prior to a project being awarded, it has been reviewed by the Adjutant General, the State, RFFB, NGB, the other services, FORSCOM, CAR, CRRC, the Army Staff, OSD, OMB and Congress. I believe the MCARNG program is sufficiently reviewed and obtain facilities faster and cheaper than any other agency.

Question. Even if you do not agree with the report, why are more joint-use facilities not being considered?

Answer. We have or are planning to build eight Armed Forces Reserve Centers (armories) during the period of 1975-77. Joint construction of armories is considered for every armory and constructed when possible. All our training facilities are jointly utilized or available to other Reserve components and the Active services. In several cases, they are used more frequently by others than the ARNG (Fort Irwin and Camp Roberts).

COST SHARING

Question. Would you briefly describe the responsibilities of the States in funding Guard construction projects?

Answer. Armory Construction—Federal Government contributes 75 percent of the construction cost of armories built in accordance with DOD criteria. States pay for site preparation, 25 percent of construction cost of armories built in accordance with DOD criteria, and 100 percent of cost in excess of this criteria. States also must provide the real estate. Non-Armory Construction—Federal Government contributes 100 percent of construction cost of facility built in accordance with DOD criteria. State pays for anything in excess to this criteria. Nonarmory facilities may be constructed on either Federal or State owned real estate.

PROGRAM CHANGES

Question. For the record, would you please compare the fiscal year 1976 and fiscal year 1977 project listings submitted to Congress with the projects that were actually executed in fiscal year 1976 and now planned for fiscal year 1977. Explanation of these changes would also be in order.

Answer. Yes, we would be pleased to provide it. Do you wish us to compare the list submitted to Congress for the hearings or for the 30-day notification period?

STRENGTH LEVELS

Question. The subcommittee is aware that the Guard is reportedly having difficulty in attaining and maintaining strength levels. To what degree does this fact have a bearing on planned initiation of new facilities or expansion of existing ones?

Answer. Our assigned strength as of the end of January 1977 was 376,151 compared to the Congressional mandated strength of 390,000. Strength has an insignificant effect on required facilities. A unit requires an armory to administer, store equipment and train. Size of armory required is nearly independent of the unit's strength. The same is with maintenance, aviation, administrative and logistical, and training facilities. The units have equipment that is used and must be maintained whether the unit is at 80 percent or 100 percent strength. The number of small arms, artillery, tank and aerial ranges required is also nearly independent of strength.

1976—62.7 million, 79 percent obligated; 11.9 carryover to 1977.
 1977—61.1 million, 69.0 obligated target; 4.0 carryover to 1978.
 1978—49.4 request, 49.0 obligated target; 4.4 carryover to 1979.

ARMY RESERVE

CONSTRUCTION BACKLOG

Question. You are requesting \$50.5 million in fiscal year 1978, somewhat lower than in previous years, although the Reserve construction backlog is over \$516 million. Is the backlog remaining fairly current, growing, or are we reducing it?

Answer. The Military Construction Army Reserve backlog is revalidated annually and has increased approximately \$50 million since last year. This increase is primarily based on inflation and two new requirements. The new projects are a maintenance facility at Fort Drum, N.Y. and rehabilitation work to recently acquired facilities at the former Ramey Air Force Base in Puerto Rico. If \$6.6 million were added to the fiscal year 1978 construction program, these two new requirements could be met. On the whole, the backlog remains constant and our current long range program reflects this backlog will be completed by the end of fiscal year 1988. However, new requirements are certain to develop over the next 10 years so in fact 1989, there still may be a backlog but it will be much smaller than the present one.

In response to the second part of your question which states, "With such an outstanding backlog, why have not more resources been programed in fiscal year 1978 to reduce it? Is there a practical constraint wherein manpower, design status etc. would preclude effective utilization of additional funds?", the answer is twofold. First, the program has been reduced within the Department of Defense framework by \$6.6 million above that which was originally requested by the Office of the Army Reserve. Similar reductions to other construction programs also occurred. Second the present manning levels can execute a program in the \$50 to \$60 million range, so there is a practical constraint which precludes requesting funds over that limit.

REQUIREMENTS DETERMINATION

Question. The subcommittee is aware of reports that the Reserve forces are experiencing difficulty in attaining and retaining necessary strength levels. To what extent has strength shortfall been accounted for in determining your facilities requirements, or is this a germane consideration at all? This concern is expressed in light of numerous projects to expand existing Reserve Centers.

Answer. Strength certainly plays a major part in the development of our construction requirements. As a general rule, we do not initiate design on a project that has less than 50 percent strength, and do not request construction authorization for a project until the strength is at least 75 percent. The expansion projects included in this year's program are to upgrade existing, but overcrowded, facilities that have personnel actually on board at the present time who are training in inadequate facilities.

UNNECESSARY CONSTRUCTION

Question. In June 1976, the GAO issued a report that stated that Reserve facilities could be obtained faster and cheaper by making greater use of existing facilities and by constructing more joint-use facilities. This basically maintained that revised procedures were necessary to insure that viable construction alternatives were considered. What is your position on this? Why is only one joint-use facility proposed in the fiscal year 1978 budget?

Answer. The U.S. Army Reserve does make use of existing facilities if and when available. For example, our units are now located in over 29 former missile launch stations as well as using space on many active installations. It must be noted that when the programing sequence begins, the State Reserve Forces Facilities Boards validate the requirements for each Reserve project and recommend either joint or unilateral construction. In some cases, existing facilities are not used because a very high dollar recurring maintenance cost is associated with the buildings because they are old, they cannot be thriftily adapted to the

training needs of the U.S. Army Reserve and/or they are at isolated locations which makes recruiting almost impossible. I believe that the existing procedures on this subject are more than adequate. In fact, my agency furnishes the other Reserve components copies of our annual long range programs so as to better insure that all existing facilities are used, when practical, an dearly planning is done for joint projects where feasible. One of the primary reasons for only one joint project this year is the fact that the Naval Reserve is programing the majority of their funds for aviation facilities rather than for construction of centers. For example, whenever we know that the Naval or Marine Reserve or the Guard may wish to add on to one of our centers in the out years, we design the structure so that the other Reserve forces can add on at the minimum of cost and share common use areas as classrooms or the assembly hall.

PERSONNEL

Question. The fiscal year 1978 request assumes an increase of 11 personnel. Admittedly, this is a small number, but what is the reason for any increase, given the stable or declining level of construction?

Answer. That is a very interesting question and I raised it myself last summer. Simply, this increase is caused by a better refinement of the manhours of effort devoted to the Army Reserve projects by our design and construction agencies. It is also tied to the fact that our projects are getting more and more high level visibility because of the increased dependency on the Army Reserve to round out our Active Army forces.

PROGRAM CHANGES

Question. For the record, would you please compare the fiscal year 1976 and 1977 project listings submitted to Congress with the projects that were actually executed in fiscal year 1976 and now planned for fiscal year 1977? A brief note of explanation for each change would also be in order.

Answer. I will be most happy to do so. In the fiscal year 1976 program submitted to your committee, only four projects were not executed as scheduled. They were the Fort Rucker, Ala. project because existing facilities became available, the Walker, Minnesota project because site preparations costs were too high, the Cornell, Wis. project because an adequate site could not be located, and the Culpeper, Va. project because the donated site was withdrawn. A new site has been located and design has recently been initiated on that Virginia project. Of the fiscal year 1977 projects submitted, the San Bruno, Calif. project was cancelled because adequate space became available in the existing Naval Reserve facility, and the Fort Bragg, N.C. and Fort Riley, Kans. projects were suspended for possible joint construction with the National Guard.

QUESTIONS SUBMITTED BY SENATOR HUDDLESTON

Senator JOHNSTON. Senator Huddleston has asked that a number of questions submitted by his staff be answered for the record at this point.

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

RESERVE FACILITIES IN KENTUCKY

Senator HUDDLESTON. How many Army Reserve facilities are there in Kentucky and where are they located?

General MOHR. There are a total of 53 U.S. Army Reserve facilities in the State of Kentucky. I will provide detailed information for the record.

[The information follows:]

Ashland/leased/center.	Lexington/Government-owned/center.
Barcstown/Government-owned/center.	Louisville/Government-owned (2)/center.
Beattyville/leased/center.	Louisville/leased/maintenance facility.
Berea/leased/center.	Lebanon/leased/center.
Bowling Green/Government-owned/center.	Madisonville/Government-owned/center.
Burkesville/leased/center.	Manchester/leased/center.
Camp Belleville/leased/center.	Mayfield/leased/center.
Clinton/leased/center.	Moorehead/leased/center.
Corbin/leased/center.	Mount Sterling/leased/center.
Cynthiana/leased/center.	Murray/leased/center.
Danville/leased/center.	Neon/leased/center.
Evarts/leased/center.	Nicholasville/leased/center.
Flemingsburg/leased/center.	Owensburg/Government-owned/center.
Fort Thomas/Government-owned/maintenance facility.	Paducah/leased/center.
Fort Thomas/Government-owned/center.	Paducah/Government-owned/center.
Frankfort/leased/center.	Pikesville/leased/center.
Georgetown/leased/center.	Paris/leased/center.
Greenville/leased/center.	Pineville/leased/center.
Hardinsburg/leased/center.	Providence/leased/center.
Harrodsburg/leased/center.	Princeton/leased/center.
Henderson/Government-owned/center.	Richmond/Government-owned/center.
Hopkinsville/Government-owned/center.	Scottsville/leased/center.
Hayden/leased/center.	Shelbyville/leased/center.
Irvine/leased/center.	Sumerset/leased/center.
Lexington/leased/maintenance facility.	Williamstown/leased/center.
	Winchester/leased/center.

REQUESTS FOR FORT THOMAS AND LOUISVILLE

Senator HUDDLESTON. Would you explain the requests for Fort Thomas and Louisville?

General MOHR. The purpose of the Fort Thomas project is to provide an adequate maintenance facility for the vehicles stationed at that location. The Louisville project will provide an 800-Man capacity U.S. Army Reserve Center and an organizational maintenance shop for the vehicles assigned to the units at that station.

PROJECTIONS FOR FISCAL YEAR 1979 PROJECTS

Senator HUDDLESTON. Do you have projections for fiscal year 1979 projects?

General MOHR. Yes, there is only one programmed project located at Madisonville, Kentucky. It will be an expansion from 25 to 60 man capacity. It is the No. 4 priority within the Fifth U.S. Army Headquarters at this time.

DETERMINATION OF PRIORITIES—USAR

Senator HUDDLESTON. What is the process which you use to determine priority among potential projects?

General MOHR. A combination of factors is involved in establishing these priorities. Boards are held at each of the three major Army Headquarters as well as in Alaska and Hawaii. Priorities are established by each board and the projects are forwarded to the U.S. Army Forces Command where another board integrates these projects into a priority listing that equals the funds available for the specific year. Strength, special training requirements, mobilization missions, and similar important factors are used in the establishment of these priorities.

DETERMINATION OF PRIORITIES—MCA

Senator HUDDLESTON. For the record, would you explain the process you use for determining priorities among potential construction projects both within an individual base and among various bases within the U.S.?

General WRAY. Department of the Army provides general programming guidance to the major Army commands who, in turn, provide guidance to the individual installation under their command. This guidance includes the Army's priorities for programming and budgeting purposes (for example, troop housing, medical facilities and maintenance facilities have received high emphasis in recent years) and a dollar ceiling for each major command. Each installation develops a prioritized program which is submitted to the major command. The major commands consolidate and prioritize the requirements of their subordinate installations and submit a prioritized construction program to Department of the Army. A Construction Requirements Review Committee at Department of the Army, composed of representatives of the various Army Staff agencies, reviews the programs submitted by the major commands and develops an Army program that best meets the Army's needs within programming guidance and fiscal limits established by OSD and OMB. In developing that program, Department of the Army generally observes the priorities established by the installations and the major commands within the projects with sufficient justification and overall priority for funding in a given year program.

AREA COST INDEX

Senator HUDDLESTON. For the record, would you explain what an area construction cost index is?

General WRAY. The area construction cost index is a factor for use in adjusting current estimated construction costs in relation to Washington, D.C. having a factor of 1.00. It reflects the average statistical differences in labor and material costs for similar facilities constructed in a geographical location other than Washington, D.C.

LOST OR STOLEN WEAPONS AND AMMUNITION

Senator HUDDLESTON. Could you supply for the record a list of the number and types of weapons and ammunition lost or stolen in each of the last five fiscal years, with an indication of the location at which the loss or theft occurred?

General WRAY. Yes sir. I will be glad to provide those for the record. I would like to point out that the Army's reporting systems are set up on a calendar year basis rather than a fiscal year for these items. You will note, Senator, that the ammunition data for the years 1972 through 1974 are categorized in somewhat broader categories. The Army, along with the Department of Defense, recognized a need to further refine these categories thus providing a more defined system for reporting weapons, ammunition and explosives lost, stolen or recovered as reflected in the 1975 and 1976 reports. The "other" category on both the weapons and ammunition listings includes items such as recoilless rifles, shotguns, subcaliber firing devices for the weapons and detonation cord, detonators, squibs, mines, rockets and missiles for the ammunition and explosives.

	M16	Other rifle	Machine-gun	Handgun	Other weapon	Total
1972:						
Weapons lost/stolen:						
Conus.....	350	498	35	432	26	1,341
Europe.....	24	12	15	86	2	139
Pacific.....	1	2	0	45	0	48
Subtotal.....						1,528
Weapons recovered:						
Conus.....	78	131	12	130	14	365
Europe.....	19	6	0	11	0	36
Pacific.....	5	4	0	34	0	43
Subtotal.....						444
1973:						
Weapons lost/stolen:						
Conus.....	265	472	37	199	32	1,005
Europe.....	25	35	2	62	3	127
Pacific.....	7	7	0	29	0	43
Subtotal.....						1,175

	M16	Other rifle	Machine-gun	Handgun	Other weapon	Total
1973—Continued						
Weapons recovered:						
Conus.....	126	131	26	147	26	456
Europe.....	12	3	2	45	0	62
Pacific.....	0	6	11	0	1	18
Subtotal.....						536
1974:						
Weapons lost/stolen:						
Conus.....	272	214	21	191	26	724
Europe.....	38	12	1	58	94	203
Pacific.....	9	1	0	31	0	41
Subtotal.....						968
Weapons recovered:						
Conus.....	105	48	4	72	11	240
Europe.....	11	34	1	27	90	163
Pacific.....	3	3	0	9	1	16
Subtotal.....						419
1975:						
Weapons lost/stolen:						
Conus.....	129	167	9	247	55	607
Europe.....	37	10	3	53	5	108
Pacific.....	14	0	0	9	0	23
Subtotal.....						738
Weapons recovered:						
Conus.....	210	74	15	111	33	443
Europe.....	16	3	1	26	2	48
Pacific.....	17	3	0	40	5	65
Subtotal.....						556
1976:						
Weapons lost/stolen:						
Conus.....	192	152	37	253	33	667
Europe.....	35	2	4	23	20	84
Pacific.....	0	0	0	6	0	6
Subtotal.....						757
Weapons recovered:						
Conus.....	80	382	28	98	109	697
Europe.....	19	7	7	23	2	58
Pacific.....	0	0	1	16	1	18
Subtotal.....						773

AMMUNITION—CONUS/EUROPE/PACIFIC

	Small arms rounds	Fragmentation grenades	Other grenades
1972:			
Losses.....	191, 651	9	74
Recoveries.....	170, 273	1	75
1973:			
Losses.....	274, 088	39	263
Recoveries.....	171, 733	43	136
1974:			
Losses.....	202, 358	124	486
Recoveries.....	222, 241	19	94

EXPLOSIVES—CONUS/EUROPE/PACIFIC

	Blasting caps/ fuses/demolition charges	Simulators/ illuminators	TNT/comp B	Mortars/rockets	Other
1972:					
Losses.....	1,499	79	118	166	1,756
Recoveries.....	404	225	491	101	631
1973:					
Losses.....	571	286	258	124	1,288
Recoveries.....	672	183	109	21	17,722
1974:					
Losses.....	1,360	50	547	0	2,021
Recoveries.....	394	77	167	8	769

1975—AMMUNITION

	Small arms	HE gre- nades	Other gre- nades	HE mortars	Other mortars	Tank	Anti- tank	20 and 40 mm	Arti- lery	Other
Conus:										
Losses.....	81,275	0	3	0	0	0	0	100	0	28
Recoveries.....	62,762	9	86	0	0	0	0	0	0	53
Europe:										
Losses.....	34,534	2	2	1	1	0	0	102	2	43
Recoveries.....	29,415	25	3	31	1	0	0	1	16	42
Pacific:										
Losses.....	8,926	16	4	0	0	0	0	0	0	0
Recoveries.....	846	3	0	0	0	0	0	0	0	0

1975—EXPLOSIVES

	Blasting caps	Dynamite	TNT	Dmo charge	Mines	Fuzes	Plastic	Other
Conus:								
Losses.....	63	1	3	0	415	4	235	7
Recoveries.....	47	1	101	2	0	29	134	18
Europe:								
Losses.....	0	0	0	32	5	681	0	4
Recoveries.....	1	0	1	40	23	19	0	0
Pacific:								
Losses.....	200	0	20	0	0	0	0	2
Recoveries.....	0	0	0	0	0	35	0	0

1976—AMMUNITION

	Small arms	HE gre- nades	Other gre- nades	HE mortars	Other mortars	Tank	Anti- tank	20 and 40 mm	Arti- lery	Other
Conus:										
Losses.....	153,784	213	10	4	0	0	0	0	4	2,685
Recoveries.....	103,170	127	95	5	0	2	0	217	23	300
Europe:										
Losses.....	29,098	2	16	0	4	0	0	32	0	0
Recoveries.....	35,839	9	14	71	7	0	156	4	10	63
Pacific:										
Losses.....	61,809	61	0	0	0	0	0	350	102	1
Recoveries.....	16,389	0	0	0	0	0	0	0	0	14

1976—EXPLOSIVES

	Blasting caps	Dynamite	TNT	Dmo charge	Mines	Fuzes	Plastic	Other
Conus:								
Losses.....	246	1	157	0	8	2,453	1.5	218
Recoveries.....	321	158	281	0	8	72	80.5	638
Europe:								
Losses.....	49	0	6	1	34	19	0	1,529
Recoveries.....	72	0	8	0	2	136	0	146
Pacific:								
Losses.....	0	0	5	0	1	16	0	0
Recoveries.....	0	0	4	0	0	0	0	2

PROTECTION OF WEAPONS AND AMMUNITION

Senator HUDDLESTON. On April 26, 1976, report by the Subcommittee on Investigations of the House Armed Services Committee was somewhat critical of DOD efforts to protect weapons and munitions. Are you working to improve inventories, physical protection, liaison with law enforcement agencies and other means of protecting these supplies?

General WRAY. Yes sir. The Army requires an annual inventory of all depot stocks. Regulatory guidance requires that inquiries be made in all differences between physical counts and accountable records. If inadequate records are found to exist, a certification is made by the commander. Should there be evidence which indicates actual or suspected criminal involvement, the matter is then referred to the appropriate law enforcement agency for investigation and complete adjudication.

Inventories at posts, camps, and stations are conducted monthly, quarterly, and annually depending on the type item. Additionally unannounced inventories of Active Army weapons storage facilities are conducted quarterly by the next higher headquarters at these locations.

To further assure control of assets and inventory effectiveness, the Army Inspector General has included this subject as a matter of special interest during visits to commands, worldwide.

Physical protection efforts include placement of guards on weapons storage facilities where intrusion detection systems or on-duty personnel are not present. Structural upgrade is required where arms and ammunition storage facilities fail to meet minimum regulatory guidance standards, thus reducing vulnerability to theft and pilferage. Installation interior guard plans are integrated and coordinated with installation law enforcement personnel, thus expanding communications control and immediate response efforts should they be required.

Department of the Army has contacted local, state and Federal law enforcement agencies, as well as major Army commands in the United States and overseas, expressing concern over losses or thefts of weapons, ammunition and explosives, pointing out the need for closer coordination and cooperation between agencies in obtaining the most timely information possible concerning the threat to the security of these items.

RECOVERY OF WEAPONS AND AMMUNITION

Senator HUDDLESTON. What experience have you had with recoveries?

General WRAY. The recovery figures are shown on the weapons and ammunition listings. I should point out that recoveries are reported as they occur and may or may not coincide with the reported loss. Recovered ammunition cannot be matched with lost or stolen ammunition unless the lot number can be identified.

USE OF STOLEN WEAPONS AND AMMUNITION

Senator HUDDLESTON. What evidence is there of lost or stolen weapons and munitions being used in narcotic, criminal and/or terrorist activity either in this country or abroad?

General WRAY. Sir, there have been only four known incidents where stolen or lost weapons or ammunition have turned up in the possession of dissident elements.

[Deleted.]

While the possibility cannot be discounted, except for the foregoing, there is no corroborated evidence that lost or stolen Army weapons and munitions have been or are being used in narcotic, criminal, or terrorist activity.

FISCAL YEAR 1979 MCA PROJECTS FOR KENTUCKY

Senator HUDDLESTON. On pages 5 and 36 of the justification book, you list a number of fiscal year 1979 projects for Kentucky. To what extent is it certain that these projects will indeed be in the fiscal year 1979 budget request?

General WRAY. The listing of fiscal year 1979 projects contained in the fiscal year 1978 MCA justification book constitutes no guarantee that the same projects will be in the fiscal year 1979 budget request. Some of the projects currently proposed for fiscal year 1979 may be deferred or deleted prior to the budget submission for various reasons such as priority changes, mission changes or budget reductions.

PRIORITY OF FISCAL YEAR 1979 MCA PROJECTS

Senator HUDDLESTON. Are the fiscal year 1979 projects listed in order of priority throughout the justification book?

General WRAY. No attempt is made to prioritize fiscal year 1979 projects at this time. The fiscal year 1979 MCA project listing in the fiscal year 1978 justification book is for planning purposes only. All projects proposed for fiscal year 1979 will be individually reviewed by Army Staff representatives who will group projects as to their relative importance to the Army mission prior to submitting the budget request to OSD.

CONSTRUCTION MORATORIUM CRITERIA

Senator HUDDLESTON. You indicated that the two Fort Knox projects I asked about—tank wash facilities and dining facilities—did not meet the moratorium criteria. What are those criteria? In what ways do they not meet the criteria?

General WRAY. OSD and OMB have indicated that the general criteria used in deleting projects from the fiscal year 1978 budget was to defer projects at those installations where there might be realignments of missions that would increase or decrease the current activity at the installation or in cases where an installation might be considered for closure. Since the Army is not aware of any consideration being given to closing Fort Knox or making major mission changes, we are at a loss to explain the deferment. Nor have OSD or OMB provided any specific reasons for deletions of those projects or a number of other installations which do not seem to fit the general criteria used for deferring projects.

HOUSING MODERNIZATION AT FORT CAMPBELL

Senator HUDDLESTON. Would you explain the housing modernization request for Fort Campbell?

General WRAY. This housing was originally constructed in the early 1950's under the Wherry program. No major improvements have been made since original construction. Kitchens are being improved to modern standards by installation of new cabinets, sinks, dishwashers, range hoods, garbage disposals and services for washer/dryer installation. Walls between adjoining units are being soundproofed for privacy. In bathrooms, existing metal tile is being replaced with ceramic tile, shower heads are being installed, and new sheet vinyl flooring and vinyl wall covering is being provided. Existing wall mounted individual room heaters are being removed, a forced warm/cool air system installed. Patios with privacy screens and flower planters will be provided, as will screens for garbage can storage. Exterior appearance of the buildings is being improved through changes in fenestration. Playgrounds are being added.

NATIONAL GUARD ARMORIES IN KENTUCKY

Senator HUDDLESTON. How many Army National Guard Armories are there in Kentucky and where are they located?

General WEBER. There are forty National Guard Armories in Kentucky and they are located as follows:

Ashland	Glasgow	Marion
Barbourville	Harlon	Middlesboro
Bardstown	Harrodsburg	Monticello
Bowling Green	Hebron	Olive Hill
Buechel	Henderson	Owensboro
Campbellsville	Hickman	Paducah
Carlisle	Hopkinsville	Prestonburg
Carrollton	Jackson	Ravenna
Central City	Lexington	Richmond
Cynthiana	Livermore	Russellville
Danville	London	Somerset
Elizabethtown	Louisville	Springfield
Frankfort	Madisonville	Tompkinsville
		Williamsburg

FISCAL YEAR 1979 NATIONAL GUARD PROJECTS FOR KENTUCKY

Senator HUDDLESTON. Do you have any projections as to the number of fiscal year 1979 Military Construction Army National Guard projects proposed for Kentucky?

General WEBER. The tentative fiscal year 1979 Military Construction Army National Guard calls for five projects in the State of Kentucky, they are:

<i>Location and project description</i>	<i>Estimated cost (thousands)</i>
Bowling Green, 150-man armory-----	\$216
Fort Knox, unit training equipment site-----	454
Ashland, organizational maintenance shop-----	260
Frankfort, combined support maintenance shop-----	260
Frankfort, U.S. Property and Fiscal Office-----	299
Total -----	1,489

DETERMINATION OF PRIORITIES—ARNG

Senator HUDDLESTON. How do you determine priorities among potential projects?

General WEBER. Priorities among potential projects are developed based on the type of units to be supported, the mission of the units, the type of facility, the relative priority of the project in the State Long Range plan which is updated annually and the amount of available funding in any fiscal year.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. Thank you, Mr. Chairman.

Senator JOHNSTON. Thank you very much, gentlemen.

General WRAY. Thank you, sir.

[Whereupon, at 11:30 a.m. Monday, March 7, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1978

WEDNESDAY, MARCH 9, 1977

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

The subcommittee met at 10:13 a.m. in room S-146, the Capitol,
Hon. J. Bennett Johnston [chairman] presiding.
Present: Senators Johnston and Stevens.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

STATEMENTS OF:

REAR ADM. A. R. MARSCHALL, CEC, USN, COMMANDER, NAVAL
FACILITIES ENGINEERING COMMAND (NAVFACENGCOM)
BRIG. GEN. G. L. BARTLETT, USMC, DIRECTOR, FACILITIES AND
SERVICES DIVISION, HEADQUARTERS, U.S. MARINE CORPS

ACCOMPANIED BY:

REAR ADM. J. C. METZEL, USN, TRIDENT PROJECT MANAGER
COMDR. B. F. MONTOYA, CEC, USN, NAVFACENGCOM
COMDR. J. E. PELTIER, JR., CEC, USN, NAVFACENGCOM
LT. COL. J. C. THORP, USMC, HEADQUARTERS, U.S. MARINE
CORPS
A. E. SAMUEL, USMC, HEADQUARTERS, U.S. MARINE CORPS
CAPT. V. W. DANIELS, USN, NAVFACENGCOM
COMDR. J. R. IVES, CEC, USN, NAVFACENGCOM
G. H. WOERNER, NAVFACENGCOM
R. J. MURPHY, NAVFACENGCOM
W. K. TAYLOR, NAVFACENGCOM
COMDR. J. R. LYONS, CEC, USN, OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS)
COMDR. A. M. STEADLEY, JR., CEC, USN, NAVCOMPT
REAR ADM. A. L. KELLN, USN, DIRECTOR, STRATEGIC SUB-
MARINE DIVISION AND TRIDENT PROGRAM COORDINATOR,
OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS (SUB-
MARINE WARFARE)

BUDGET REQUEST

Senator JOHNSTON. The hearing will come to order.

Today, in the third of our hearings on the fiscal year 1978 military construction appropriation request, we will be addressing the programs

of the Department of the Navy, including those of the Naval Reserve and the U.S. Marine Corps.

The fiscal 1978 request in support of active Navy and Marine Corps forces totals \$498.3 million, requiring \$465.6 million in new appropriations. This reflects a considerable reduction from last year, all of which occurs in the area of domestic construction. In spite of this, however, the Navy's domestic program for 1978 is the largest of the three services due to its relatively low equity in overseas effort.

Within these totals, the Marine Corps request, at \$28.3 million, decreases by over 30 percent from fiscal year 1977.

The fiscal year 1978 request for Naval Reserve forces is \$21.7 million, somewhat higher than requested last year but \$1.9 million less than finally appropriated in fiscal 1977.

WITNESSES

The principal witnesses today are Rear Adm. A. R. Marschall, Commander of the Naval Facilities Engineering Command; Brig. Gen. G. L. Bartlett, Director of the Facilities and Services Division at Headquarters, U.S. Marine Corps; and Rear Adm. P. W. Rohrer, Deputy Director of Naval Reserve Programs.

First, then, we would like to recognize Admiral Marschall.

Admiral MARSCHALL. Mr. Chairman, it is certainly a privilege to have the opportunity to review again the Navy's military construction budget. With your concurrence, I will address only those portions underlined in blue and submit the statement in its entirety for the record.

Senator JOHNSTON. All statements will be entered in the record in full.

Admiral MARSCHALL. The appropriations request is \$466 million in new obligational authority. On the basis of utilizing savings from prior years, the Navy is requesting an additional \$33 million for new project starts this year, which makes the total obligational authority request \$498 million. For comparison, the fiscal year 1977 appropriation was \$550 million.

DESIGN OF PROJECTS

I am pleased to report that we have an excellent start on design of the projects in this year's request. As of the end of December 1976, design was underway on over 85 percent of the program. Most of these designs were started early in 1976, which helps to insure that our cost estimates are sound.

Final plans and specifications are scheduled for completion before next October, which will permit early awards after the authorization and appropriations are enacted. The final contracts for designs not already underway are now being processed, with most awards scheduled by April.

For Trident, the request is \$121 million. As of December 31, 1976, \$290 million of the \$484 million appropriated for Trident facility construction had been obligated. An additional \$155 million is expected to be obligated by October 1, 1977.

In this year's budget request, \$13 million has been allocated for the abatement of air and water pollution. The Navy is dedicated to meet-

ing the goals of the 1970 amendments to the Clean Air Act and the 1972 amendments to the Federal Water Pollution Control Act.

Additional programing will be necessary over the next 5 years to attain improvements in the quality of the environment. Where the improvements are not mandated by law, each project will be subjected to critical analysis to insure that the benefits being achieved justify the substantial expenditures required.

In the fiscal year 1978 military construction budget, energy conservation has been allocated \$5.9 million. The energy conservation program is directed toward a 15-percent reduction in energy consumption through a comprehensive 7-year program. The projected program for the next 4 years should average \$55 million per year. This year's investment of \$5.9 million will save approximately \$2.1 million annually and return the investment in 2.8 years.

The Navy is requesting \$20.7 million in this year's program to provide improved physical security at Navy CONUS installations which store, maintain and issue nuclear weapons. The Navy currently has underway the correction of all overseas deficiencies through the utilization of minor construction. Upon completion of the fiscal year 1978 facilities construction, all of the physical security facilities deficiencies will be corrected to meet current standards.

The request for the Chief of Naval Material is \$129 million to provide facilities to support the fleet logistically. Of this amount, \$10 million is for pollution abatement and \$4 million is for energy conservation. A major portion of this request, \$43 million, is for shipyard modernization projects at 6 of the 8 shipyards.

Under the Chief of Naval Material, we are also requesting a various locations project for \$38 million for Atlantic Fleet ballistic missile backfit and refit. This project encompasses two locations: The Polaris Missile Facility, Atlantic, at Charleston, S.C., and the proposed Refit Site for the Atlantic Fleet Ballistic Missile Submarines at the preferred site of Kings Bay, Ga.

PREPARED STATEMENT AND BIOGRAPHY

The projects requested will provide facilities for new missions, current missions and modernization of the shore establishment. We appreciate the past support of the committee and earnestly solicit your support for this year's program.

[The statement and biography follow:]

STATEMENT OF REAR ADM. A. R. MARSCHALL

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

IT IS A PRIVILEGE TO AGAIN HAVE THE OPPORTUNITY TO REVIEW THE NAVY'S MILITARY CONSTRUCTION BUDGET. BRIGADIER GENERAL G. L. BARTLETT, UNITED STATES MARINE CORPS, IS WITH ME TODAY AND WILL REVIEW THE MARINE CORPS PORTION OF THE BUDGET.

FISCAL YEAR 1978 MILITARY CONSTRUCTION APPROPRIATION

THE APPROPRIATIONS REQUEST IS 466 MILLION DOLLARS IN NEW OBLIGATIONAL AUTHORITY. ON THE BASIS OF UTILIZING SAVINGS FROM PRIOR YEARS, THE NAVY IS REQUESTING AN ADDITIONAL 33 MILLION DOLLARS FOR NEW PROJECT STARTS THIS YEAR, WHICH MAKES THE TOTAL OBLIGATIONAL AUTHORITY REQUEST 498 MILLION DOLLARS. FOR COMPARISON, THE FISCAL YEAR 1977 APPROPRIATION WAS 550 MILLION DOLLARS.

PRESENTATION OF REQUIREMENTS

THE NAVY TITLE IS STRUCTURED BY MAJOR COMMANDS, IN ORDER TO ALIGN OUR CONSTRUCTION REQUEST WITH THE MISSIONS OF THE FLEET COMMANDERS OR THE MISSIONS OF OTHER COMMANDS THAT LOGISTICALLY SUPPORT THE FLEET.

PRESENTATION OF HIGHLIGHTS

I WILL PROVIDE BRIEF COMMENTS ON SOME SPECIAL TOPICS AND THE MAJOR COMMAND PROGRAMS, AND PROVIDE AS A SUPPLEMENT TO MY STATEMENT TABULATIONS OF THE AMOUNTS BY FACILITIES CATEGORIES AND MAJOR COMMAND.

DESIGN SCHEDULES

I AM PLEASED TO REPORT THAT WE HAVE AN EXCELLENT START ON DESIGN OF THE PROJECTS IN THIS YEAR'S REQUEST. AS OF THE END OF DECEMBER 1976, DESIGN WAS UNDER WAY ON OVER 85 PERCENT OF THE PROGRAM. MOST OF THESE DESIGNS WERE STARTED EARLY IN 1976, WHICH HELPS TO INSURE THAT OUR COST ESTIMATES ARE SOUND. FINAL PLANS AND SPECIFICATIONS ARE SCHEDULED FOR COMPLETION BEFORE NEXT OCTOBER, WHICH WILL PERMIT EARLY AWARDS AFTER THE AUTHORIZATION AND APPROPRIATIONS ARE

ENACTED. THE FINAL CONTRACTS FOR DESIGNS NOT ALREADY UNDER WAY ARE NOW BEING PROCESSED, WITH MOST AWARDS SCHEDULED BY APRIL.

FISCAL YEAR 1978 PROGRAM HIGHLIGHTS

THE FACILITIES CATEGORIES STRESSED IN THIS YEAR'S REQUEST ARE OPERATIONAL, MAINTENANCE/PRODUCTION, SUPPLY, BACHELOR HOUSING AND COMMUNITY FACILITIES, UTILITIES, NUCLEAR WEAPONS PHYSICAL SECURITY, AND TRIDENT FACILITIES.

TRIDENT

FOR TRIDENT, THE REQUEST IS 121 MILLION DOLLARS. AS OF 31 DECEMBER 1976, 290 MILLION DOLLARS OF THE 484 MILLION DOLLARS APPROPRIATED FOR TRIDENT FACILITY CONSTRUCTION HAD BEEN OBLIGATED. AN ADDITIONAL 155 MILLION DOLLARS IS EXPECTED TO BE OBLIGATED BY 1 OCTOBER 1977.

POLLUTION ABATEMENT

IN THIS YEAR'S BUDGET REQUEST, 13 MILLION DOLLARS HAS BEEN ALLOCATED FOR THE ABATEMENT OF AIR AND WATER POLLUTION. THE NAVY IS DEDICATED TO MEETING THE GOALS OF THE 1970 AMENDMENTS TO THE CLEAN AIR ACT AND THE 1972 AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT. ADDITIONAL PROGRAMMING WILL BE NECESSARY OVER THE NEXT FIVE YEARS TO ATTAIN IMPROVEMENTS IN THE QUALITY OF THE ENVIRONMENT. WHERE THE IMPROVEMENTS ARE NOT MANDATED BY LAW, EACH PROJECT WILL BE SUBJECTED TO CRITICAL ANALYSIS TO INSURE THAT THE BENEFITS BEING ACHIEVED JUSTIFY THE SUBSTANTIAL EXPENDITURES REQUIRED.

ENERGY CONSERVATION

IN THE FISCAL YEAR 1978 MILITARY CONSTRUCTION BUDGET, ENERGY CONSERVATION HAS BEEN ALLOCATED 5.9 MILLION DOLLARS. THE ENERGY CONSERVATION PROGRAM IS DIRECTED TOWARDS A 15-PERCENT REDUCTION IN ENERGY CONSUMPTION THROUGH A COMPREHENSIVE 7-YEAR PROGRAM. THE PROJECTED PROGRAM FOR THE NEXT 4 YEARS SHOULD AVERAGE 55 MILLION DOLLARS PER YEAR. THIS YEAR'S INVESTMENT OF 5.9 MILLION DOLLARS WILL SAVE APPROXIMATELY 2.1 MILLION DOLLARS ANNUALLY AND RETURN THE INVESTMENT IN 2.8 YEARS. GOOD PROGRESS IS BEING MADE ON THE AWARD OF FISCAL YEAR 1977 PROJECTS.

BY 1 JULY 1977, CONTRACTS SHOULD BE AWARDED ON 32 MILLION DOLLARS OF THE 42 MILLION DOLLARS AUTHORIZED AND APPROPRIATED IN FISCAL YEAR 1977.

NUCLEAR WEAPONS PHYSICAL SECURITY FACILITIES

THE NAVY IS REQUESTING 20.7 MILLION DOLLARS IN THIS YEAR'S PROGRAM TO PROVIDE IMPROVED PHYSICAL SECURITY AT NAVY CONUS INSTALLATIONS WHICH STORE, MAINTAIN AND ISSUE NUCLEAR WEAPONS. THE NAVY CURRENTLY HAS UNDER WAY THE CORRECTION OF ALL OVERSEAS DEFICIENCIES THROUGH THE UTILIZATION OF MINOR CONSTRUCTION. UPON COMPLETION OF THE FISCAL YEAR 1978 FACILITIES CONSTRUCTION, ALL OF THE PHYSICAL SECURITY FACILITIES DEFICIENCIES WILL BE CORRECTED TO MEET CURRENT STANDARDS.

MAJOR COMMAND PROGRAMS

IN DISCUSSING THE PROGRAMS OF THE MAJOR COMMANDS, I WILL ADDRESS SELECTED MAJOR PROJECTS. IN ADDITION TO THE REGULAR PROJECTS, THE PROGRAM TOTALS FOR EACH MAJOR COMMAND INCLUDE THE POLLUTION ABATEMENT AND ENERGY PROJECTS PREVIOUSLY DISCUSSED.

CHIEF OF NAVAL OPERATIONS

FOR THOSE INSTALLATIONS UNDER THE DIRECT MANAGEMENT CONTROL OF THE CHIEF OF NAVAL OPERATIONS, THE REQUEST IS 15 MILLION DOLLARS OF WHICH 7 MILLION DOLLARS IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES. THE MOST SIGNIFICANT PROJECTS ARE 4 MILLION DOLLARS FOR MODERNIZATION OF A COMMAND CENTER TO EFFECTIVELY SUPPORT THE COMMANDER IN CHIEF, PACIFIC, WHO DIRECTS AND SUPPORTS ALL MILITARY FORCES IN THE PACIFIC THEATER, AND 3 MILLION DOLLARS FOR A BACHELOR ENLISTED QUARTERS AT THE MARE ISLAND NAVAL SUPPORT ACTIVITY, VALLEJO, CALIFORNIA.

OUTSIDE THE UNITED STATES, PROJECTS AT THE NAVAL SUPPORT FACILITY, DIEGO GARCIA, INDIAN OCEAN, WILL IMPROVE: (1) THE QUALITY AND RELIABILITY OF THE COMMUNICATIONS FACILITY, (2) FIRE FIGHTING CAPABILITY, (3) PUBLIC WORKS MAINTENANCE CAPABILITY, AND (4) RECREATIONAL AND MORALE FACILITIES. ADDITIONAL STORAGE AND BERTHING SPACE WILL ALSO BE PROVIDED.

COMMANDER IN CHIEF, ATLANTIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, ATLANTIC FLEET IS 20 MILLION DOLLARS; 500 THOUSAND DOLLARS OF WHICH IS FOR CONSTRUCTION OF 3 PROJECTS OUTSIDE THE UNITED STATES AND 1 MILLION DOLLARS IS FOR ENERGY CONSERVATION PROJECTS. THE SIGNIFICANT PROJECTS ARE A 1 MILLION DOLLAR ADDITION TO THE FLEET INTELLIGENCE CENTER, EUROPE AND ATLANTIC, LOCATED IN NORFOLK TO ACCOMMODATE THE INSTALLATION OF SPECIAL EQUIPMENT NECESSARY TO ACCOMPLISH NEW TASKS; A PIER EXTENSION AND INCREASED ELECTRICAL CAPACITY AT THE NAVAL STATION, NORFOLK, VIRGINIA FOR 4 MILLION DOLLARS; AND AT THE NAVAL AIR STATION, NORFOLK, VIRGINIA, A RUNWAY EXTENSION PROJECT IN THE AMOUNT OF 10 MILLION DOLLARS TO ELIMINATE A HAZARDOUS CONDITION FOR HIGH-PERFORMANCE FLEET AIRCRAFT OPERATIONS FROM THE AIR STATION AND TO ELIMINATE CARGO RESTRICTIONS ON LOGISTICS AIRCRAFT, AND 3 MILLION DOLLARS FOR AN AIR FREIGHT TERMINAL PROJECT TO REPLACE MAKESHIFT FACILITIES AND TO PROVIDE SPACE FOR HANDLING A CARGO WORKLOAD THAT HAS ALMOST DOUBLED FROM 1970 TO 1975.

COMMANDER IN CHIEF, PACIFIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, PACIFIC FLEET (CINCPACFLT) IS 41 MILLION DOLLARS, WITH 2 MILLION DOLLARS FOR POLLUTION ABATEMENT AND 4 MILLION DOLLARS FOR CONSTRUCTION OUTSIDE THE UNITED STATES. THE MAJOR PROJECTS INCLUDE 11 MILLION DOLLARS FOR A SUPPLY PIER AT THE NAVAL STATION, ADAK, ALASKA; 7 MILLION DOLLARS FOR FUEL SYSTEM IMPROVEMENTS, AIRFIELD LIGHTING AND LAND ACQUISITION AT THE NAVAL AIR STATION, BARBERS POINT, HAWAII; 7 MILLION DOLLARS FOR A NAVAL OCEANOGRAPHIC PROCESSING FACILITY FOR THE COMMANDER, OCEANOGRAPHIC SYSTEM PACIFIC, PEARL HARBOR, HAWAII; 2 MILLION DOLLARS FOR A TORPEDO PREPARATION FACILITY FOR THE NAVAL SUBMARINE BASE, PEARL HARBOR, HAWAII, AND 8 MILLION DOLLARS FOR PIER UTILITIES AT THE NAVAL STATION, SAN DIEGO, CALIFORNIA.

FOR CINCPACFLT OUTSIDE THE UNITED STATES, 2 MILLION DOLLARS WILL PROVIDE ELECTRICAL POWER IMPROVEMENTS FOR THE NAVY FLEET ACTIVITIES AT YOKOSUKA, JAPAN, AND ANOTHER 2 MILLION DOLLARS WILL PROVIDE HIGH EXPLOSIVES MAGAZINES AT THE NAVAL MAGAZINE, GUAM, MARIANA ISLANDS. THIS LATTER PROJECT WAS AUTHORIZED IN FISCAL YEAR 1976 BUT DENIED FUNDING.

CHIEF OF NAVAL EDUCATION AND TRAINING

THE REQUEST FOR THE CHIEF OF NAVAL EDUCATION AND TRAINING IS 6 MILLION DOLLARS. THE SIGNIFICANT PROJECTS ARE A 2 MILLION DOLLAR APPLIED INSTRUCTION BUILDING FOR CONSOLIDATION OF ARMY AND NAVY MORSE CODE TRAINING AT THE NAVAL TECHNICAL TRAINING CENTER, CORRY STATION, PENSACOLA, FLORIDA, AND 3 MILLION DOLLARS FOR A SURFACE WARFARE OFFICERS SCHOOL AT THE NAVAL AMPHIBIOUS SCHOOL, CORONADO, CALIFORNIA. THE PRESENT SCHOOL FACILITY, A FORMER ENLISTED MEN'S CLUB, PROVIDES ONLY 57 PERCENT OF THE SPACE NEEDED TO TRAIN THE AVERAGE ON-BOARD STRENGTH OF 250 NEWLY COMMISSIONED OFFICERS.

BUREAU OF MEDICINE AND SURGERY

FOR THE BUREAU OF MEDICINE AND SURGERY, 6 MILLION DOLLARS IS REQUESTED, 4.4 MILLION DOLLARS OF WHICH WILL CONSTRUCT A REPLACEMENT MEDICAL/DENTAL CLINIC AT THE NAVAL STATION, MIDWAY ISLAND, A DETACHMENT OF THE NAVAL REGIONAL MEDICAL CLINIC, PEARL HARBOR, HAWAII.

FOR BUMED INSIDE THE UNITED STATES, 1.5 MILLION DOLLARS WILL CONSTRUCT A BACHELOR ENLISTED QUARTERS TO PROVIDE ADEQUATE BERTHING FACILITIES NOT CURRENTLY AVAILABLE AT THE SITE OF THE NEW REGIONAL MEDICAL CENTER INPATIENT CARE FACILITY AT BREMERTON, WASHINGTON.

CHIEF OF NAVAL MATERIAL

THE REQUEST FOR THE CHIEF OF NAVAL MATERIAL IS 129 MILLION DOLLARS TO PROVIDE FACILITIES TO SUPPORT THE FLEET LOGISTICALLY. OF THIS AMOUNT, 10 MILLION DOLLARS IS FOR POLLUTION ABATEMENT AND 4 MILLION DOLLARS IS FOR ENERGY CONSERVATION.

A MAJOR PORTION, 43 MILLION DOLLARS OF THIS REQUEST IS FOR SHIP-YARD MODERNIZATION PROJECTS AT SIX OF THE EIGHT SHIPYARDS.

AT THE PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON, A SHIP SUPPORT SERVICE CENTER PROJECT AND A WATERFRONT SUPPORT FACILITY PROJECT ARE REQUESTED IN THE AMOUNT OF 5 MILLION DOLLARS. THE SHIP SUPPORT SERVICE CENTER PROJECT WILL PROVIDE A CONSOLIDATED FACILITY FOR REPAIRING, TESTING AND STORING EQUIPMENT AND MATERIAL USED FOR SERVICING SHIPS. THESE FUNCTIONS ARE INEFFICIENTLY PERFORMED IN 4 SEPARATE LOCATIONS THAT PROVIDE ONLY 16 PERCENT OF THE SPACE REQUIRED.

THE WATERFRONT SUPPORT FACILITY WILL PROVIDE ADMINISTRATIVE OFFICES, SHOP WORK AND MATERIAL STORAGE TO SUPPORT PRODUCTIVE WORK AT DRY DOCKS 1, 2 AND 5. ONLY 33 PERCENT OF THE TOTAL SPACE REQUIRED FOR THIS FUNCTION IS ADEQUATE. THIS PROJECT WILL CORRECT ALL BUT 10 PERCENT OF THE DEFICIT IN ADEQUATE SPACE.

AT THE PORTSMOUTH NAVAL SHIPYARD, KITTERY, MAINE, PROJECTS REQUESTED IN THE AMOUNT OF 9 MILLION DOLLARS WILL PROVIDE ELECTRICAL POWER IMPROVEMENTS, AN IMPROVED COMPRESSED AIR SYSTEM AND DREDGING FOR 3 BERTHING SPACES AND A CHANNEL TO DRY DOCK 3.

AT THE LONG BEACH NAVAL SHIPYARD, 6 MILLION DOLLARS IS REQUESTED FOR A PIER CONVERSION PROJECT TO UPGRADE PIER E TO FULL INDUSTRIAL CAPACITY WITH REQUISITE UTILITIES AND WEIGHT HANDLING FACILITIES, AND A PROJECT FOR A STEAM EQUIPMENT TEST FACILITY.

AT THE PEARL HARBOR NAVAL SHIPYARD, TWO PROJECTS IN THE AMOUNT OF 1 MILLION DOLLARS ARE REQUESTED TO PROVIDE A DRY DOCK SUPPORT FACILITY AND DISTILLED WATER DISTRIBUTION SYSTEM.

A PROPELLER FACILITY IN THE AMOUNT OF 12 MILLION DOLLARS IS REQUESTED FOR THE PHILADELPHIA NAVAL SHIPYARD, WHICH IS THE PROPELLER MANUFACTURE AND REPAIR FACILITY FOR THE FLEET. THE PROJECT WILL ELIMINATE ALL OF THE CROWDED AND OUTMODED FACILITIES THAT RESULT IN EXCESSIVE HANDLING, A POOR WORKLOAD PATTERN, AND EXCESSIVE COSTS FOR MANUFACTURE AND REPAIR OF PROPELLERS.

FOR THE MARE ISLAND NAVAL SHIPYARD, VALLEJO, CALIFORNIA, WE ARE REQUESTING 13 MILLION DOLLARS FOR ALTERATIONS TO THE NAVY'S CAUSEWAY

BRIDGE OVER THE MARE ISLAND STRAIT TO COMPLY WITH COAST GUARD REQUIREMENTS TO ALLOW UNOBSTRUCTED NAVIGATION BY WIDENING THE PRESENT 75-FOOT OPENING TO 140 FEET. OTHER PROJECTS REQUESTED ARE AN ELECTRICAL DISTRIBUTION LINES PROJECT AND A CRANE SERVICE PROJECT IN THE TOTAL AMOUNT OF 11 MILLION DOLLARS. THE ELECTRICAL DISTRIBUTION LINES PROJECT WILL UPGRADE THE ELECTRICAL POWER SYSTEM TO PREVENT OVERLOADS OF THE SYSTEM AND UNEXPECTED OUTAGES WITH THEIR ATTENDANT DELAYS IN PRODUCTION SCHEDULES AND SHIP TURN-AROUND TIMES. THE CRANE SERVICE PROJECT WILL PROVIDE DOUBLE THE LIFT CAPACITY AND INCREASE THE RADIUS OF THE LIFT FIVE-FOLD FOR 5 BERTHS OF THE YARD AND THEREBY OBTAIN THE CAPABILITY TO DO MORE PRODUCTIVE WORK AT THESE BERTHS IN LIEU OF PERFORMING THE WORK IN A DRY DOCK. THE CAPABILITY IMPROVES DRY DOCK AVAILABILITY, WHICH IS THE CONTROLLING FACTOR IN A SHIPYARD'S PRODUCTION CAPABILITY.

OTHER SIGNIFICANT PROJECTS FOR THE NAVAL MATERIAL COMMAND WILL PROVIDE BERTHING UTILITIES FOR THE NAVAL WEAPONS STATION, CONCORD, CALIFORNIA; MODERNIZATION OF THE FUEL STORAGE FACILITY AT THE NAVAL SUPPLY CENTER, PEARL HARBOR, HAWAII; STEAM SYSTEM IMPROVEMENTS AT THE NAVY PUBLIC WORKS CENTER, PEARL HARBOR, HAWAII; AND A MISSILE MAINTENANCE FACILITY ADDITION FOR THE NAVAL WEAPONS STATION, YORKTOWN, VIRGINIA.

UNDER THE CHIEF OF NAVAL MATERIAL, WE ARE ALSO REQUESTING A VARIOUS LOCATIONS PROJECT FOR 38 MILLION DOLLARS FOR ATLANTIC FLEET BALLISTIC MISSILE BACKFIT AND REFIT. THIS PROJECT ENCOMPASSES TWO LOCATIONS, THE POLARIS MISSILE FACILITY, ATLANTIC, AT CHARLESTON, SOUTH CAROLINA, AND THE PROPOSED REFIT SITE FOR THE ATLANTIC FLEET BALLISTIC MISSILE SUBMARINES AT THE PREFERRED SITE OF KINGS BAY, GEORGIA.

AT THE CHARLESTON, SOUTH CAROLINA FACILITY, 18 MILLION DOLLARS WILL PROVIDE MISSILE ASSEMBLY, INSPECTION AND HANDLING FACILITIES; MISSILE MAGAZINES AND STORAGE AREAS; AND UTILITIES AND RAILROAD IMPROVEMENTS. IN THE KINGS BAY, GEORGIA AREA, 20 MILLION DOLLARS WILL PROVIDE A REFIT SITE TO SUPPORT RELOCATION OF THE POSEIDON SUBMARINES AND

TENDER FROM ROTA, SPAIN, AS WELL AS PROVIDING THE INITIAL CAPABILITY FOR OPERATING POSEIDON SUBMARINES EQUIPPED WITH THE TRIDENT I (C-4) MISSILE.

NAVAL SECURITY GROUP COMMAND

FOR THE NAVAL SECURITY GROUP COMMAND, 6 MILLION DOLLARS IS REQUESTED, 2 MILLION DOLLARS OF WHICH IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES.

THE TWO SIGNIFICANT PROJECTS EACH COSTING 2 MILLION DOLLARS ARE FOR BUILDING ADDITIONS. THE ADDITION AT THE NAVAL SECURITY GROUP DEPARTMENT, ADAK, ALASKA, WILL PROVIDE SPACE TO HOUSE NEW EQUIPMENT AND ADMINISTRATIVE FUNCTIONS, AND THE ADDITION AT THE NAVAL SECURITY GROUP DETACHMENT, ROTA, SPAIN, WILL PROVIDE URGENTLY NEEDED FLOOR SPACE FOR PERSONNEL AND ASSOCIATED ELECTRONICS AND COMMUNICATIONS EQUIPMENT.

OUTSIDE THE UNITED STATES

IN ADDITION TO THOSE INSTALLATIONS LOCATED OUTSIDE THE CONTINENTAL UNITED STATES WHICH I HAVE ALREADY COVERED, WE ARE ALSO REQUESTING THE FOLLOWING:

COMMANDER IN CHIEF, NAVAL FORCES EUROPE

FOR THE COMMANDER IN CHIEF, NAVAL FORCES EUROPE, 4 MILLION DOLLARS TO CONSTRUCT A NEW BACHELOR ENLISTED QUARTERS TO REPLACE INADEQUATE HOUSING AT THE NAVAL AIR FACILITY, SIGONELLA, ITALY.

NAVAL TELECOMMUNICATIONS COMMAND

FOR THE NAVAL TELECOMMUNICATIONS COMMAND, WE ARE REQUESTING 2 MILLION DOLLARS. THE SIGNIFICANT PROJECT WILL PROVIDE ALTERATIONS TO THE SATELLITE COMMUNICATIONS CENTER AT THE NAVAL COMMUNICATION AREA MASTER STATION MEDITERRANEAN, NAPLES, ITALY, TO FACILITATE INSTALLATION OF A HIGH-CAPACITY DEFENSE SATELLITE COMMUNICATIONS SYSTEM GROUND TERMINAL.

FISCAL YEARS 1979-1982 PROGRAM HIGHLIGHTS

THE PROGRAMS AND FACILITIES THAT WILL BE STRESSED IN THE NEXT FOUR YEARS ARE OPERATIONAL, TRAINING, MAINTENANCE AND PRODUCTION, MEDICAL AND HEALTH FACILITIES, BACHELOR HOUSING, POLLUTION ABATEMENT, ENERGY CONSERVATION AND UTILITIES.

SUMMARY

THE PROJECTS REQUESTED WILL PROVIDE FACILITIES FOR NEW MISSIONS, CURRENT MISSIONS AND MODERNIZATION OF THE SHORE ESTABLISHMENT. WE APPRECIATE THE PAST SUPPORT OF THE COMMITTEE AND EARNESTLY SOLICIT YOUR SUPPORT FOR THIS YEAR'S PROGRAM.

WE WILL BE PLEASED TO ANSWER THE COMMITTEE'S QUESTIONS.

THANK YOU!

FY 1978 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY
 BY MAJOR COMMAND
 (DOLLARS IN THOUSANDS)

<u>Major Command</u>	Budget		Authorized	
	Request	% of 78	FY 1977	% of 77
<u>Inside the United States</u>	<u>FY 1978</u>	<u>Program</u>	<u>FY 1977</u>	<u>Program</u>
TRIDENT Facilities	\$121,410	24.4	\$129,328*	21.7
Nuclear Weapons Security	20,658	4.1	34,581	5.8
Marine Corps	28,325	5.7	42,678	7.2
Chief of Naval Operations	7,265	1.5	8,359	1.4
Commander in Chief, Atlantic Fleet	19,557	3.9	55,321	9.3
Commander in Chief, Pacific Fleet	37,663	7.6	41,083	6.9
Naval Education and Training	6,260	1.3	31,275	5.3
Bureau of Medicine and Surgery	1,450	0.3	44,545	7.5
Chief of Naval Material	129,290	25.9	117,370	19.7
Oceanographer of the Navy	-	-	7,400	1.3
Naval Security Group Command	3,250	0.6	-	-
Subtotal	\$375,128	75.3	\$511,940	86.1
<u>Outside the United States</u>				
Nuclear Weapons Security	\$ -	-	\$ 2,494	0.4
Chief of Naval Operations	7,300	1.5	-	-
Commander in Chief, Atlantic Fleet	511	0.1	10,169	1.7
Commander in Chief, Pacific Fleet	3,711	0.7	-	-
Commander in Chief, Naval Forces				
Europe	4,300	0.9	-	-
Bureau of Medicine and Surgery	4,350	0.9	-	-
Naval Telecommunications Command	2,100	0.4	1,832	0.3
Naval Security Group Command	2,400	0.4	3,000	0.5
Subtotal	\$ 24,672	4.9	\$ 17,495	2.9
TOTAL	\$399,800	80.2	\$529,435	89.0
Continuing Authority	98,500	19.8	65,500	11.0
Planning and Design	(72,500)	(14.6)	(37,100)	(6.2)
Urgent Minor Construction	(26,000)	(5.2)	(20,000)	(3.4)
Access Roads	(-)	(-)	(8,400)	(1.4)
Total Obligational Authority	\$498,300	100.0	\$594,935	100.0
General Funding Reduction	-32,700		-45,000	
New Obligational Authority	\$465,600		\$549,935	

*Includes \$45,000 appropriations for unfunded prior year authorizations.

Supplement

FY 1978 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY
BY FACILITIES CATEGORIES
(DOLLARS IN THOUSANDS)

<u>Description</u>	<u>FY 78 APPROPRIATIONS REQUEST</u>				<u>FY 77 APPROPRIATIONS</u>			
	<u>NAVY</u>	<u>MARINE CORPS</u>	<u>TOTAL</u>	<u>PER CENT</u>	<u>NAVY</u>	<u>MARINE CORPS</u>	<u>TOTAL</u>	<u>PER CENT</u>
Operational	80,777	3,150	83,927	16.8	46,781	940	47,721	8.0
Training	6,260	400	6,660	1.3	39,385	799	40,184	6.8
Maintenance								
Production	153,090	5,600	158,690	31.9	175,123	1,889	177,012	29.8
RDT&E	900	-	900	0.2	3,087	-	3,087	0.5
Supply	24,646	-	24,646	5.0	14,147	-	14,147	2.4
Medical	4,350	-	4,350	0.9	41,372	-	41,372	7.0
Administrative	-	-	-	-	13,842	-	13,842	2.3
Scholar Housing/Community Support	12,850	17,215	30,065	6.0	7,466	29,394	36,860	6.2
(BHousing)	(11,755)	(17,215)	(28,970)	(5.8)	(4,026)	(29,394)	(33,420)	(5.6)
(CSupport)	(1,095)	(-)	(1,095)	(0.2)	(3,440)	(-)	(3,440)	(0.6)
Utilities	46,297	1,500	47,797	9.6	26,501	2,946	29,447	4.9
Pollution								
Abatement	12,870	-	12,870	2.5	36,140	3,819	39,959	6.7
(Air)	(700)	(-)	(700)	(0.1)	(300)	(3,570)	(3,870)	(0.6)
(Water)	(12,170)	(-)	(12,170)	(2.4)	(35,840)	(249)	(36,089)	(6.1)
Energy	5,430	460	5,890	1.2	39,575	2,891	42,466	7.1
Nuclear Wpns	20,658	-	20,658	4.1	37,075	-	37,075	6.2
Real Estate	3,347	-	3,347	0.7	6,263	-	6,263	1.1
Total	321,875	28,325	399,800	80.2	486,757	42,678	529,435	89.0
Cont. Auth.	98,500	-	98,500	19.8	65,500	-	65,500	11.0
TOA	420,375	28,325	498,300	100.0	552,257	42,678	594,935	100.0
General								
Funding								
Reduction			-32,700				-45,000	
Obligational Authority			465,600				549,935	

() Non-Add

Supplement

BIOGRAPHY

Albert Rhoades Marschall was born in New Orleans, Louisiana, on May 5, 1921, son of Albert L. and Halcyon (Rhoades) Marschall. He attended Tulane University in New Orleans from 1937 until 1940 and in 1941 entered the U. S. Naval Academy, Annapolis, Maryland, on appointment from his native state. Graduated with distinction in the Class of 1945 on June 7, 1944 (accelerated course due to World War II), he was commissioned Ensign and subsequently advanced in rank to that of Rear Admiral, to date from July 1, 1970. He was transferred from the Line of the Navy to the Civil Engineer Corps in 1948. His selection for the rank of Rear Admiral was approved by the President on June 16, 1969.

Following graduation from the Naval Academy in 1944, he joined the USS ROSS (DD 563) and while on board that destroyer participated in the invasion of Leyte and the occupation of Japan. In June 1946 he reported to the pre-commissioning detail of the USS FORREST ROYAL (DD 872), and remained on board that ship after commissioning until July 1946. He next had post graduate instruction at the Rensselaer Polytechnic Institute, Troy, New York, from which he received the degrees of Bachelor of Civil Engineering and Master of Civil Engineering. He served as Assistant Public Works Officer and Public Works Officer at the Bureau of Yards and Docks Supply Depot, Davisville, Rhode Island, from September 1948 to September 1950, after which he attended the Junior Course at the Amphibious Warfare School, Marine Corps Schools, Quantico, Virginia.

In January 1951 he joined Amphibious Construction Battalion TWO and in April 1953 reported as Assistant Civil Engineer Corps Detailer in the Bureau of Naval Personnel, Navy Department, Washington, D. C. From September 1955 to July 1957 he had duty in connection with construction and real estate at the U. S. Naval Academy, then was assigned to the District Public Works Office, Twelfth Naval District, headquartered in San Francisco, California, where he remained until July 1960.

Completing instruction at the Armed Forces Staff College, Norfolk, Virginia, in January 1961, he returned to the Bureau of Naval Personnel to serve as Civil Engineer Corps Detailer. Transferred in July 1962 to the Bureau of Yards and Docks, Navy Department, he served as Director of Weapons and other Support Divisions until July 1964, when he became Public Works Officer at the Naval Academy. In September 1966 he assumed command of the 30th Naval Construction Regiment and from June 1967 had additional duty as Commander THIRD Naval Construction Brigade.

He reported in October 1967 as Commanding Officer of the Southeast Division, Naval Facilities Engineering Command and District Civil Engineer on the Staff of the Commandant of the Sixth Naval District, with headquarters in Charleston, South Carolina.

On March 2, 1970 he became Deputy Commander of the Pacific Division, Naval Facilities Engineering Command, Southeast Asia, with headquarters in Saigon, Republic of Vietnam, with additional duty as Officer in Charge of Construction, Naval Facilities Engineering Command Contracts, Republic of Vietnam and Commander THIRD Naval Construction Brigade.

In May 1971, he reported as Director of the Shore Installation Division, Office of the Chief of Naval Operations, Navy Department and served in this capacity until June 1972. He subsequently was detached for duty as Vice Commander, Naval Facilities Engineering Command and Deputy Chief of Civil Engineers, Navy Department, assuming these duties on 29 September 1972. He became Commander, Naval Facilities Engineering Command and Chief of Civil Engineers of the Navy on 11 May 1973.

Rear Admiral Marschall's personal decorations include the Distinguished Service Medal; Legion of Merit with Combat Distinguishing Device; Meritorious Service Medal; Combat Action Ribbon; Order of Military Merit, Chung Mu (Korea); and the National Order (Vietnam). He is also entitled to wear the Navy Unit Commendation Ribbon with bronze star; Meritorious Unit Citation with bronze star; American Defense Service Medal; American Campaign Medal; Asiatic-Pacific Campaign Medal; World War II Victory Medal; Navy Occupation Service Medal, with Asia Clasp; National Defense Service Medal with bronze star; the Vietnam Service Medal; the Philippine Liberation Service Ribbon with two stars; Philippine Presidential Unit Citation Badge; the Republic of Vietnam Campaign Medal and the Republic of Vietnam Armed Forces Meritorious Unit Citation (Gallantry Cross). In 1967 he received the George Goethals Medal from the Society of American Military Engineers.

His official home address is 2848 State Street, New Orleans, Louisiana. He is married to the former Marie Gamard of New Orleans, and they have five children, Thomas Rhoades Marschall, David Gamard Marschall, Mrs. Laurel Patterson, Pamela Joan Marschall, and Albert Louis Marschall II.

Rear Admiral Marschall is a member of Tau Beta Pi, the National Society of Professional Engineers, and the American Society of Civil Engineers. He is currently a Director-at-Large of the American Public Works Association and was National President of the Society of American Military Engineers. He is a registered Professional Engineer and Land Surveyor in Louisiana.

MARINE CORPS

Admiral MARSCHALL. At this point I would like to have General Bartlett present his statement in addition to his prepared statement and then, with the committee's permission, I would like to submit for the record three other statements. The first is a statement by Rear Admiral Metzler, who is seated behind me, on the status of procurement of the Trident submarine and Trident I missile. The second is my own prepared statement which I use for reporting the status of construction of the Trident weapons system. The third is a statement by Rear Admiral Kelln on a request for the Trident I backfit program and facilities on the east coast.

Senator JOHNSTON. Yes; we will receive those statements in the record.

General BARTLETT. Mr. Chairman and gentlemen, I am pleased to appear once again before this committee to present the Marine Corps portion of the annual military construction program. Our request for fiscal year 1978 of \$27,865,000 is for construction within the United States and continues emphasis on projects of direct benefit to the marine. In addition, our request includes operational, maintenance and utility projects. This total will be complemented by a Navy request for \$460,000 in support of energy conservation projects at two Marine Corps installations.

In the past 10 years the Marine Corps has obtained congressional approval of \$230 million to construct or modernize approximately 50,000 entlisted billeting spaces. For fiscal year 1978 our bachelor housing projects compose about 60 percent of our program at a cost of \$17,215,000, which will provide 2,521 adequate spaces.

This represents our continuing effort to provide modern, comfortable living quarters for bachelor marines. It is the intent of the Marine Corps to continue to place emphasis on bachelor housing until all eligible marines are billeted in adequate quarters.

We are also requesting \$3,550,000 for operational and training facilities, \$5,600,000 for maintenance facilities at two installations and \$1,500,000 for expansion of an existing water system.

This summarizes the Marine Corps fiscal year 1978 military construction appropriations request. I will be happy to answer any questions that you might have.

PREPARED STATEMENTS

Senator JOHNSTON. We will insert your prepared statement in the record at this point in addition to the three statements that you mentioned before:

[The statements follow:]

BIOGRAPHY

Brigadier General George L. Bartlett is Director, Facilities and Services Division, Installations and Logistics Department, Headquarters Marine Corps, Washington, D. C.

General Bartlett was born October 13, 1924, in Nampa, Idaho, and graduated from Wasatch Academy, Mt. Pleasant, Utah, in 1942. He enlisted in the Marine Corps in February 1943, and served in World War II as a navigator-bombardier in the Northern Solomons area. He attained the rank of staff sergeant prior to being released to inactive duty in February 1946. He received his B.S. degree in Architecture from the University of Oregon in 1951, and an M.A. degree in Personnel Management from George Washington University in 1956. He was recalled to active duty on November 6, 1950 and was commissioned a Marine Corps Reserve second lieutenant in May 1951.

General Bartlett completed The Basic School, Marine Corps Schools, Quantico, Va., in September 1951, and Air Controller School, Marine Corps Air Station, Cherry Point, N. C., in November 1951. He was then ordered to the 3d Marine Aircraft Wing, El Toro, Calif., as Air Defense Control Officer, and later, as Adjutant, Marine Ground Control Intercept Squadron 4. He integrated into the Regular Marine Corps in February 1952, and the following July was transferred to Korea as an air controller with the 1st Marine Aircraft Wing. He was promoted to first lieutenant in November 1952.

From November 1956 to March 1957, he attended the Associate Engineer School, Fort Belvoir, Va., and upon graduation, returned to Camp Pendleton. He was reassigned as a company commander, 7th Engineer Battalion, 1st Marine Division, in July 1957, and later, served as the Division Staff Secretary, until June 1959, when he was transferred to Okinawa as Commanding Officer, "C" Company, 7th Engineer Battalion, attached to the 3d Pioneer Battalion, 3d Marine Division.

Upon returning to the United States, General Bartlett was assigned to Quantico where he served as Staff Secretary, and later, as Aide to the Commandant, Marine Corps Schools, Quantico. He was promoted to major in November 1961, and completed the Command and Staff College, also at Quantico, in June 1964.

He served as the S-4 Officer, 1st Engineer Battalion, 1st Marine Division, Camp Pendleton, until May 1965, when he was ordered to Vietnam with Regimental Landing Team 7 and upon reaching Okinawa was assigned as Plans Officer, Special Landing Force, 7th Fleet. He was awarded the Navy Commendation Medal with Combat "V" for this service.

General Bartlett returned to the United States in July 1966, and served as Inspector-Instructor, 10th Engineer Battalion, 4th Marine Division, USMCR, Portland, Ore. He was promoted to lieutenant colonel in August 1966. He attended the Naval War College, Newport, R. I., from August 1968 to June 1969, when he was transferred to the 5th Marine Division at Camp Pendleton where he commanded the 13th Engineer Battalion. He later served as Plans Officer, 5th Marine Expeditionary Brigade, when the 5th Marine Division was deactivated.

He began his second tour in Vietnam in August 1970, serving as the Assistant G-1, Assistant Plans and Operations Officer G-3, and Assistant Chief of Staff G-1, Headquarters, III Marine Amphibious Force, until July 1971, when he was ordered to Naples, Italy, as Chief, Plans and Operations Branch, Logistics Division, Allied Forces, Southern Europe. He was promoted to colonel in February 1971, and was awarded the Legion of Merit with Combat "V" for his Vietnam service.

General Bartlett was transferred to Headquarters Marine Corps in September 1974, as Head, Plans and Policy Branch, Plans, Programs and Management Division Installations and Logistics Department. He remained in that billet until his advancement to brigadier general on July 3, 1975, when he assumed his current duty assignment.

Brigadier General Bartlett and his wife, the former Dorothy Pryor of Palo Alto, Calif., have two sons, James and William.

STATEMENT OF REAR ADM. J. C. METZEL, JR.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM REAR ADMIRAL J. C. METZEL, JR., TRIDENT SYSTEM PROJECT MANAGER. IT IS MY PLEASURE TO ADDRESS THIS COMMITTEE ONCE AGAIN ON REQUIREMENTS FOR AND PROGRESS TOWARDS ACQUISITION OF TRIDENT.

UNDER THE MILITARY CONSTRUCTION PROGRAM WE ARE DEVELOPING A BASE AT BANGOR, WASHINGTON, TO SUPPORT THE FIRST TEN TRIDENT SUBMARINES. WE ARE ALSO PROVIDING FACILITIES AT CAPE CANAVERAL TO SUPPORT MISSILE FLIGHT TESTING AND SUBMARINE DEMONSTRATION AND SHAKEDOWN OPERATIONS, A TRACKING STATION AT POINT MUGU, CALIFORNIA, FOR FOLLOW ON MISSILE TEST SHOTS FROM SUBMARINES IN THE PACIFIC, AND CONVENTIONAL ORDNANCE FACILITIES AT INDIAN ISLAND, WASHINGTON, TO REPLACE CAPABILITY DISPLACED FROM BANGOR BY TRIDENT CONSTRUCTION.

SINCE LAST YEAR, THE PREDICTED DELIVERY OF THE LEAD SUBMARINE HAS BEEN REASSESSED TAKING INTO ACCOUNT EFFECTS OF THE METAL TRADES COUNCIL STRIKE AT THE SHIPBUILDER'S YARD IN THE LATTER HALF OF 1975, DELAYS IN CONTRACTOR FURNISHED EQUIPMENT AND COMPONENTS, AND SLOWER THAN PLANNED ISSUE OF THE DETAILED DESIGN DRAWINGS. AS A RESULT, THE SHIPBUILDER HAS NOTIFIED THE NAVY THAT THE EARLIEST LEAD SHIP DELIVERY IS DECEMBER 1978. THE INITIAL OPERATING CAPABILITY (IOC) DATE FOR THE TRIDENT SYSTEM HAS BEEN CHANGED FROM APRIL 1979 TO SEPTEMBER 1979.

THE SHIPBUILDER, ELECTRIC BOAT DIVISION OF GENERAL DYNAMICS, IS USING HIS NEW LAND LEVEL CONSTRUCTION FACILITIES AT GROTON, CONNECTICUT, TO ADVANTAGE IN BUILDING TRIDENT SUBMARINES AS WELL AS LOS ANGELES CLASS ATTACK SUBMARINES. THE FIRST FOUR SUBMARINES ARE UNDER CONSTRUCTION AT ELECTRIC BOAT. WE ARE CURRENTLY NEGOTIATING A CONTRACT FOR THE CONSTRUCTION OF THE FIFTH TRIDENT SUBMARINE. WITHIN THE FIVE YEAR DEFENSE PLAN (FYDP), WE HAVE PROGRAMMED TO PROCURE 13 SUBMARINES AND LONG LEAD EQUIPMENT FOR THREE MORE TRIDENT SUBMARINES WHICH ARE BEYOND THE FYDP. UNDER THE PRESENT SHIPBUILDING PROGRAM, THE 11TH TRIDENT SUBMARINE

SHOULD DEPLOY ON ITS INITIAL DETERRENT PATROL IN CALENDAR YEAR 1987. AS I HAVE STATED, THE FACILITIES CONSTRUCTION AT BANGOR IS DESIGNED TO SUPPORT ONLY TEN SUBMARINES. NO DECISION HAS BEEN MADE ON A SITE FOR BASING TRIDENT SUBMARINES BEYOND THE FIRST TEN.

MISSILE DEVELOPMENT IS PROGRESSING TO SUPPORT THE TRIDENT SYSTEM IOC. GROUND TESTS OF THE TRIDENT-I (C4X) MISSILE TO DEMONSTRATE INITIAL FLIGHT CONFIDENCE HAVE BEEN COMPLETED. THE FIRST TWO OF 20 TO 25 DEVELOPMENT FLIGHT TESTS WERE LAUNCHED SUCCESSFULLY FROM CAPE CANAVERAL IN JANUARY AND FEBRUARY OF THIS YEAR. THE MISSILES WERE FLOWN FROM LAUNCH COMPLEX 25 UNDER SEVERE WEATHER WATCH CONSTRAINTS AND WITH TRAJECTORY MODIFICATIONS TO PROVIDE ADDED PROTECTION TO THE NEIGHBORING CIVILIAN COMMUNITIES IN THE EVENT OF AN ACCIDENTAL MISSILE EXPLOSION. WE WERE FORTUNATE IN LAUNCHING EACH OF THE FIRST TWO MISSILES AFTER ONLY A DAY'S WEATHER DELAY. BECAUSE OF TRIDENT'S PRIORITY SIGNIFICANT OTHER ACTIVITY AT CAPE CANAVERAL WAS HELD UP WHILE EACH MISSILE WAITED FOR AN OPPORTUNITY TO LAUNCH. WE ARE HOPEFUL OF OBTAINING EARLY CONGRESSIONAL APPROVAL TO MODIFY LAUNCH COMPLEX 37, MORE DISTANT FROM CIVILIAN COMMUNITIES AND WITH MUCH LESS RESTRICTIVE WEATHER WATCH CRITERIA, IN ORDER TO ACHIEVE A MUCH HIGHER PROBABILITY OF LAUNCHING C4X TEST MISSILES ON SCHEDULE. BECAUSE OF CONSTRUCTION TIME, HOWEVER, LC 37 WILL NOT BE READY FOR USE FOR 13 MONTHS AFTER WE OBTAIN APPROVAL; LC 25 WILL BE USED IN THE MEANTIME.

LAST YEAR I ADVISED THIS COMMITTEE THAT THE FEDERAL DISTRICT COURT HAD DECIDED IN FAVOR OF THE GOVERNMENT AS DEFENDANTS IN AN ENVIRONMENTAL LAWSUIT OVER CONSTRUCTION OF THE BASE. LAST OCTOBER, THE FEDERAL CIRCUIT COURT DECIDED ON PLAINTIFFS' APPEAL AND REQUIRED REVISION TO THE FINAL ENVIRONMENTAL IMPACT STATEMENT (FEIS). THE COURT ALLOWED BASE CONSTRUCTION TO CONTINUE UNIMPEDED. THE REVISION WAS COMPLETED IN THE FORM OF A SUPPLEMENT TO THE FEIS AND WAS PROVIDED TO THE DISTRICT COURT ON 10 FEBRUARY 1977 IN ACCORDANCE WITH THE CIRCUIT COURT'S DIRECTION.

THERE HAS BEEN NO ACTION TOWARD SETTLEMENT OF A SECOND LAWSUIT WHICH WAS FILED IN JANUARY 1976 OVER THE CONSTRUCTION OF TRIDENT REFIT PIER #1. THAT SUIT WAS FILED IN THE FEDERAL DISTRICT COURT OF WESTERN WASHINGTON STATE, BUT PLAINTIFFS SUSPENDED ACTION IN THAT CASE PENDING NAVY'S COMPLIANCE WITH THE AFOREMENTIONED COURT DECISION TO REVISE THE FEIS.

AT THE SUBBASE IN BANGOR, WASHINGTON, CONSTRUCTION OF FACILITIES, OUTFITTING, AND CHECKOUT ARE ON SCHEDULE. IN THIS YEAR'S REQUEST, WE ARE ASKING FOR ADDITIONAL WATERFRONT FACILITIES, OFFICES AND SELF-TRAINING SPACES FOR SUBMARINE CREWS WHEN THEY ARE NOT ON PATROL, MISSILE STORAGE MAGAZINES AND MISSILE SECURITY INSTALLATION, A BASE CAFETERIA, CONTINUATION OF THE DEVELOPMENT OF BASE UTILITIES, ROADS AND INFRA-STRUCTURE, AND A NUMBER OF MORALE, WELFARE, AND RECREATION FACILITIES IN RECOGNITION OF THE CURRENT, RAPID BUILDUP OF MILITARY PERSONNEL ORDERED TO DUTY AT BANGOR AND THEIR DEPENDENTS. OUR REQUEST ALSO INCLUDES \$11.5M FOR COMMUNITY IMPACT ASSISTANCE AS AUTHORIZED BY SECTION 608 OF PL 93-552. OF THE \$7M APPROPRIATED FOR THIS PURPOSE IN FY 1976, ALL BUT ABOUT \$200K HAS BEEN OBLIGATED TO OTHER FEDERAL AGENCIES FOR SPECIFIC COMMUNITY PROJECTS. OF THE \$8M APPROPRIATED IN FY 1977, OVER \$1M HAS ALREADY BEEN OBLIGATED, AND REQUIREMENTS FOR THE REMAINDER ARE BEING PROCESSED BY WASHINGTON STATE AND COUNTY GOVERNMENTS AND APPROPRIATE FEDERAL AGENCIES.

AT THE BANGOR WATERFRONT WE ARE REQUESTING PHASE II OF THE DRYDOCK, A NORTH ACCESS TRESTLE TO THE DRYDOCK AND REFIT DELTA, A SECOND EXPLOSIVE HANDLING WHARF, AND A SERVICE PIER AND PORT CONTROL OFFICE.

PHASE II OF THE DRYDOCK IS A CONTINUATION OF AN FY 1976 FACILITY WHICH IS PROVIDING THE DRYDOCK FOUNDATION AND COFFERDAM. TRIDENT SUBMARINE DRYDOCKING IS NEEDED EVERY FOURTH REFIT FOR INSPECTION OF THE UNDERWATER HULL, MAINTENANCE OF THE HULL PRESERVATION SYSTEM, AND SERVICE OF SUBMARINE EQUIPMENT THAT IS NORMALLY UNDERWATER. BESIDES THESE SCHEDULED ACTIVITIES, DRYDOCKING IS NEEDED FOR ANY UNSCHEDULED

REPAIRS TO UNDERWATER COMPONENTS AND SYSTEMS SUCH AS PROPELLER AND MAIN SHAFT, MAIN SEA WATER VALVES, GLASS REINFORCED PLASTIC BOW DOME AND MAIN CONTROL SURFACES. IF A DRYDOCK WERE NOT AVAILABLE ON-SITE WHERE ADEQUATE EXPLOSIVE SAFETY DISTANCES EXIST, ALL MISSILES WOULD HAVE TO BE REMOVED FROM THE SUBMARINE EACH TIME IT WAS TO ENTER DRYDOCK, AND THE TIME REQUIRED TO OFF-LOAD AND LOAD MISSILES AND TO TRANSIT TO AND FROM THE DRYDOCK SITE WOULD SUBTRACT FURTHER FROM AVAILABLE PATROL TIME.

THE ACCESS TRESTLE IS A SINGLE LANE ROAD AND WALKWAY CONNECTING THE SHORE TO THE NORTHEASTERN CORNER OF THE DELTA AND PROVIDES A SECOND MEANS OF ACCESS TO OR EGRESS FROM THE DELTA. THIS IS A NECESSARY SAFETY FEATURE IN EVENT OF FIRE OR OTHER EMERGENCY. IT ALSO RELIEVES INDUSTRIAL CONGESTION BY ALLOWING DIRECT ACCESS FROM SHORE TO REFIT BERTH #2 WHEN THE DRYDOCK GATE IS IN PLACE, ALLOWS VEHICLES WITH LONG LOADS SUCH AS PERISCOPES TO DELIVER THEM TO THE DRYDOCK AND LEAVE WITHOUT EXTENSIVE BACKING AND TURNING, AND ALLOWS FOR LOOPING UTILITY LINES TO CONTINUE SERVICE IF AN ACCIDENT SEVERS THE LINES ON ONE TRESTLE.

THE SECOND EXPLOSIVE HANDLING WHARF (EHW) IS REQUIRED TO PROVIDE SUFFICIENT CAPABILITY FOR MISSILE AND TORPEDO HANDLING TASKS INVOLVING INTERFACE WITH THE SUBMARINE. AN EHW IS USED BY EACH TRIDENT SUBMARINE TO RECEIVE ITS INITIAL FILL OF 24 MISSILES WHEN IT ARRIVES AT THE NAVAL SUBBASE BANGOR. UPON RETURNING FROM PATROL (EVERY 95 DAYS), EACH SUBMARINE WILL OFF-LOAD 2 OR MORE MISSILES FOR SURVEILLANCE AND CHECKOUT AND RELOAD THE SAME NUMBER OF MISSILES PRIOR TO DEPARTING ON THE FOLLOWING PATROL. EACH TRIDENT SUBMARINE WILL HAVE ADDITIONAL MISSILE WORK REQUIRED TO CONVERT SEVERAL STRATEGIC MISSILES TO EXERCISE CONFIGURATION FOR PERIODIC FOLLOW-ON FLIGHT TESTS, FOR OFF-LOAD OF ALL 24 MISSILES IN PREPARATION FOR SHIPYARD OVERHAUL AFTER 9 YEARS OF OPERATION, AND FOR POSSIBLE EMERGENCY OFF-LOAD OF ALL MISSILES IF UNPLANNED SHIPYARD REPAIRS ARE REQUIRED PRIOR TO OVERHAUL.

EXPLOSIVE HANDLING WHARF #1 WHICH WAS AUTHORIZED IN FY 1974 AND WHOSE CONSTRUCTION IS NOW WELL ALONG IS THE ONLY FACILITY ON THE PACIFIC

COAST WITH REQUIRED SAFETY SEPARATIONS AND SATISFACTORY LIFTING CAPACITY TO SAFELY LOAD AND OFF-LOAD TRIDENT MISSILES, OR TO CONVERT THEM FOR FLIGHT TESTS. NORMALLY 2 TO 3 MISSILES PER DAY WILL BE ON- OR OFF-LOADED AT EHW #1. CONVERSIONS FOR EXERCISE SHOTS TAKE CONSIDERABLY LONGER. THE TEN TRIDENT SUBMARINES BASED AT BANGOR WILL ROUTINELY REQUIRE THE USE OF TWO EXPLOSIVE HANDLING WHARVES CONCURRENTLY. EVEN WHEN ONLY THE FIRST TWO SUBMARINES ARE OPERATING, SCHEDULE CONFLICTS FOR THE UNIQUE CAPABILITY OF EHW #1 CAN CAUSE DELAY IN THE REFIT. ANY FAILURE OF THE MISSILE HANDLING CRANE, THE MOORING AND BERTHING SYSTEM, OR OTHER ESSENTIAL FEATURES OF EHW #1 WILL CAUSE DAY-FOR-DAY DELAY IN RETURNING THE SUBMARINES TO PATROL UNTIL REPAIRS CAN BE COMPLETED.

THE NAVY IS REQUESTING EHW #2 IN THE FY 1978 PROGRAM SO BASIC CONSTRUCTION CAN BE COMPLETED IN MID CALENDAR 1980 AND THE WHARF READY FOR USE IN EARLY CALENDAR YEAR 1981 WHEN THE THIRD TRIDENT SUBMARINE WILL BEGIN OPERATING. ITS AVAILABILITY WILL PRECLUDE SAILING DELAYS FROM INSUFFICIENT OR INOPERATIVE MISSILE LOADING FACILITIES. APPROVAL AS AN FY 1978 FACILITY WILL BE ESPECIALLY COST EFFECTIVE BECAUSE THIS MAJOR WATERFRONT CONSTRUCTION CAN THEN BE CONTRACTED WHILE HEAVY WATERFRONT CONSTRUCTORS ARE STILL WORKING SIMILAR TRIDENT JOBS, THUS SAVING THE APPRECIABLE COSTS FOR MOBILIZATION OF WATERBORNE CONSTRUCTION EQUIPMENT AT THE SITE.

EHW #2 WILL BE IMMEDIATELY ADJACENT TO AND WILL TIE INTO EHW #1 FOR NORTHERN ACCESS TO THE SHORE. CONSTRUCTION WORK ON EHW #2 MUST BE HALTED BECAUSE OF THE EXPLOSIVE HAZARD WHENEVER MISSILES ARE BEING HANDLED IN EHW #1. THE PRIORITY FOR MISSILE HANDLING OPERATIONS WILL ALSO PRECLUDE THE CONSTRUCTION CONTRACTOR'S USE OF THE COMMON ACCESS TRESTLE EVEN WHEN ADVANCE PREPARATION FOR MISSILE HANDLING ARE UNDERWAY. THEREFORE, THE EARLIER THAT EHW #2 IS CONSTRUCTED, FEWER CONSTRUCTION SHUTDOWNS WILL BE REQUIRED BY SUBMARINE SUPPORT OPERATIONS, AND THERE WILL BE LESS IMPACT ON CONSTRUCTION COST.

THE SERVICE PIER PROVIDES BERTHING AND SHORE SERVICES FOR SUBMARINES AND FLEET ESCORT SHIPS, TUGBOATS, TORPEDO TEST SUPPORT VESSELS, AND SMALL CRAFT. SUBMARINES AND ANTI-SUBMARINE WARFARE SHIPS CALL AT BANGOR FOR WEAPON SYSTEM ACCURACY TRIALS AND TORPEDO CERTIFICATION PROGRAMS CONDUCTED BY NAVAL TORPEDO STATION KEYPORT AT THE NEARBY DABOB BAY TRACKING RANGE. TORPEDO FIRING CRAFT, TARGET SHIPS AND TORPEDO RETRIEVERS OPERATE FROM THIS FACILITY FOR WORK AT DABOB BAY AS WELL AS AT A DISTANT RANGE AT NANOOSE IN CANADIAN WATERS. THE RANGE SUPPORT OPERATIONS ARE BEING DISPLACED FROM A SMALLER FACILITY CLOSER TO THE REFIT DELTA AND ENCLUMBERED BY ITS EXPLOSIVE SAFETY ARCS. THE TUGBOATS, WORKBOATS, OIL SKIMMER AND DIVING BOAT NEEDED FOR TRIDENT WATERFRONT OPERATIONS WILL ALSO BE BASED AT THE SERVICE PIER.

THE PORT CONTROL OFFICE PROVIDES SUPERVISION AND CONTROL OVER MOVEMENT OF SHIPS AND CRAFT IN THE HOOD CANAL NEAR THE SUBASE. IT ALSO PROVIDES SPACE TO BRIEF BOAT CREWS ON THEIR OPERATIONS AND FOR BERTHING CREWS IN ON-CALL DUTY STATUS.

AN OFF-CREW ADMINISTRATION BUILDING IS A STANDARD REQUIREMENT FOR NAVY BALLISTIC MISSILE SUBMARINES INCLUDING TRIDENT, EACH OF WHICH HAVE TWO ASSIGNED CREWS, BLUE AND GOLD. EACH TRIDENT CREW COMPRISES 14 OFFICERS AND 140 ENLISTED MEN. THE BLUE AND GOLD CREWS ALTERNATE IN MANNING THE SUBMARINE FOR SUCCESSIVE PATROLS, WITH A CHANGE OF COMMAND TAKING PLACE EACH TIME THE SUBMARINE RETURNS FROM PATROL (A 95 DAY CYCLE FOR TRIDENT). THE COMMANDING OFFICER WHO HAS BEEN RELIEVED AND HIS CREW ARE REFERRED TO AS AN OFF-CREW AND USE THE OFF-PATROL PERIOD TO BUILD-UP READINESS FOR THE NEXT PATROL. THEY NEED SUITABLE SPACES FROM WHICH TO PURSUE THAT OBJECTIVE.

THE OFF-CREW ADMINISTRATION BUILDING IS THE HEADQUARTERS FOR THE TEN OFF-CREWS AND HAS AN AREA OF THE BUILDING ASSIGNED TO EACH SUBMARINE. EACH OFF-CREW USES ITS SHIP OFFICES AND TRAINING SPACES TO CONDUCT READINESS INSPECTIONS, CREW CERTIFICATION, ADMINISTRATION OF RECORDS INCLUDING PROCESSING OF INCOMING AND OUTGOING PERSONNEL (20-25%

PERSONNEL TURNOVER FOR EACH PATROL CYCLE), MAINTENANCE OF FILES AND PUBLICATIONS AND TO PLAN AND MANAGE ALL OFF-CREW TRAINING. NEWLY REPORTING CREW MEMBERS ARE PROVIDED SUBMARINE ORIENTATION AND QUALIFICATION TRAINING IN THIS BUILDING. SUBMARINE CREW LOCATOR INFORMATION IS ALSO MAINTAINED HERE, EVEN FOR CREWMEN TRAINING AT THE TRIDENT TRAINING FACILITY OR OTHER SITES.

I WOULD LIKE TO POINT OUT THAT THE ADJACENT TRIDENT TRAINING FACILITY PROVIDES FORMAL SCHOOL INSTRUCTION USING TRIDENT SUBMARINE HARDWARE INSTALLATIONS FOR HANDS-ON OPERATIONAL AND MAINTENANCE EXPERIENCE WITH SPECIFIC TECHNICAL EQUIPMENT AS INSTALLED IN THE SUBMARINE. TRAINING CONDUCTED IN THE OFF-CREW ADMINISTRATION BUILDING INCLUDES THOSE SUBJECTS AND CURRICULA TAUGHT TO CREW MEMBERS BY INSTRUCTORS FROM THE SHIP'S FORCE AND GUIDED SELF-TEACHING ON SHIP SYSTEMS AND CHARACTERISTICS. THIS TRAINING INCLUDES SOME REQUIRED GENERAL MILITARY SUBJECTS, BUT 95% OR MORE OF THE TRAINING EFFORT IS DEVOTED TO IMPROVING THE TECHNICAL PROFICIENCY AND OPERATIONAL READINESS OF CREW MEMBERS. THESE TECHNICAL EFFORTS INCLUDE STUDY OF THE SHIP'S MANUALS AND PLANS FOR SHIP SYSTEMS SUCH AS ENGINEERING PLANT, LAUNCHER SYSTEM, INTEGRATED RADIO ROOM, SONAR EQUIPMENT, MAIN COOLANT SYSTEM, AND THE LIKE, AND CONSIST OF THEORY REFRESHER LECTURES, SEMINARS, EXAMINATIONS, AND VARIOUS FORMS OF TEAM TRAINING INSTRUCTION AND PRACTICE. THIS TRAINING IS CRITICAL TO CREW PERFORMANCE AT SEA.

THE ACTIVITIES TO BE CONDUCTED IN THE OFF-CREW BUILDING ARE MISSION ESSENTIAL. SIMILAR OFF-CREW ADMINISTRATION BUILDINGS ARE LOCATED AT THE THREE PRESENT FBM OFF-CREW SITES -- NEW LONDON, CHARLESTON, AND PEARL HARBOR. AT BANGOR, THERE IS NO OTHER EXISTING OR PLANNED SPACE THAT COULD SATISFACTORILY HOUSE THE TRIDENT OFF-CREW FUNCTIONS.

IN THIS YEARS MISSILE FACILITY REQUIREMENTS, WE NEED 19 MISSILE/MOTOR MAGAZINES AS THE LAST INCREMENT OF A TOTAL OF 82 TO PROVIDE PHYSICAL SECURITY AND CLIMATE ENVIRONMENT FOR STORAGE OF TACTICAL MISSILES, SHORT MISSILES, AND MISSILE MOTORS. THE THIRD INCREMENT OF

THE ALARM CONTROL CENTER SYSTEM PROVIDES FURTHER EXPANSION OF THE ELECTRONIC ANTI-INTRUSION PROTECTION FOR NEW BUILDINGS AND THE PERIMETER OF THE WEAPON PROCESSING AND STORAGE AREA OF THE STRATEGIC WEAPONS FACILITY PACIFIC.

WE ARE ASKING FOR A BASE CAFETERIA SO WE WILL HAVE A MEANS OF FEEDING OUR CIVILIAN WORKFORCE OF ABOUT 3000 PEOPLE. THE CAFETERIA WILL PREPARE AND SERVE MEALS ON THE PREMISES TO ANYONE ON THE BASE BUT WILL BE THE ONLY SOURCE OF HOT MEALS FOR THE CIVILIAN EMPLOYEES. THE CAFETERIA WILL ALSO PREPARE THE FOOD FOR SATELLITE SERVING LINES IN THE INDUSTRIAL AREAS AT THE REFIT INDUSTRIAL FACILITY AND THE MISSILE SUPPORT AREA.

WE HAVE A REQUIREMENT TO CONTINUE THE CONSTRUCTION OF UTILITIES AND SITE IMPROVEMENTS TO EXTEND UTILITY SERVICES TO SOME OF THE NEW FACILITIES AND TO COMPLETE A NUMBER OF GENERAL IMPROVEMENTS ASSOCIATED WITH DEVELOPMENT OF A NEW BASE. OUR LARGEST REQUIREMENT IN THIS REQUEST IS FOR LANDSCAPING AND EROSION CONTROL ALONGSIDE NEW AND IMPROVED ROADS AND OTHER PAVED AREAS. WE HAVE REQUIREMENTS FOR PEDESTRIAN WALKWAYS AND PAVING IN THE CORE AREA, FOR PARKING AT THE SWFPAC, AND TO PROVIDE A SECURE PARKING LOT FOR THE AUTOMOBILES OF OUR BACHELOR CREW MEMBERS WHO ARE AWAY ON PATROL. THE REQUEST WILL PROVIDE PORTIONS OF STORM DRAINAGE, SEWER MAIN, ELECTRIC DISTRIBUTION AND THE CONTROL MONITORING SYSTEM DISTRIBUTION, AND DIRECTIONAL AND INFORMATIONAL SIGNS THROUGHOUT THE BASE.

BY THE END OF THIS FISCAL YEAR, WE EXPECT TO HAVE BETWEEN 800 AND 900 MILITARY ON DUTY AT THE BANGOR SUBBASE, AND MORE THAN HALF WILL BE ACCOMPANIED BY DEPENDENTS. BY THE TIME OUR FY 1978 FACILITIES ARE COMPLETED, THE BASE MILITARY POPULATION WILL HAVE GROWN TO OVER 2000, AND BY THE END OF FY 1985, THE SUBBASE WILL BE SUPPORTING OVER 5400 MILITARY PERSONNEL. MORE THAN 1700 MILITARY FAMILIES AND 1500 MILITARY BACHELORS WILL BE LIVING IN QUARTERS ON THE SUBBASE. ANOTHER 1800 TRIDENT MILITARY FAMILIES WILL BE LIVING IN THE NEIGHBORING COMMUNITIES.

WE ARE CONCERNED THAT WE DO NOT PENALIZE OUR TRIDENT MILITARY PERSONNEL AND THEIR FAMILIES BY ORDERING THEM TO A NEW BASE IN A RURAL COUNTY WITHOUT PROVIDING THE PERSONNEL SUPPORT FACILITIES TO BE FOUND AT AN ESTABLISHED MILITARY ACTIVITY.

WE ARE MAKING A MAJOR NATIONAL INVESTMENT IN THE TRIDENT SYSTEM, AND ITS SUCCESS WILL ULTIMATELY DEPEND ON THE PEOPLE WHO MAN THE SUBMARINES AND THEIR TECHNICAL COMPETENCE IN SUSTAINING AT SEA OPERATIONS. THESE PEOPLE ARE DRAWN FROM THE MOST CAPABLE AND BEST EDUCATED IN THE NAVY, AND THE NAVY PROVIDES THEM EXTENSIVE AND COSTLY TRAINING IN THE TECHNICAL FIELDS THAT COVER THE BROAD GAMUT OF MISSILE AND SUBMARINE OPERATIONS. BESIDES THE SUBMARINE CREWS, MANY OF THE SHORE BASED MILITARY AT BANGOR, ESPECIALLY THOSE AT THE TRIDENT TRAINING FACILITY, WILL HAVE EQUAL CAPABILITIES AND TRAINING BECAUSE THE SUBBASE WILL BE PROVIDING SHORE DUTY BILLETTS FOR TRIDENT SUBMARINERS BETWEEN SEA TOURS. WE RECOGNIZE THE VALUE IN OUR MILITARY PEOPLE AND THE IMPORTANCE OF THEIR KNOWING THE GOVERNMENT LOOKS AFTER THEIR AND THEIR FAMILIES' WELL BEING. IF WE ARE TO RETAIN OUR INVESTMENT IN TRAINED, COMPETENT PERSONNEL, WE MUST AFFORD HIGH PRIORITY TO THE CONSTRUCTION OF MORALE, WELFARE AND RECREATION FACILITIES AT BANGOR.

THIS YEAR WE ARE ASKING FOR AN AUTO HOBBY SHOP, A NAVY EXCHANGE COMPLEX AND SERVICE STATION, A CONSOLIDATED MESS OPEN, AND TENNIS COURTS. THE AUTO HOBBY SHOP IS A VITAL ELEMENT IN THE MORALE OF MILITARY PERSONNEL ASSIGNED TO THE SUBBASE. MAINTAINING, REPAIRING, AND MODIFYING AUTOMOBILES IS TODAY A RECOGNIZED RECREATIONAL CUTLET FOR YOUNG AMERICANS. ALSO, WITHOUT THE SELF-HELP AUTOMOBILE REPAIR CAPABILITY OF THE AUTO HOBBY SHOP, MANY JUNIOR ENLISTED PERSONNEL COULD NOT AFFORD TO KEEP THEIR CARS IN SAFE OPERATING CONDITION. YET, AVAILABILITY OF A CAR IS ALMOST A NECESSITY BECAUSE OF THE ISOLATION OF THE SUBBASE AND THE LACK OF PUBLIC TRANSPORTATION. AUTO HOBBY SHOPS ARE ONE OF THE BEST USED AND MOST POPULAR OF MORALE AND WELFARE FACILITIES AT MILITARY BASES. THIS FACILITY ALSO INCLUDES SPECIAL SERVICES ISSUE AND STORAGE SPACE WHERE

MILITARY PERSONNEL MAY BORROW OUTDOOR RECREATION EQUIPMENT SUCH AS CAMPING GEAR, BOATS AND CAMPING TRAILERS.

NAVY EXCHANGE FACILITIES HAVE LONG BEEN RECOGNIZED AS AN IMPORTANT MORALE FACTOR FOR MILITARY MEMBERS AND THEIR FAMILIES. THE RETAIL STORE AND SERVICE OUTLETS OFFER CONVENIENT SHOPPING AT ADVANTAGEOUS PRICES AND HAVE HISTORICALLY BEEN CONSIDERED ONE OF THE FRINGE BENEFITS OF A MILITARY CAREER. THE FACILITIES WILL BE USED BY ALL MILITARY, IN THE AREA, AND THEIR DEPENDENTS. THE NAVY EXCHANGE WILL ALSO BE THE PRIME MEANS OF SUPPORT TO THE VARIOUS MORALE, WELFARE, AND RECREATION PROGRAMS AT THE BASE. PROFITS FROM SALES BECOME THE NONAPPROPRIATED FUNDS THAT ARE USED TO PAY FOR THE OPERATION OF SPORTS AND OTHER SPECIAL SERVICES PROGRAMS.

THE SERVICE STATION IS NEEDED TO PROVIDE GASOLINE, LUBRICATION, MECHANICAL REPAIRS AND OTHER SERVICES FOR THE PRIVATE AUTOMOBILES OF THE MILITARY PERSONNEL WORKING OR LIVING AT THE SUBBASE, AND THEIR DEPENDENTS. THE FACILITY IS NEEDED ON-BASE SO THAT PEOPLE MAY LEAVE THEIR CARS AND CAN REASONABLY GET TO AND FROM THEIR WORK STATIONS WHILE THEIR CARS ARE BEING REPAIRED OR SERVICED. AS A NAVY EXCHANGE OUTLET, THE SERVICE STATION WILL OFFER ADVANTAGEOUS PRICES AND WILL GENERATE PROFITS FOR THE OPERATION OF RECREATION PROGRAMS.

THE CONSOLIDATED MESS OPEN WILL FUNCTION IN LIEU OF SEPARATE CLUBS FOR ENLISTED MEN, PETTY OFFICERS, CHIEF PETTY OFFICERS, AND OFFICERS. IN ORDER TO SUSTAIN OPERATION OF SUCH FACILITIES ON AN AFFORDABLE BASIS AND TO REDUCE CONSTRUCTION COSTS, THE REQUIREMENTS HAVE BEEN COMBINED INTO COMMON FACILITIES TO THE MAXIMUM EXTENT PRACTICABLE.

THIS FACILITY WILL SERVE ESSENTIAL MEALS TO RESIDENTS OF THE BOQ AND WILL SERVE AS AN OPEN MESS TO ALL MILITARY PERSONNEL IN THE AREA, ACTIVE AND RETIRED, AND THEIR DEPENDENTS.

THE TENNIS COURTS ARE HIGH DEMAND RECREATION FACILITIES IMPORTANT TO THE MORALE OF MILITARY PERSONNEL ASSIGNED TO THE SUBBASE AND A FACTOR IN MAINTAINING PHYSICAL FITNESS. ALTHOUGH EIGHT COURTS HAVE BEEN REQUESTED, THE NAVY IS ABLE TO PROVIDE NON-APPROPRIATED FUNDING FOR

THREE OF THEM. OUR REQUEST IS THEREFORE BEING REDUCED TO 5 COURTS.

I WOULD LIKE TO EXPAND A BIT ON THE USE OF NONAPPROPRIATED FUNDS (NAF) FOR CONSTRUCTION. AFTER WE ADDRESSED THE CONGRESSIONAL COMMITTEES LAST YEAR, WE MADE A CONCERTED EFFORT TO OBTAIN NONAPPROPRIATED FUNDING FOR TENNIS COURTS, BOWLING ALLEY AND THE AUTO HOBBY SHOP, FACILITIES THAT WERE IN LAST YEAR'S REQUEST BUT THAT WERE NOT APPROVED. THE OUTLOOK WAS NOT BRIGHT. THE PROJECTION FOR AVAILABILITY OF CENTRAL NAF FOR CONSTRUCTION WAS \$10M NAVY WIDE IN FY 1977 AND IN FY 1978, \$5M IN FY 1979, \$4M IN FY 1980 AND \$3M IN 1981 AND IN FY 1982. MORE RECENT PROJECTIONS ARE THERE WILL BE NO NAF FOR CONSTRUCTION IN FY 1980 AND BEYOND. THE NAVY BACKLOG OF REQUIREMENTS FOR NAF EXCEEDED \$500M. IN THEORY, BECAUSE TRIDENT HAD NOT YET CONTRIBUTED PROFITS FROM NAVY EXCHANGE SALES TO THE CENTRAL NAF FUND, WE WERE ASKING OTHER NAVY ACTIVITIES WHO HAD GENERATED THE FUND TO FOREGO SATISFYING THEIR BACKLOG TO MEET OUR URGENT REQUIREMENTS. WITH THAT CLIMATE OF PREDICTED FUNDS AND BACKLOG, WE WERE ASKED TO PARE OUR TRIDENT REQUEST TO THE MOST IMMEDIATE NEEDS THAT COULD REASONABLY BE FUNDED. AS A RESULT, WE RECEIVED APPROVAL OF OUR REQUEST FOR THREE TENNIS COURTS AND AN 8 LANE BOWLING ALLEY. HOWEVER, THE BLEAK PICTURE ON FUND AVAILABILITY AND THE URGENCY OF NEED FOR SUFFICIENT TRIDENT FACILITIES MILITATE AGAINST RELIANCE ON NAF FOR ANY ADDITIONAL HELP. AS A PRACTICAL MATTER, IF WE DON'T RECEIVE APPROPRIATED FUNDS FOR OUR REQUESTED TRIDENT FACILITIES, WE WILL HAVE TO DO WITHOUT THEM. I BELIEVE WE SHOULD PROVIDE THESE MORALE, WELFARE AND RECREATION FACILITIES FOR OUR TRIDENT PERSONNEL.

I RESPECTFULLY SOLICIT THIS COMMITTEE'S FULL SUPPORT OF THE APPROPRIATION REQUEST FOR TRIDENT FACILITIES IN FY 1978.

STATEMENT OF REAR ADM. A. R. MARSCHALL

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM PLEASED AT THE OPPORTUNITY TO ADDRESS THIS COMMITTEE ON THE MILITARY CONSTRUCTION REQUIREMENTS OF THE TRIDENT WEAPONS SYSTEM. BEFORE ADDRESSING THIS YEAR'S REQUEST, THE STATUS OF THE PRIOR YEAR TRIDENT CONSTRUCTION PROGRAMS, AND OUR PROGRESS TO DATE, I WOULD LIKE TO ADDRESS SOME TOPICS WHERE A SIGNIFICANT CHANGE HAS OCCURRED OR WHICH HAVE BEEN OF INTEREST TO THE COMMITTEE.

TRIDENT ENVIRONMENTAL IMPACT LITIGATION

ON 13 OCTOBER 1976 THE U.S. COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA DECIDED IN FAVOR OF PLAINTIFFS APPEAL IN THE CASE, CONCERNED ABOUT TRIDENT (CAT) V. SCHLESINGER. CONSTRUCTION WAS NOT ENJOINED BUT THE APPELLATE JUDGES RULED THAT THE NAVY HAD NOT ADEQUATELY DISCUSSED ENVIRONMENTAL IMPACT ASPECTS OF ALTERNATIVES TO A "DEDICATED SITE" AND SHOULD HAVE CONSIDERED EFFECTS BEYOND 1981, AND, THEREFORE, REQUIRED SUBMISSION OF A SUPPLEMENTAL EIS BY 10 FEBRUARY 1977. THE SUPPLEMENT WAS PREPARED AND SUBMITTED TO THE DISTRICT COURT ON THE TENTH OF FEBRUARY. JUDGE HART SUBSEQUENTLY ALLOWED PLAINTIFFS 30 DAYS IN WHICH TO RESPOND TO THE SUPPLEMENTAL EIS. ATTACHED TO MY STATEMENT IS A SUMMARY OF TRIDENT MILITARY CONSTRUCTION PENDING LITIGATION.

STATUS OF DRY DOCK CONSTRUCTION

AS REPORTED TO YOU, CONSTRUCTION OF PHASE I OF THE TRIDENT DRY DOCK WAS AWARDED ON 16 NOVEMBER 1976. THE CONTRACTOR HAS COMPLETED MOBILIZATION AND HAS STARTED CONSTRUCTION OF THE ARTESIAN RELIEF SYSTEM AND DREDGING. THE CURRENT WORKING ESTIMATE FOR CONSTRUCTION OF THE DRY DOCK IS \$84 MILLION. THIS YEAR'S REQUEST INCLUDES \$49.5 MILLION NECESSARY FOR PHASE II CONSTRUCTION.

TRIDENT COMMUNITY IMPACT AID

AS OF 31 DECEMBER 1976, APPROXIMATELY \$8 MILLION OF THE \$15 MILLION APPROPRIATED UNDER SECTION 608 OF PUBLIC LAW 93-522 HAS BEEN TRANSFERRED TO FIVE FEDERAL DOMESTIC AGENCIES FOR FURTHER DISTRIBUTION TO THE IMPACTED STATE AND COUNTY AGENCIES. ADDITIONAL DETAILS REGARDING IMPACT AID REQUIREMENTS AND FUNDING ARE ATTACHED TO MY STATEMENT.

BROWNSVILLE SEWAGE TREATMENT PLANT

DURING THE FY 1975 HEARINGS THE NAVY INDICATED THAT IT WOULD HAVE TO "REVIEW THE SITE IMPROVEMENTS AND UTILITY ITEMS" IN ORDER TO ASCERTAIN WHETHER ANY OF THE FY 1974 PROJECTS WOULD HAVE TO BE DEFERRED TO FY 1975 IN ORDER TO FACILITATE CONNECTION INTO THE KITSAP COUNTY SEWAGE TREATMENT PLANT. CONTRACTS FOR ALL FACILITIES IN THE FY 1974 PROGRAM HAVE BEEN AWARDED. THE NAVY PROPOSES TO UTILIZE FY 1976 AUTHORIZATION AND APPROPRIATIONS FOR CONSTRUCTION OF THE NAVY'S SHARE OF THE BROWNSVILLE PLANT.

THE CURRENT ESTIMATE FOR THE NAVY'S CONTRIBUTION TO THE COST OF CONSTRUCTING THE BROWNSVILLE SEWAGE TREATMENT PLANT IS \$7.3 MILLION. THIS ESTIMATE REPRESENTS AN INCREASE OF \$900,000 OVER THE ESTIMATE OF \$6.4 MILLION PROVIDED DURING THE FY 1976 HEARINGS. SINCE THAT TIME, DELAYS HAVE BEEN ENCOUNTERED DUE TO LOCAL OPPOSITION TO THE ENVIRONMENTAL IMPACT STATEMENT THAT REQUIRED SIGNIFICANT REVISION TO THE ENVIRONMENTAL IMPACT STATEMENT. THE DELAY, AND RE-ROUTING OF THE INTERCEPTOR ALONG WITH RELOCATION AND LENGTHENING OF THE OUTFALL FROM THE SEWAGE TREATMENT PLANT INCREASES THE NAVY'S SHARE OF THE COST.

IN REVIEWING THIS YEAR'S PROGRAM, I WOULD LIKE TO HAVE MR. MOYNIHAN SHOW YOU SOME SLIDES OF THE BASE AND PRIOR CONSTRUCTION THAT RELATES TO THE FY 1978 PROJECT.

PRIOR YEAR PROGRAMS

ADDITIONAL DETAILS ARE FURNISHED AS A SUPPLEMENT TO MY STATEMENT.

CHANGES TO THE FY 1978 PROJECT

DUE TO REFINEMENTS OF ESTIMATES, AS WELL AS THE AVAILABILITY OF NON APPROPRIATED FUNDS FOR TRIDENT CONSTRUCTION, THE NAVY'S REQUEST FOR THIS YEARS TRIDENT CONSTRUCTION PROGRAM IS BEING REDUCED BY \$180,000 TO \$121.23 MILLION.

SUMMARY

IN SUMMARY, MR. CHAIRMAN, THE TRIDENT PROGRAM, WITH CONGRESSIONAL SUPPORT, IS PROCEEDING WITHOUT ANY MAJOR SETBACKS TOWARD THE GOAL OF A MAJOR NEW STRATEGIC FORCE AT SEA IN THE EARLY 1980'S. THE TRIDENT MILITARY CONSTRUCTION PROGRAM FACILITIES ARE AN ESSENTIAL PART OF THIS PROGRAM. WE REQUEST YOUR CONTINUING SUPPORT.

SUPPLEMENT

PRIOR YEAR PROGRAM DETAILS

THE INITIAL PROGRAM YEAR FOR TRIDENT MILITARY CONSTRUCTION WAS FY 1974 WHEN \$112,320,000 WAS APPROPRIATED FOR CONSTRUCTION OF FACILITIES AT NAVSUBBASE BANGOR AND CAPE CANAVERAL, FLORIDA. IN FY 1975, \$100 MILLION WAS APPROPRIATED FOR NAVSUBBASE BANGOR CONSTRUCTION. IN FY 1976, \$141,967,000 WAS APPROPRIATED FOR CONSTRUCTION AT THREE LOCATIONS, NAMELY: NAVSUBBASE BANGOR; INDIAN ISLAND ANNEX OF THE NAVAL TORPEDO STATION, KEYPORT, WASHINGTON; AND CAPE CANAVERAL, FLORIDA. INCLUDED IN THE FY 1976 APPROPRIATION WAS \$7 MILLION FOR THE FIRST INCREMENT OF COMMUNITY IMPACT ASSISTANCE FUNDING.

IN FY 1977 \$129,328,000 WAS APPROPRIATED FOR CONSTRUCTION AT FOUR LOCATIONS, AS WELL AS FOR FUNDING THE SECOND INCREMENT OF COMMUNITY IMPACT ASSISTANCE AT \$8 MILLION. FUNDS WERE APPROPRIATED FOR CONSTRUCTION AT NAVSUBBASE BANGOR, INDIAN ISLAND ANNEX OF NAVAL TORPEDO STATION, KEYPORT, WASHINGTON; CAPE CANAVERAL, FLORIDA; AND PACIFIC MISSILE RANGE, POINT MUGU, CALIFORNIA.

THE TOTAL TRIDENT MILITARY CONSTRUCTION PROGRAM NECESSARY TO SUPPORT A 10 BOAT TRIDENT I SYSTEM IS CURRENTLY \$727 MILLION. THE ESTIMATE HAS INCREASED BY \$8 MILLION SINCE LAST YEAR DUE PRIMARILY TO THE IDENTIFICATION OF A NEW MISSILE CHECKOUT FACILITY REQUIRED AT NAVSUBBASE BANGOR.

CONSTRUCTION OF THE FLIGHT TEST FACILITIES AT CAPE CANAVERAL IS COMPLETE, AND SUCCESSFULLY SUPPORTED THE FIRST TWO FLIGHT TESTS OF THE TRIDENT C-4X MISSILE ON 18 JANUARY AND 15 FEBRUARY. THE TRIDENT WHARF IS COMPLETE AND THE 120 TON PORTAL CRANE WILL BE IN PLACE BY AUGUST OF THIS YEAR.

AT NAVSUBBASE BANGOR ALL CONSTRUCTION REMAINS ESSENTIALLY ON SCHEDULE AND WITHIN BUDGET WITH THE EXCEPTION OF THE BROWNSVILLE SEWAGE TREATMENT PLANT WHICH I HAVE ADDRESSED IN MORE DETAIL IN MY STATEMENT. A NUMBER OF SIGNIFICANT FACILITIES ARE COMPLETE AND HAVE BEEN TURNED OVER TO THE END USERS. BY THE END OF CALENDAR YEAR 1976, APPROXIMATELY \$290 MILLION OF THE \$484 MILLION APPROPRIATED FOR TRIDENT CONSTRUCTION HAD BEEN OBLIGATED. TOTAL OBLIGATIONS THROUGH THE END OF FY 1977 ARE PROJECTED AT APPROXIMATELY \$445 MILLION.

CONSTRUCTION IS UNDERWAY ON THE AMMUNITION PIER AT INDIAN ISLAND AND IS SCHEDULED FOR COMPLETION IN ADEQUATE TIME TO INSURE AVAILABILITY PRIOR TO THE TRIDENT SYSTEM INITIAL OPERATION CAPABILITY DATE OF SEPTEMBER 1979. CONSTRUCTION AT POINT MUGU IS SCHEDULED TO COMMENCE IN MAY OF 1977.

STATUS OF PENDING TRIDENT MILITARY CONSTRUCTION LITIGATIONConcerned About TRIDENT (CAT) v. Schlesinger

Action filed 5 August 1974 in the U.S. District Court for the District of Columbia. In essence, plaintiffs contended that DOD and the Navy had failed to comply with the National Environmental Policy Act (NEPA) in the development of the TRIDENT system. More specifically, plaintiffs challenged as arbitrary the determinations (i) to develop the TRIDENT system, (ii) to proceed with it on an "accelerated" basis, (iii) to operate TRIDENT from a "dedicated" base, and (iv) to construct that base at Bangor. Following denial of two motions by plaintiffs for a preliminary injunction, the District Court (Judge Hart) dismissed the complaint on 22 August 1975. Plaintiffs appealed. On 13 October 1976 the lower court's decision was affirmed, for the most part, by the U.S. Court of Appeals for the District of Columbia. Construction was not enjoined, but the appellate judges ruled that the Navy had not adequately discussed environmental aspects of alternatives to a "dedicated site" and should have considered effects beyond 1981, and, therefore, required submission of a supplemental EIS within 120 days; i.e., by 10 February 1977. The supplement was prepared and submitted to the District Court on the tenth of February. Judge Hart subsequently allowed plaintiffs 30 days in which to respond to the Supplemental EIS.

Hood Canal Environmental Council (HCEC) v. Rumsfeld

Action filed 21 January 1976 in the U.S. District Court in Seattle. In essence, plaintiffs contend that the Corps of Engineers' issuance of a permit to the Navy for construction of Refit Pier No. 1, the first increment of the "Delta" waterfront structure, was improper. Plaintiffs allege, among other things, that the Navy's EIS does not address possible design and location alternatives for the structure in sufficient detail. On 4 June 1976 the District Court (Judge Voorhees) denied plaintiff's motion for a preliminary injunction. Following the Court of Appeals' decision in CAT v. Schlesinger the hearing on the Government's motion for summary judgment, previously set for 5 November 1976, was postponed. No new date has been set as yet, but it will be some time after 10 February 1977 (the due date for the EIS supplement).

United States v. State of Washington

Action filed 13 February 1976 in the U.S. District Court in Seattle. The suit challenges as unconstitutional the legislation enacted by the State of Washington in 1975 whereby State retail sales and use taxes would be assessed against all material utilized by private firms in constructing buildings or other structures in this State for the Federal Government. Previously such taxes had only been applicable to materials such as consumables. The suit, filed in the name of U.S. Government without specific reference to any Agency, contends that the 1975 legislation violates the Federal Constitution in that (i) the taxes imposed discriminate against the United States and those with whom it deals and (ii) the "legal incidence" of these taxes falls upon the United States. The suit seeks to enjoin further collection of these taxes and recovery of the amounts paid to date. The parties are now awaiting formation of a three-judge District Court so that a hearing date can be established.

FY 1978 TRIDENT MCON PROGRAM

	<u>REQUEST</u> <u>(\$000)</u>	<u>REVISED</u> <u>(\$000)</u>
Dry Dock, Phase II	48,817	48,817
Delta Access Trestle (dry dock)	614	614
Explosive Handling Wharf #2	26,280	26,280
Service Pier and Port Control Office	6,990	6,959
Off Crew Administration Building	4,533	4,533
Base Cafeteria	834	834
Consolidated Mess Open	4,459	4,459
Service Station	686	665
Auto Hobby Shop	1,114	1,114
Missile Motor Magazines	7,051	7,051
Alarm Control Center System (3rd incr.)	177	177
Utilities and Site Improvements (5th incr.)	3,500	3,500
Exchange Complex	4,565	4,551
Tennis Courts	290	181
Sub Total Construction	109,910	109,735
Community Impact Assistance (3rd incr.)	11,500	11,500
TOTAL FY 1978 Request	121,410	121,235
		ROUNDED TO \$121.23M

TRIDENT I - 10 BOAT PROGRAMFISCAL YEAR 1978

	<u>DESIGN</u>		<u>CONSTRUCTION</u>	
	<u>Start</u>	<u>Complete</u>	<u>Start</u>	<u>Complete</u>
Drydock, Phase II	December 1975	August 1977	December 1977	November 1979
Delta Access Trestle (Drydock)	December 1975	August 1977	December 1977	November 1979
Explosive Handling Wharf No. 2	August 1976	October 1977	February 1978	July 1980
Service Pier and Port Control Office	September 1976	September 1977	December 1977	October 1979
Off Crew Administration Building	November 1975	October 1976	November 1977	June 1979
Base Cafeteria	January 1977	December 1977	February 1978	October 1979
Consolidated Mess Open	December 1976	October 1977	December 1977	August 1979
Service Station	October 1975	April 1977	November 1977	August 1979
Auto Hobby Shop	October 1975	April 1977	November 1977	August 1979
Missile Motor Magazines	September 1976	May 1977	October 1977	August 1979
Alarm Control Center System (3rd Increment)	November 1976	June 1977	February 1978	November 1979
Utilities and Site Improvements (5th Increment)		<u>Varies</u>		<u>Varies</u>
Exchange Complex	September 1976	December 1977	February 1978	October 1979
Tennis Courts	October 1975	February 1977	December 1977	June 1979

CUMULATIVE WORK-IN-PLACE BY MONTH
(DOLLAR AMOUNTS IN THOUSANDS)

MONTH	CURRENT PROJECTION BANGOR AND INDIAN ISLAND	PROVIDED LAST YEAR BANGOR AND INDIAN ISLAND	OTHER CAPE CANAVERAL AND POINT MUGU
Actual WIP through			
December 1975	23,825	(23,737)	19,953
Calendar Year 1976			
January	29,005	(29,005)	22,699
February	35,580	(35,196)	22,923
March	39,773	(41,782)	22,999
April	46,073	(48,695)	23,021
May	54,273	(58,325)	23,136
June	58,673	(66,929)	23,514
July	63,101	(76,511)	24,625
August	71,328	(86,447)	25,093
September	83,283	(96,929)	26,107
October	92,409	(107,587)	26,186
November	103,136	(118,765)	26,188
December	112,498	(129,946)	26,415
Projected cumulative WIP			
Calendar Year 1977			
January	127,289	(142,368)	33,031
February	137,277	(155,290)	33,131
March	147,472	(171,317)	33,392
April	157,456	(188,198)	33,716
May	168,037	(205,598)	34,088
June	180,102	(223,785)	34,468
July	193,391	(242,237)	34,832
August	207,779	(260,394)	35,280
September	222,711	(278,025)	35,706
October	238,094	(294,134)	36,119
November	253,502	(310,040)	36,436
December	267,800	(324,461)	36,753
Calendar Year 1978			
January	281,092	(338,508)	37,015
February	294,040	(352,123)	37,210
March	305,779	(365,736)	37,404
April	318,087	(380,551)	37,599
May	329,555	(395,023)	37,794
June	340,145	(409,350)	37,887
July	351,224	(422,264)	37,967
August	361,704	(434,304)	38,047
September	371,487	(446,100)	---
October	380,271	---	---
November	388,324	---	---
December	395,968	---	---
Calendar Year 1979			
January	402,924	---	---
February	409,428	---	---
March	415,648	---	---
April	421,456	---	---
May	427,117	---	---
June	432,444	---	---
July	437,402	---	---
August	441,655	---	---
September	445,690	---	---

STATUS OF FUNDS BY PROGRAM YEAR
(\$ MIL AS OF 30 November 1976)

FISCAL YEAR	AUTHORIZED	APPROPRIATED	OBLIGATED	PROJECTED* 30 SEP 77 OBLIGATION	CURRENT ESTIMATE
1974	118.3	112.3	100.0	115.9	118.2
1975	100.0	100.0	76.8	102.4	103.2
1976	187.0	142.0	80.4	122.1	138.3
1977	92.3	129.3	8.4	104.4	120.6

*Projected obligations include \$7 MIL FY 76 and \$8 MIL FY 77 Community Impact Aid funds which will be transferred to other agencies for obligation.

Fiscal Year 1974 - All contracts have been awarded.

Fiscal Year 1975 - All contracts awarded except the Limited Area Guardhouse which was delayed due to changes in criteria and will be awarded in March 1977, the Central Monitoring System.

Fiscal Year 1976 - All contracts awarded except the Transfer Facility which was delayed due to changes in criteria and will be awarded in June 1977, the Delta Support Facility which was delayed due to schedule interference with the Delta Support Platform and will be awarded in April 1977, and various utility contracts with all contracts awarded by August 1977.

Fiscal Year 1977 - Projected contract awards for 50% of the appropriated funds by 28 February 1977 and 80% by 30 September 1977.

TRIDENT OBLIGATION SCHEDULE
Monthly Obligations \$MIL

	1974 ACTUAL	1975 ACTUAL	1976	1977	1978	1979
Jan		(0.01)	.6 (0.5)	22.4 (20.3)	5.5 (13.1)	1.2
Feb		(16.8)	3.2 (6.8)	14.0 (10.8)	29.6 (1.6)	1.2
Mar	(9.0)	(4.9)	15.7 (25.0)	36.7 (6.3)	3.4 (4.9)	.8
Apr		(0.5)	21.5 (30.0)	32.1 (4.4)	3.1 (1.2)	.8
May		(22.85)	4.8 (4.1)	8.3 (3.6)	3.1 (1.2)	.8
Jun	(0.4)	(17.9)	4.5 (17.8)	9.8 (3.1)	2.3 (3.3)	.6
Jul		(3.5)	5.2 (7.3)	7.5 (8.2)	2.1 (.9)	.6
Aug	(16.23)	(6.8)	12.8 (2.0)	4.4 (6.0)	1.9 (0.9)	.6
Sep	(.08)	(3.8)	8.7 (52.2)	5.8 (69.6)	1.8 (1.7)	.6
Oct	(1.63)	(11.9)	1.9 (7.3)	10.2 (1.6)	1.7	
Nov	(0.02)	(1.3)	33.8 (36.9)	9.3 (7.8)	8.1	
Dec	(0.32)	(27.4)	30.2 (54.0)	59.0 (12.8)	1.8	

Note: Figures in parentheses are those given last year. New figures are given only where they vary from last years figures. Figures do not include Community Impact Aid.

COMPARISON OF CONSTRUCTION SCHEDULES

TITLE	CURRENT CONSTRUCTION SCHEDULE		LAST YEARS CONSTRUCTION SCHEDULE	
	START	USABLY COMPLETE	START	COMPLETE
<u>FISCAL YEAR 1974</u> Last schedule submitted for Fiscal Year 1976 hearings				
Utilities and Site Improvements	2/75	Varies	2/75	Varies
TRIDENT Training Facility	10/74	Varies	10/74	7/75 (partial)
Refit Pier No. 1	12/75	3/78	10/75	1/78
Covered Explosive Handling Wharf No. 1	2/75	1/78	2/75	8/77
Warehouse	5/75	4/76	5/75	12/75
Wharf and Dredging	3/74	5/76	3/74	6/76
Launch Complex 25	8/74	6/75	8/74	6/75
Missile Checkout Building	6/74	4/75	6/74	7/75
Guidance Telemetry Building	6/74	5/75	6/74	7/75
Lifting Device Proofing Facility	Deleted	Deleted	Deleted	Deleted
<u>FISCAL YEAR 1975</u>				
Vertical Missile Packaging Building	12/75	6/77	9/75	6/77
Missile Assembly Control Building	12/75	6/77	9/75	12/76
Inert Components Processing Building	12/75	6/77	9/75	5/77
Missile Parts Warehouse	12/75	6/77	9/75	4/77
Technical Services Building	6/75	8/76	6/75	8/76
Engineering Services Building	6/75	11/76	6/75	11/76
Limited Area Guardhouse (Security Control System)	2/77	3/78	8/76	---
Strategic Weapons System Supply Warehouse	6/75	10/76	6/75	10/76
Missile Assembly Building No. 1	12/75	4/77	9/75	2/77
TRIDENT Training Facility (2nd Increment)	5/75	10/77	5/75	2/77
Bachelor Enlisted Quarters	8/75	2/77	7/75	11/76
Enlisted Dining Facility	8/75	2/77	7/75	11/76
Marine Corps Administration and Berthing Facility	8/75	2/77	7/75	10/76
Utilities and Site Improvements	7/75	Varies	6/75	Varies
Weapons Quality Evaluation Center	7/75	7/76	8/75	9/76
Strategic Weapons Maintenance Shop	3/76	12/77	3/76	---
Fire Station	6/75	6/76	6/75	5/76
<u>FISCAL YEAR 1976</u>				
Delta Access Trestle			10/77	---
Equipment Maintenance Building	3/76	9/77	3/76	---
Transfer Facility	6/77	5/78	7/76	---
Explosive Components Checkout Building	3/76	6/77	3/76	---
Missile Assembly Building No. 2	3/76	9/77	3/76	---
Re-Entry Body Building No. 2	3/76	11/77	3/76	---
Non-Destructive Test and Inspection Building	3/76	8/77	3/76	---
Refit Industrial Facility	4/76	4/78	1/76	3/78
Drydock Phase I	11/76	6/78	9/76	---
Controlled Industrial Facility (Nuclear Industrial Facility)	12/76	2/78	9/76	---
Delta Support Facility	4/77	7/78	8/76	1/78
Maintenance Support Building	3/76	12/77	3/76	---
POL Tank Farm	5/76	6/77	1/76	3/77
Missile Motor Magazines	2/76	1/77	12/75	4/77
Small Ordnance Magazines	2/76	4/77	12/75	10/76
Flammable Storage Building	12/75	1/77	12/75	7/76
Dispensary Dental Clinic	5/76	12/77	1/76	8/77
Bachelor Enlisted Quarters	7/76	3/78	9/76	---
Utilities and Site Improvements	Varies	Varies	Varies	Varies
Alarm Control Center	3/76	9/77	5/76	2/77
TRIDENT DASO/Data Processing Support Facility	12/76	11/77	4/76	1/78
Ammunition Pier/Wharf, Indian Island	8/76	10/78	8/76	8/78

COMPARISON OF CONSTRUCTION SCHEDULES

TITLE	CURRENT CONSTRUCTION SCHEDULE		LAST YEARS CONSTRUCTION SCHEDULE	
	START	COMPLETE	START	COMPLETE
<u>FISCAL YEAR 1977 APPROPRIATION/FISCAL YEAR 1976 AUTHORIZATION</u>				
Dockside Handling Building	1/77	2/78	12/76	12/77
Refit Pier No. 2	11/76	5/79	12/76	12/78
Magnetic Silencing Facility	1/77	11/78	1/77	11/78
Vertical Missile Packaging Building No. 3	12/76	6/78	11/76	10/78
Radiographic Inspection Building	3/77	1/79	11/76	12/78
Cold Storage Facility	2/77	6/78	2/77	4/78
Container Storage Area	3/77	12/77	1/77	11/77
Servmart	11/76	2/78	2/77	4/78
Fire Station	3/77	3/78	12/76	6/77
Utilities and Site Improvements (Partial)	6/77	5/79	12/76	Varies
<u>FISCAL YEAR 1977</u>				
Submarine Supply Assistance Team Building	3/77	2/78	12/76	11/77
Public Works Facilities	3/77	10/78	12/76	8/78
Missile Motor Magazines	12/76	1/79	11/76	10/78
Small Ordnance Magazines	1/77	1/78	11/76	1/78
Re-Entry Body Magazines	12/76	9/78	11/76	10/77
TRIDENT Support Facility Administration Building	5/77	12/78	2/77	8/78
Officer Administration Facility	Deferred	Deferred	12/76	9/78
Bachelor Enlisted Quarters	2/77	6/78	1/77	7/78
Bachelor Officers Quarters	4/77	9/78	12/76	8/78
Bus Station	4/77	9/78	12/76	6/78
Exchange Service Station Complex	Deferred	Deferred	2/77	4/78
Post Office	6/77	7/78	12/76	6/78
Recreation Complex	4/77	9/78	12/76	4/78
Theater	4/77	9/78	12/76	6/78
Library	4/77	9/78	12/76	6/78
Outdoor Playing Fields	4/77	9/78	12/76	4/78
Utilities and Site Improvements	Varies	Varies	12/76	Varies
Alarm Control Center	3/77	3/78	1/77	10/77
Relocate Ordnance Facilities, Indian Island	4/77	1/79	12/76	6/78
TRIDENT Test Instrumentation Equipment Installation	12/76	6/77	1/77	10/77
TRIDENT Missile Storage Facility	11/76	9/77	1/77	1/78
TRIDENT Missile Tracking Facility	3/77	7/78	11/76	7/78

TITLE	CURRENT ESTIMATE	APPROPRIATION REQUEST ESTIMATE	ESTIMATE AT TIME OF FY 1977 HEARINGS
<u>FY 1974</u>			
Utilities and Site Improvements	25,379	30,296	26,302
TRIDENT Training Facility	10,895	11,397	10,874
Refit Pier No. 1	25,000	14,793	22,223
Explosive Handling Wharf No. 1	23,500	21,295	19,673
Warehouse	441	294	411
Land Acquisition	0	5,100	0
Wharf and Dredging	31,337	31,345	32,812
Launch Complex 25	1,193	962	1,182
Guidance Telemetry Building	235	218	235
Missile Checkout Building	235	2,158	235
Lifting Device Proofing Facility	-	467	0
TOTAL	118,215	118,320	113,947
<u>FY 1975</u>			
Vertical Missile Packaging Building No. 2	5,165	4,845	5,304
Missile Assembly Control Building	662	571	471
Inert Components Processing Building	3,477	2,978	3,229
Missile Parts Warehouse	3,489	6,068	2,800
Technical Services Building	2,099	1,953	1,778
Engineering Services Building	3,536	4,166	2,930
Limited Area Guardhouse	2,340	2,340	2,340
SWS Warehouse	3,259	4,765	2,959
Missile Assembly Building No. 1	2,537	2,314	2,775
TRIDENT Training Facility (2nd Incr)	22,058	18,729	20,000
Bachelor Enlisted Quarters	2,427	2,216	2,302
Enlisted Dining Facility	2,084	1,529	1,910
Marine Corps Administration and Berthing Facility	2,626	2,036	2,523
Utilities and Site Improvements	43,283	42,873	35,521
Weapons Quality Evaluation Center	1,331	1,677	1,214
SWS Maintenance Shop	2,184	4,281	2,614
Fire Station	545	467	576
Community Impact	102	-	-
TOTAL	103,204	103,808	91,246
<u>FY 1976</u>			
Delta Access Trestle	Deferred	1,717	Deferred
Equipment Maintenance Building	2,325	2,718	2,618
Transfer Facility	340	213	156
Explosive Components Checkout Building	394	309	434
Missile Assembly Building No. 2	2,730	2,737	2,382
Re-Entry Body Building No. 2	2,475	2,301	3,038
Non-Destructive Test and Inspection Building	1,672	1,904	2,114
Refit Industrial Facility	16,960	16,198	16,198
Drydock Phase I	30,715	70,919	28,448
Nuclear Industrial Facility (Controlled Industrial Facility)	3,304	2,862	3,860
Delta Support Facility	4,896	2,529	3,987
Maintenance Support Building	4,431	5,649	5,123
POL Tank Farm	675	1,000	1,000
Missile Motor Magazines	2,685	3,126	2,120
Small Ordnance Magazines	305	142	278
Flammable Storage Building	173	124	149
Dispensary Dental Clinic	3,007	3,398	3,398
Bachelor Enlisted Quarters	3,724	4,036	4,043
Utilities and Site Improvements	35,610	37,090	37,534
Alarm Control Center System	430	430	430
DASO Data Processing/Support Facility	884	1,026	1,600
Indian Island Wharf	13,603	19,539	18,618
Community Impact	7,000	7,000	7,000
TOTAL	138,338	186,967	144,528

TITLE	CURRENT ESTIMATE	APPROPRIATION REQUEST ESTIMATE	ESTIMATE AT TIME OF FY 1977 HEARINGS	
<u>FY 1977 APPROPRIATION - FY 1976 AUTHORIZATION</u>				
Dockside Handling Building	1,636	1,367	SAME AS APPROPRIATION REQUEST ↓	
Container Storage Area	1,725	1,969		
Cold Storage Facility	483	389		
Servmart	609	686		
Vertical Missile Packaging Building No. 3	6,351	7,408		
Radiographic Inspection Building	5,726	6,132		
Refit Pier No. 2	13,020	17,400		
Utilities and Site Improvements (Part 1)	21	21		
Magnetic Silencing Facility	9,350	9,468		
Fire Station	160	160		
SUB-TOTAL	39,081	45,000		
<u>FY 1977</u>				
Bachelor Officers Quarters	2,668	2,668		SAME AS APPROPRIATION REQUEST ↓
Submarine Supply Assistance Team Building	979	979		
Alarm Control Center System (2nd Incr)	597	597		
Public Works Facilities	6,695	6,695		
TRIDENT Support Facility Administration Building	6,675	6,127		
Missile Motor Magazines	12,855	17,668		
Offcrew Administration Facility	0	4,107		
Utilities and Site Improvements	17,624	16,930		
Small Ordnance Magazines	675	1,127		
Bachelor Enlisted Quarters	4,182	4,182		
Bus Station	85	85		
Recreation Complex	4,471	6,171		
Theater	1,038	1,038		
Library	493	493		
Outdoor Playing Fields	391	657		
Post Office	744	744		
Re-Entry Body Magazines	461	976		
Relocate Ordnance Facilities, Indian Island	8,700	8,700		
Test Instrumentation and Equipment Installation	215	361		
Magnetic Silencing Facility	1,026	1,245		
TRIDENT Missile Tracking Facility	2,922	2,922		
Community Impact	8,000	11,000		
SUB-TOTAL	81,496	95,472		
TOTAL	120,577			

Utilities and Site Improvements that have been completed as of 31 December 1976 are as follows:

FISCAL YEAR 1974

Utilities and Roads for Explosive Handling Wharf No. 1
 Security Fencing and Gates
 Site Preparation for SWFPAC Support Area
 Main Limited Area Rollback
 Utilities and Roads for Major Support Area, Increment 1
 Acquisition of BPA Substation and Metering
 \$23.5 Million for FY 1974 Utilities and Site Improvements obligated with \$17.8 Million complete

FISCAL YEAR 1975

Site Preparation for Refit Industrial Area
 Main Gate and Access Road
 Utilities and Roads for SWFPAC Support Area
 Base Water, Phase I
 \$27.4 Million for FY 1975 Utilities and Site Improvements obligated with \$15.4 Million Complete

FISCAL YEAR 1976

No subelement is completed, however, \$5.1 Million is obligated

Utilities and Site Improvements underway but not completed:

FISCAL YEAR 1974

115KV Electrical Distribution and Emergency Generators - \$8.8 M
 Main Heating Plant - \$8.8M

FISCAL YEAR 1975

Sections of Utility Systems - \$1.8M
 12.5KV Electrical Distribution - \$0.2M
 Base Transportation System Roads, Increment 1 - \$7.8M
 Utilities and Roads for Major Support Area, Increment 2 - \$2.5M
 Base Transportation System Roads, Increment 2 and RIF Utilities - \$3.1M
 Utilities and Roads for Northwest MLA - \$0.5M
 Utilities for MLA - \$2.7M
 Utilities and Roads for Refit Pier No. 1 - \$1.8M
 Base Water, Phase II - \$0.3M
 Base Water, Phase III - \$2.2M
 Parking Lot in RIF Area - \$0.3M

FISCAL YEAR 1976

SWFPAC Missile Haul Roads with VMPB #3 - \$0.4M
 Interim Sewage Treatment Facility - \$1.8M
 Electrical Feeder for Waterfront Emergency Generating - \$0.7M
 Southwest Area Utilities and Roads - \$1.1M
 Waterfront Site Improvements for Drydock - \$3.8M

TRIDENT COMMUNITY IMPACT ASSISTANCE

	<u>FY 1975</u>	<u>FY 1975 Financing</u>
Comprehensive Planning Assistance (Kitsap County)		\$101,380 *
	<u>FY 1976</u>	<u>FY 1976 Financing</u>
Water Resources Study (Kitsap County)		\$70,000 *
Comprehensive Planning Assistance (1976 State)		\$92,067 *
Comprehensive Planning Assistance (1976 Kitsap County)		\$87,257 *
State Route 3 Interchange		\$700,000 *
North/South Corridor Study		\$250,000 *
Fiscal Impact Analysis		\$184,518 *
Criminal Justice System		\$308,789 *
Traffic Safety		\$58,054 *
Four Laning State Route 3		\$1,700,000 *
School Construction (Kitsap, Mason and Jefferson Co's)		\$3,325,826 *
Comprehensive Planning (1977 State)		\$31,089
Regional Transportation Study		\$192,400
	TOTAL	\$7,000,000
	<u>FY 77 PROGRAM</u>	<u>FY 77 Financing</u>
School Construction (Central Kitsap)		\$1,034,700 *
Water Development and Distribution (North Perry/Silverdale)		970,000
Water Development and Distribution (Bremerton)		815,000
School Construction (Bainbridge Island, North Kitsap, South Kitsap)		911,000
Traffic Safety (State Police)		372,000
District and Superior Court Expansion (Construction)		600,000
Comprehensive Planning - County		100,000
Bucklin Hill Road (PS&E)		600,000
Fire Protection Equipment and Facilities		726,000
Fiscal Impact Planning		75,000
County TRIDENT Coordination		125,000
Water System (Indian Island)		400,000
Park Development		350,000
Central Kitsap Sewer Facility		300,000
State Road 303 (PS&E/ROW) to Bucklin Hill Road		621,300
	TOTAL	\$8,000,000

* Application Approved

FY 1978 TRIDENT COMMUNITY IMPACT ASSISTANCE

(See last page for Acronym definitions)

- | | | |
|----|---|-------------|
| 1. | Comprehensive Planning Assistance - County; FY 1976 | \$82,000 |
| | A continuation of the planning efforts of Kitsap County. Funded in FY 1974 by HUD, in FY 1975 by DOD (\$101,380) and HUD, in FY 1976 (\$87,357) and FY 1977 (\$100,000) by Section 608. (HUD Program) | |
| 2. | Comprehensive Planning Assistance - State; FY 1978 | \$32,000 |
| | A continuation of the planning efforts of the state of Washington's Office of Community Development's TRIDENT Coordination staff. Funded in FY 1976 for \$92,067, for FY 1977 @ \$31,135 (both from FY 1976 Section 608 funds). Essentially, the funds will be used to pay the salary of the TRIDENT Coordinator. (HUD Program). | |
| 3. | Fiscal Impact Analysis | \$75,000 |
| | Essentially a continuation of the overall Program Cost/Revenue Forecasting efforts initiated in FY 1976 for \$184,518 and continued in FY 1977 with an additional \$75,000. Purpose of these efforts is to determine the level of contribution(s) that must be made by the Department of Defense to alleviate the "unfair and excessive financial burden(s)" upon the local communities created by the TRIDENT installation. The necessity for this determination is a legislative requirement of Section 608 PL 93-552. (HEW Program). | |
| 4. | Operation of County TRIDENT Office | \$96,000 |
| | This will be the second year the DOD will finance the operations of the Kitsap County TRIDENT Coordinator's Office. Last year, FY 1977, a total of \$125,000 was budgeted for this effort. Beginning in FY 1974 through FY 1976, EDA financed the operations of this office. | |
| 5. | School Construction | \$1,800,000 |
| | These school construction efforts are a continuation of the school construction efforts that began in FY 1976 and FY 1977. These works will be primarily required by Central Kitsap School District, although some contributions will probably be made to the Peninsula School District in Pierce County. (HEW, DOE Program). | |
| 6. | Bucklin Hill Road Construction | \$1,500,000 |
| | Right of Way acquisition and first construction increment of the Bucklin Hill Road improvements. Bucklin Hill Road is main east-west highway leading from the East Bremerton Peninsula, and will be a major commuter route from that area to the TRIDENT Base. Bucklin Hill Road connects State Route 3, Clear Creek Road, and State Route 303. Total construction cost to improve Bucklin Hill Road to acceptable standards could be as high as \$7.5 million. (DOT Program). | |
| 7. | State Route 303 Construction | \$1,300,000 |
| | First increment of construction of State Route 303 improvements in vicinity of Bucklin Hill Road. Total improvement costs could run to \$3.3 million eventually. (DOT, FHWA Program). | |

8. State Highway Construction \$3,590,000
- Contribution towards the construction of State Route 3 via a new North South Corridor between Clear Creek interchange and Poulsbo. Total construction costs estimated at \$30 million. Contribution will be utilized for partial Right of Way acquisition, and starting construction works in vicinity of Clear Creek interchange. (DOT, FHWA Program).
9. Parks (State) \$300,000
- Money intended to provide improvements to existing State parks in vicinity of the TRIDENT Support Site. (DOI, Bureau of Outdoor Recreation Program).
10. Law Enforcement (State Police) \$375,000
- This is Phase II of a two year assist to the Washington State Highway Patrol to augment operations in the TRIDENT Community Impact Area. The Highway Patrol is funded from gasoline tax revenues and is essentially self supporting. However, the initial costs of the State Highway Patrol force augmentation is being requested so that the force may be on site in a timely manner to coincide with the population build-up. Funds will be utilized to construct a new sub-station at Poulsbo, to provide patrol cars and operating costs for five (5) patrolmen. (i.e., around-the-clock coverage of one additional policeman in Kitsap County). (LEAA & DOT's NTSA Programs).
11. Law and Justice (Local) \$400,000
- Hire nine local and county law enforcement officers; increase prosecution manpower; improve law enforcement communications equipment; purchase additional police vehicles; and begin preliminary design and facility expansion planning. Program is underway, and will continue through FY 1978. Because of the late submission and approval of this application, the FY 1976 funds will be used to finance the program in FY 1977 -- no FY 1977 funds will be utilized for that purpose. (LEAA Program).
12. Construction of Juvenile Facility \$400,000
- Actual construction of the expanded juvenile detention and counseling facilities at Port Orchard. Plans and specifications previously prepared using FY 1976 funds (see Paragraph 11 above). Facility required as result of additional youth case loads caused by population increases. (LEAA Program).
13. Fire Protection and Emergency Service Facilities \$550,000
- Phase II of the program to upgrade fire protection services in the impact area. This will be a 2 or 3 part program to upgrade the fire protection systems within the impacted area. These efforts will involve purchase of new equipment, improved communications, construction of one new fire station; and the eventual conversion of two fire districts from volunteer status to a nucleus of paid professional fire fighters. (The latter situation to occur subsequent to FY 1978). Note that the improved water storage and distribution requests in the North Perry, Silverdale, and East Bremerton Water Districts will also greatly assist in the upgrading of the fire protection status of the area. (HUD and Agriculture Programs.)

14. Water and Sewer

\$1,000,000

Provides funds for second increment of a new water distribution and storage system in the tri-cities area (Chimactum, Hadlock, and Irondale) in Jefferson County. The relocation of Bangor conventional ammunition storage from Bangor to Indian Island, and the anticipated population increases incident thereto, have overloaded the existing water distribution system. The new system will incorporate portions of the existing Port Townsend water distribution system, and will serve Indian and Maristone Islands as well as the tri-cities area. (HUD program). Also provides the second increment of the county's share of the Central Kitsap Sewer Facility. This facility will provide (in part) sewer main service and construct pressure mains from the Central Kitsap District to the Brownsville Sewerage Treatment Plant. (EPA Project).

ACRONYM DEFINITIONS

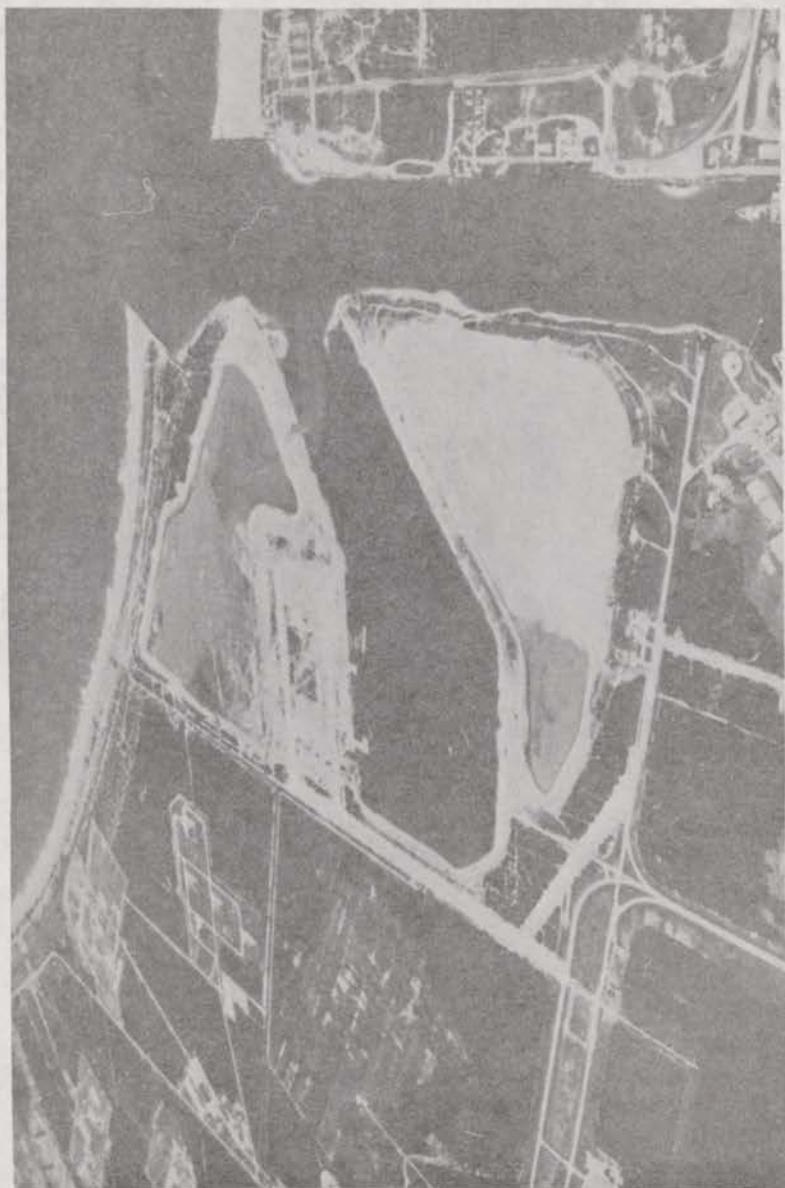
HUD	Department of Housing and Urban Development
DOD	Department of Defense
HEW	Department of Health Education and Welfare
EDA	Economic Development Agency
DOE	Department of Education
DOT	Department of Transportation
PHWA	Federal Highway Administration
DOI	Department of Interior
LEAA	Law Enforcement Assistance Agency
NTSA	National Traffic Safety Administration
EPA	Environmental Protection Agency

TRIDENT CONSTRUCTION SLIDE PRESENTATION

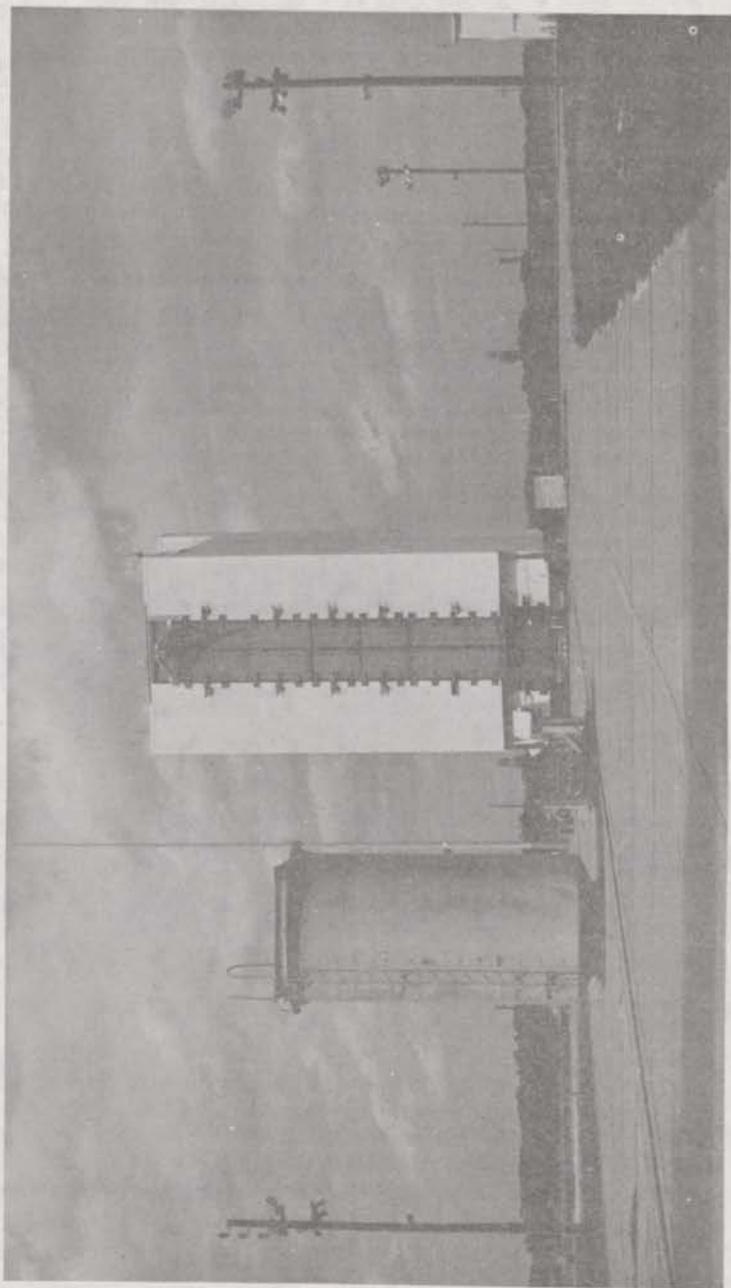
Slide
No.

- The TRIDENT Military Construction Program commenced in 1974 with the award of construction contracts at Cape Canaveral, Florida. Facilities constructed at Cape Canaveral are necessary to support the TRIDENT missile flight test program and the loading and offloading of missiles on the TRIDENT submarine, for the Demonstration and Shakedown Operations. (DASO) All construction at Cape Canaveral is essentially complete.
1. The TRIDENT wharf and turning basin shown here, provides berthing in support of the DASO operation. Nearly 12 million cubic yards were dredged to provide this 41 foot deep basin, and entrance channel. One way in which the community benefited from this project was the 2.7 million cubic yard beach nourishment program. The results of which can be seen on shore at the right side of this slide. The missile assembly and checkout area as well as Launch Complex 25 which were also in the FY 1974 TRIDENT construction program can be seen to the top left of this slide.
 2. This slide shows an access stand which was modified in the FY 1974 program, located directly over the Launch Pad at Launch Complex 25. Two successful TRIDENT missile flight tests have been performed from this launch pad.
 3. The Naval Submarine Base, Bangor, Washington, located approximately 20 miles west of Seattle on the Hood Canal, is the home port for the TRIDENT submarine. It is here that the majority of the construction program, approximately \$550 million is required.
 4. The first of the waterfront structures to be completed will be Explosive Handling Wharf #1. This wharf, which is covered to alleviate effects of the rainy climate on the missile loading/unloading operations, rises nearly fourteen stories above the canal. This slide which was taken in early January depicts the initial stages of the siding installation on the steel frame superstructure. Explosive Handling Wharf #2, which is included in this years request, will be located to the south (bottom of slide) of the Explosive Handling Wharf #1.
 5. This view of the Explosive Handling Wharf shows the north and south approach ramps, as well as the 400 foot lightning arresting tower. This facility will include a 120 ton bridge crane for missile handling operations.
 6. Upon completion in the fall of 1977 the facility will appear as shown here on this artists rendering. For purposes of scale, the number "1" on the cover is about 45 feet high.
 7. The TRIDENT refit facility shown here includes the Dry Dock; Phase I of which is under construction, Phase II including the Access Trestle on the left is included in this years request; two refit piers both of which are under contract; and the delta support facility which is scheduled to be awarded this April. This photograph appeared on the cover of the November 1976 issue of CONSTRUCTOR magazine (the monthly publication of the Association of General Contractors). Copies are available upon request. Environmental and explosive quantity distance constraints were paramount factors in the development of this unique delta configuration.
 8. The status of the refit delta construction as of the end of December 1976 is shown in this slide. The south access trestle is nearing completion, and the support platform construction is underway.
 - 8A. This view of the Hood Canal shoreline shows all waterfront construction at NAVSUBASE Bangor which is currently underway. Beginning at the top of the slide and continuing down (southerly) along the shoreline you can see: Explosive Handling Wharf #1 under construction; the existing Marginal Wharf; construction of the refit delta; and the existing small craft pier. Immediately to the south of Carlson Spit, (the southerly most shoreline protrusion) is the site of the new Service Pier & Port Control Office requested in this years program.

9. In the foreground of this slide is the 270,000 SF Refit Industrial Facility which provides intermediate level maintenance for the submarine. To the top of the slide is the intermediate level maintenance facility for the weapons system on board the submarine, with the exception of the missile.
10. This is the first of two vertical missile packaging buildings in the program. In this facility the missile is placed in the vertical position, the warhead is mated and may be placed in its' handling container.
11. This is one of two missile assembly buildings being modified. In this building missile motors and equipment sections are assembled in a horizontal mode, and checked out.
12. In the foreground is the nearly complete Missile Parts Warehouse which is required for staging and storage of major inert missile parts. To the top of the slide is the Inert Components Processing Building which is being modified for TRIDENT processing capability.
13. These are the first 10 of 82 missile motor magazines included in the program. This years request includes the last increment of 19 such magazines.
14. The first contract awarded at the Naval Submarine Base, Bangor was for construction of the 320,000 SF TRIDENT Training Facility shown here as completed. This \$30 million facility has recently been turned over to the users, and will house approximately \$200 million worth of sophisticated training equipment.
15. This weapons system control console located in the TRIDENT Training Facility is typical of the types of equipment located in the building which is the same equipment located on the submarine. The cost of the equipment shown here is about \$5 million.
16. This launch tube trainer is also located in the TRIDENT Training Facility. Note the relative size of the man on the 5th level of the trainer. The cost of the trainer shown here is about \$10 million.
17. This is an aerial view of the Enlisted Dining Facility, with the Dispensary/Dental Clinic located to the top right of the slide and the training building in the upper left hand corner.
18. This slide shows the completed Marine Corps Berthing and Administration Facility with the Enlisted Dining Facility shown at the top of the slide. This slide and the last also illustrated the core concept. As the Bachelor Enlisted Quarters area is in the left portion of the slide.
19. This aerial view of the Bachelor Enlisted Quarters portrays the extent to which the design protected existing trees.
20. Elevation of a completed BEQ unit.



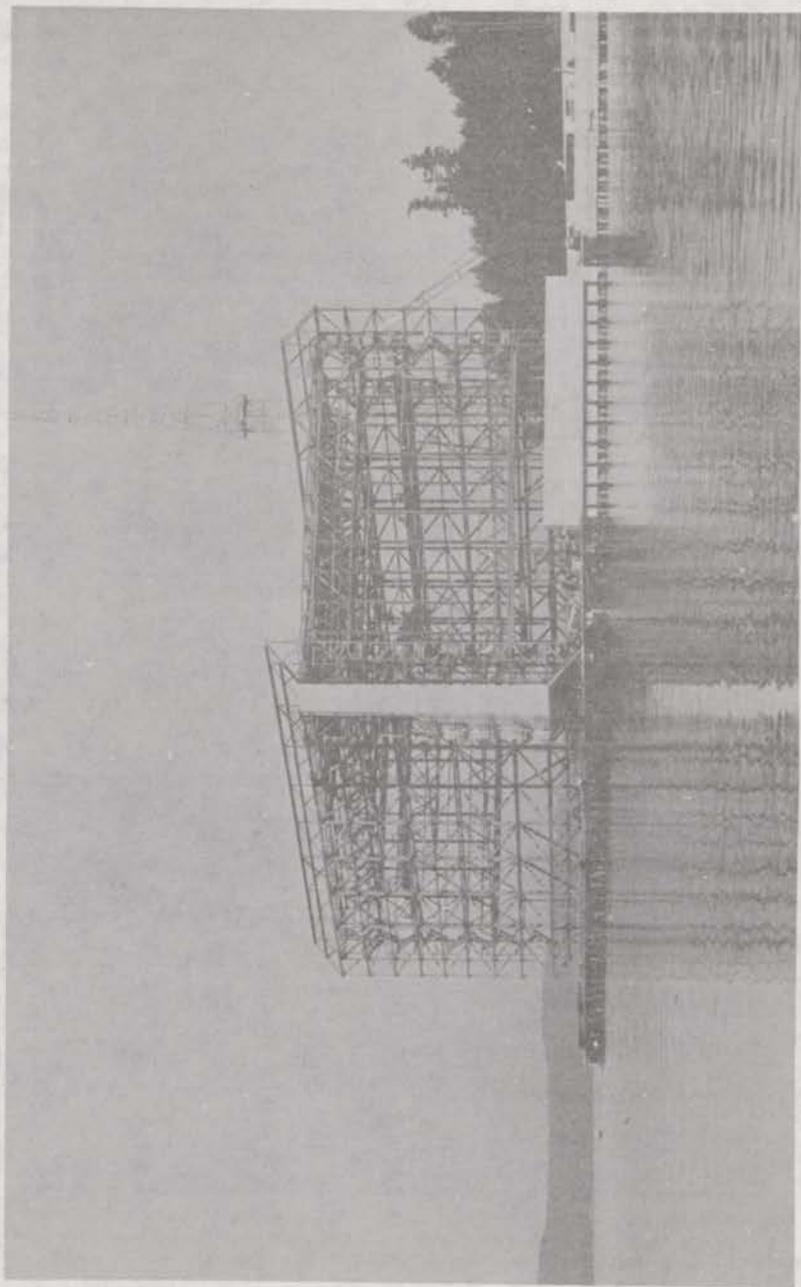
L. Wharf and Turning Basin, Cape Canaveral, FL



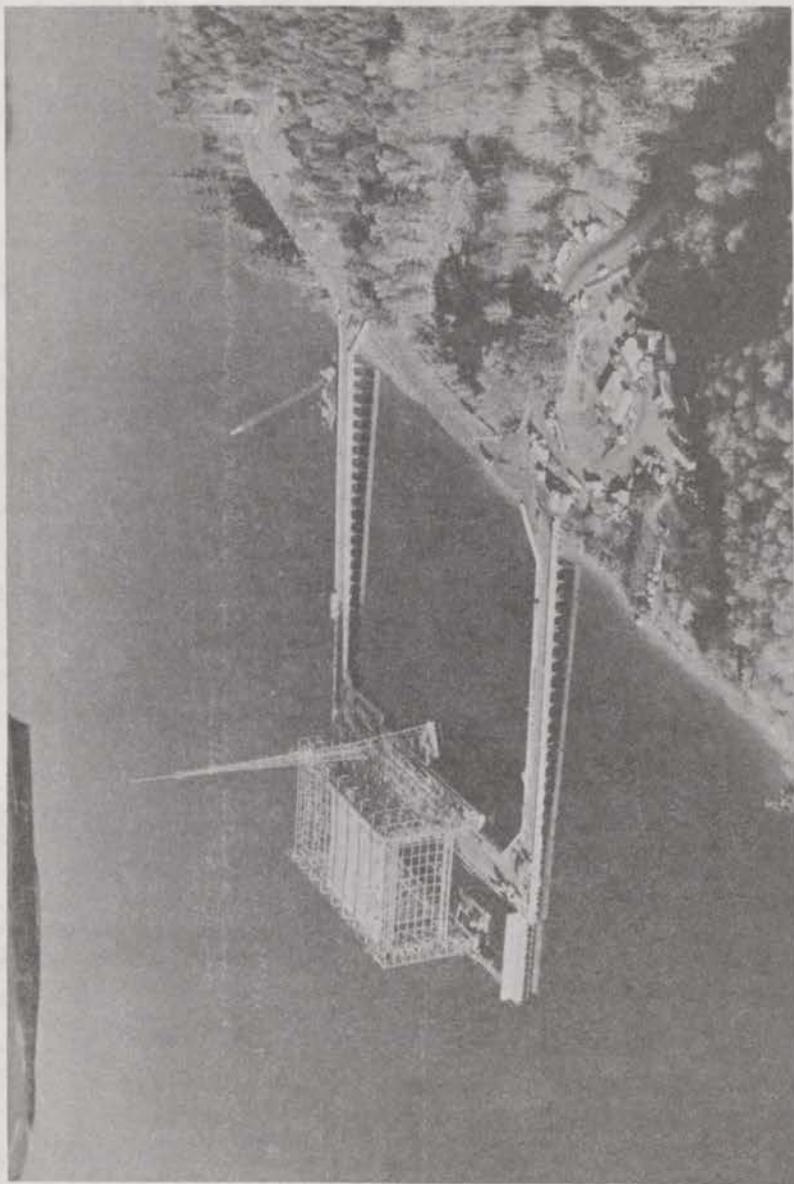
2. Launch Complex 25 Access Stand, Cape Canaveral, FL



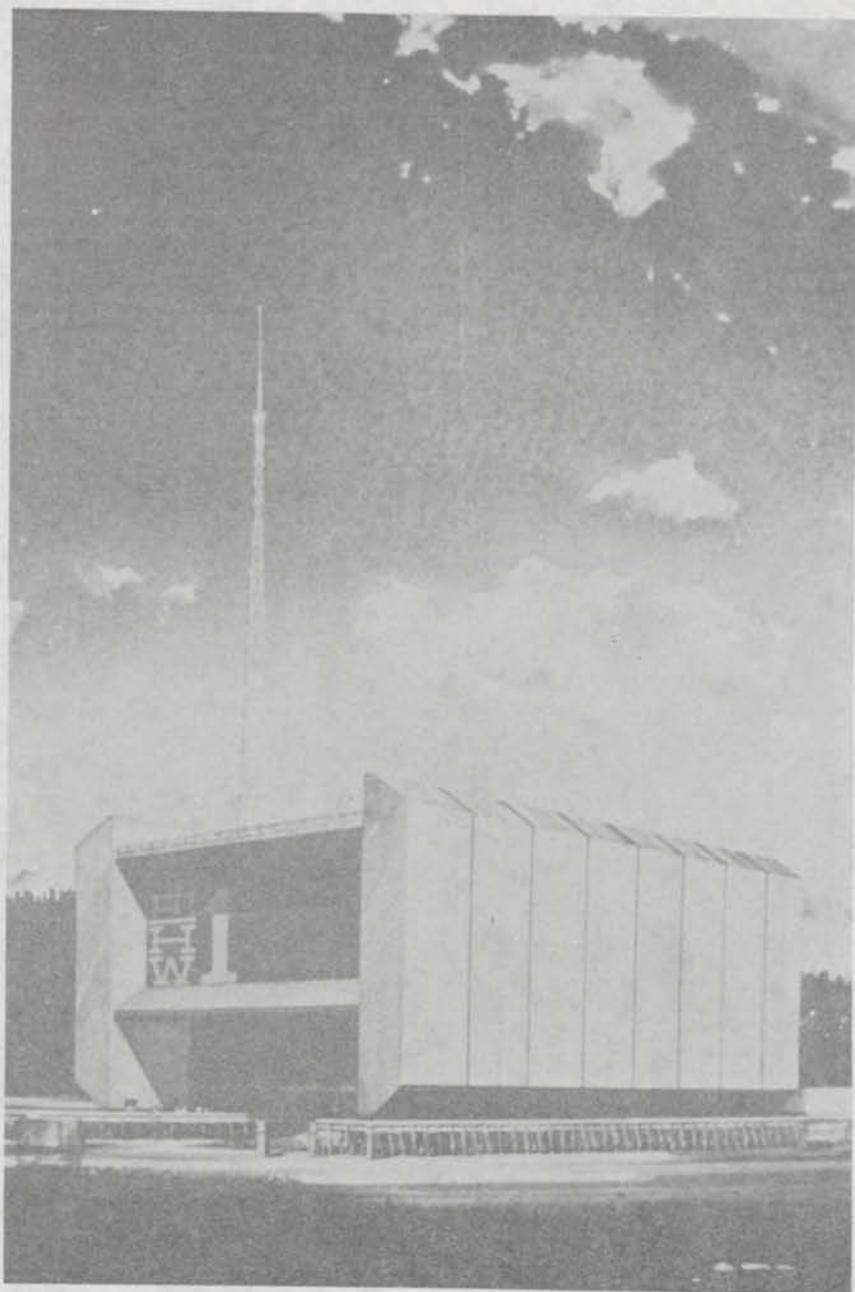
3. Bangor, Wash., Location Map



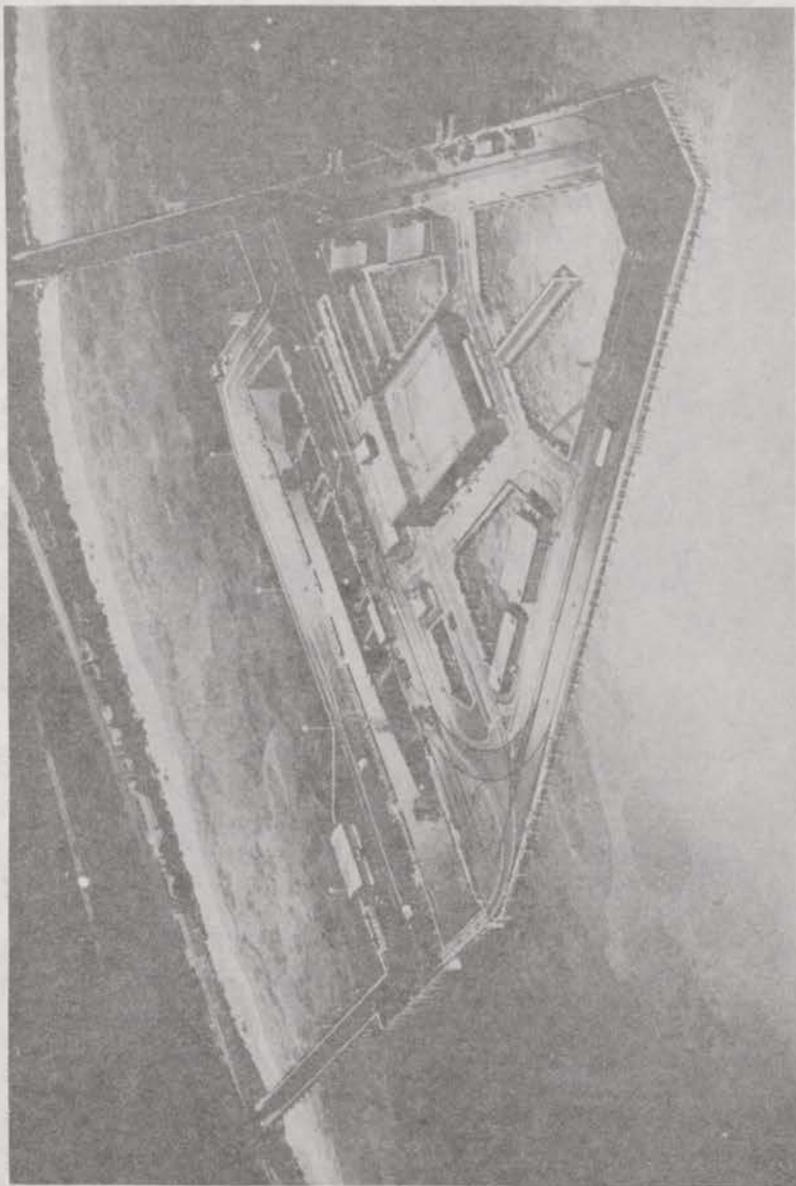
4. EHW #1, Water Level View



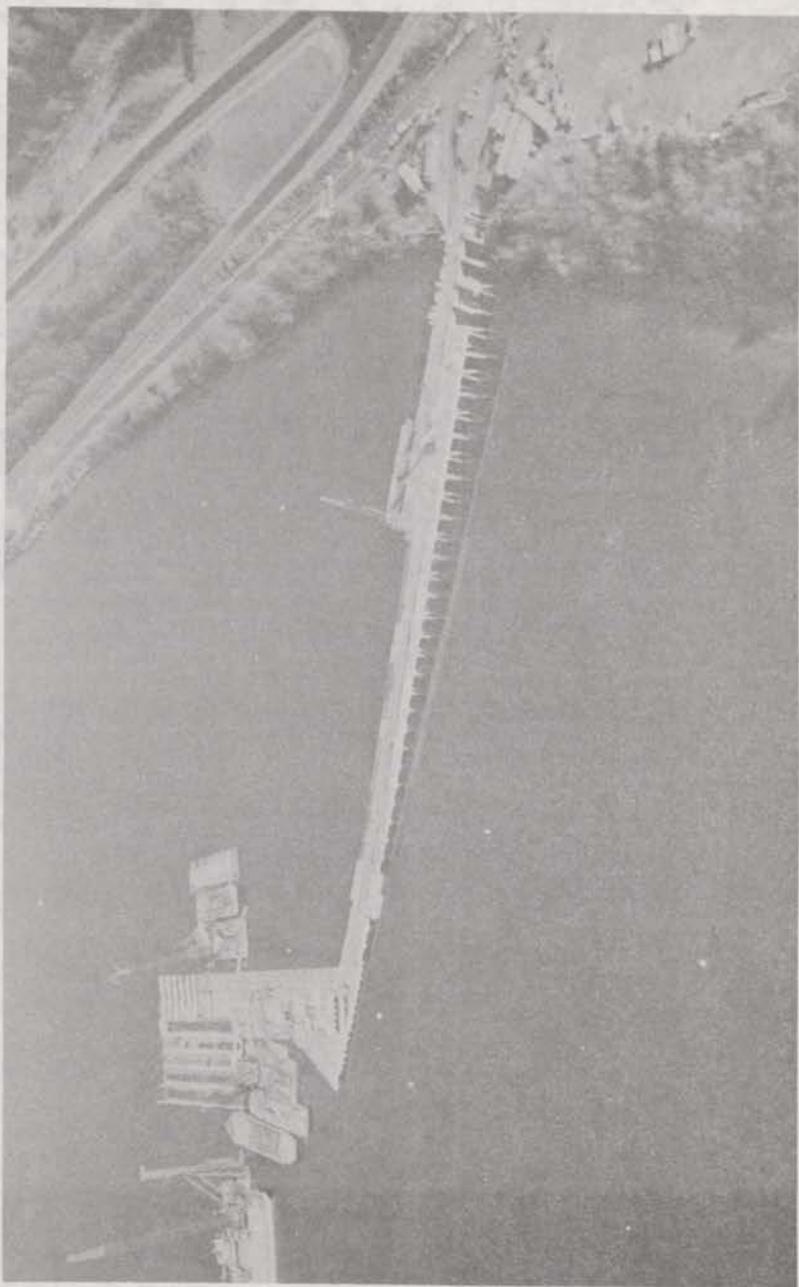
5. EHW #1, Aerial View



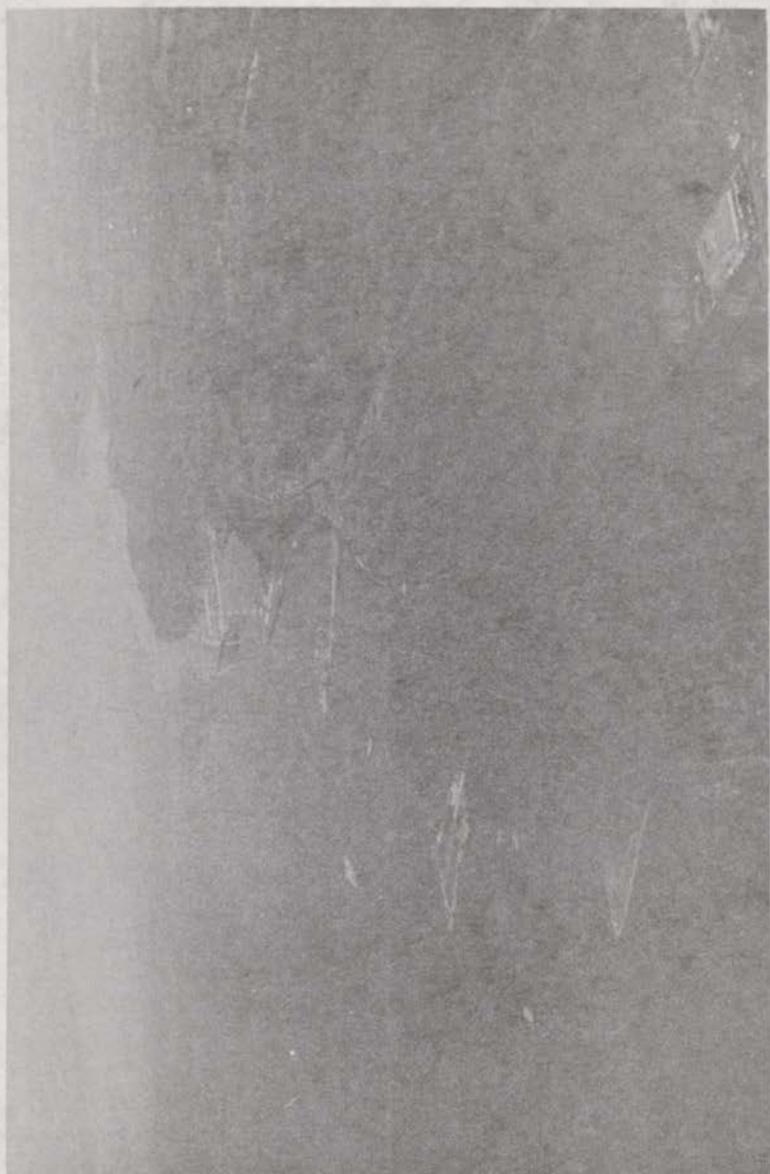
6. EHW #1, Artist's Rendering



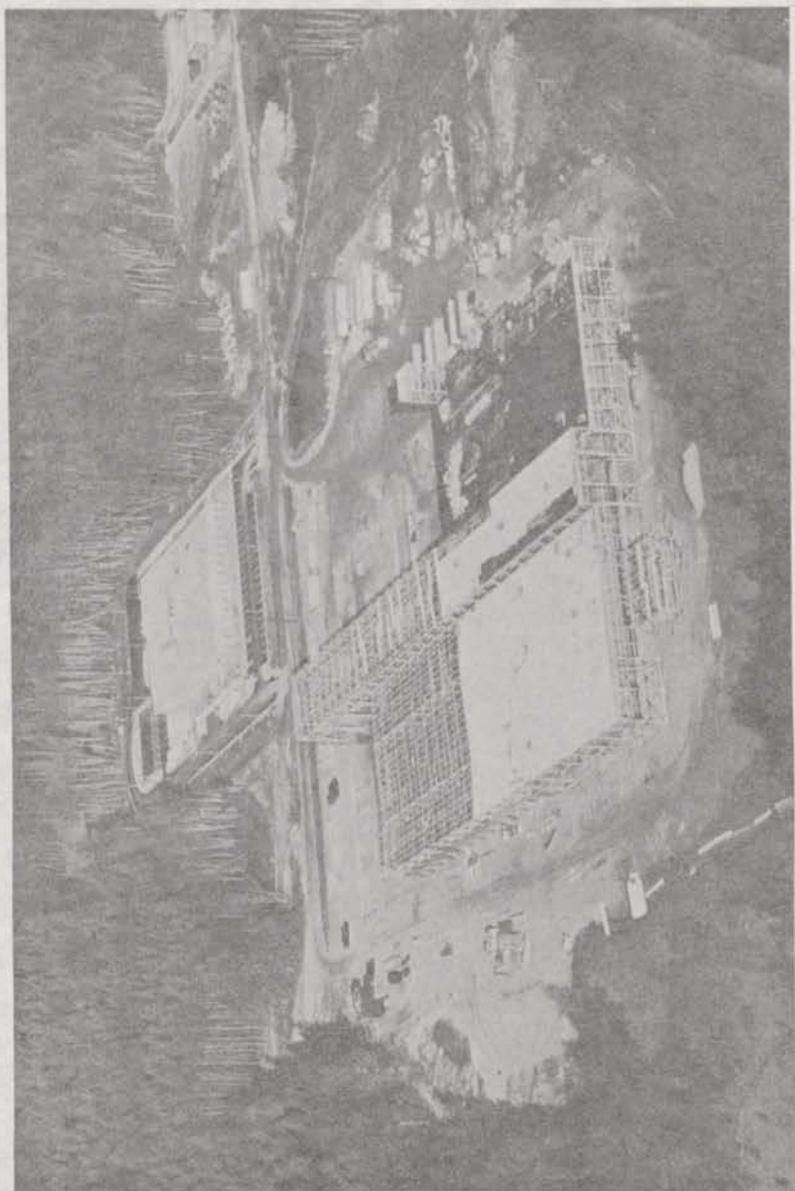
7. TRIDENT Refit Delta, Artist's Rendering



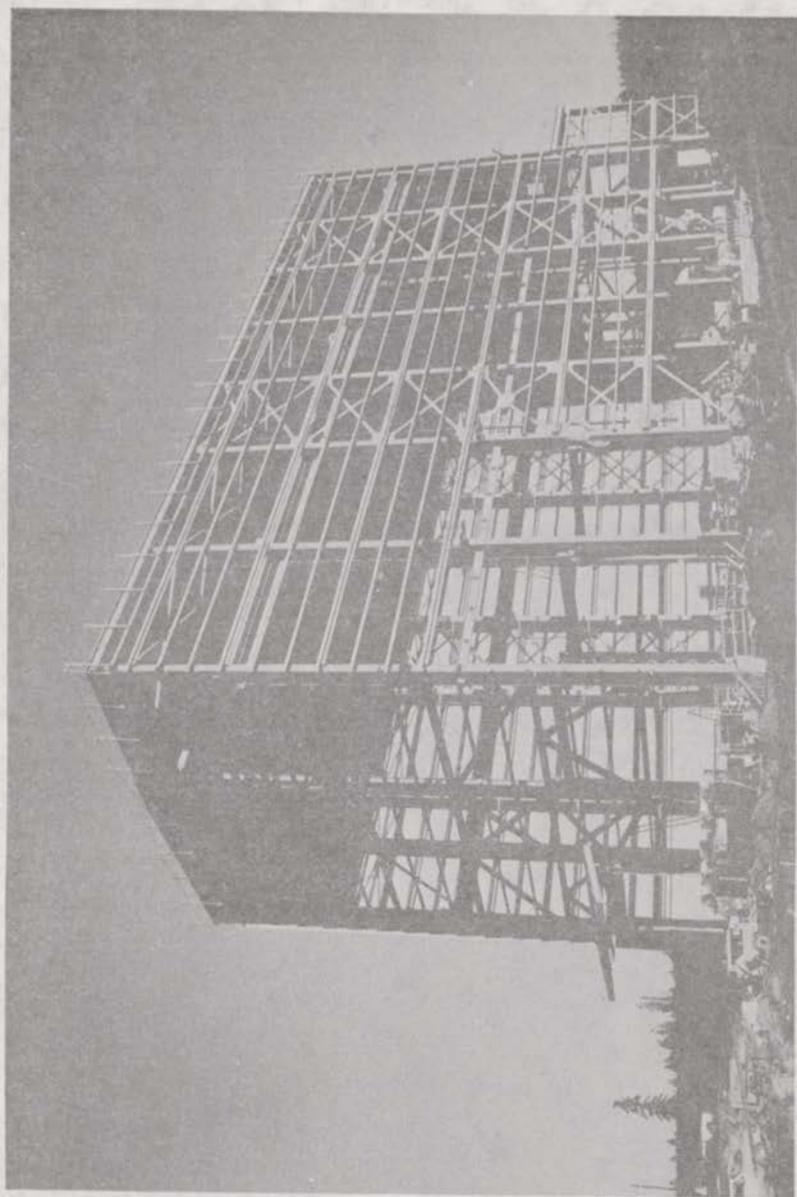
8. TRIDENT Refit Delta, Construction



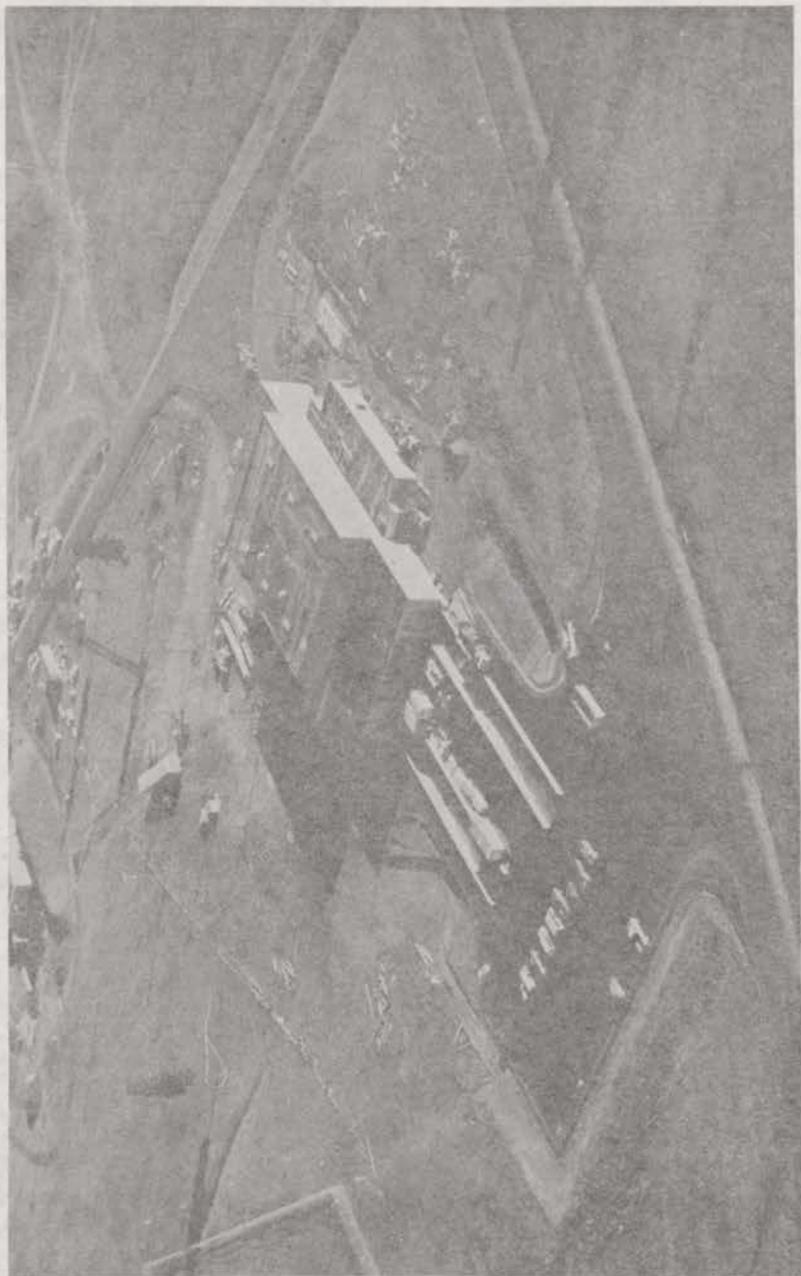
8A. Bangor Shoreline



9. Refit Industrial Facility (foreground) SWS Maintenance Shop (background)



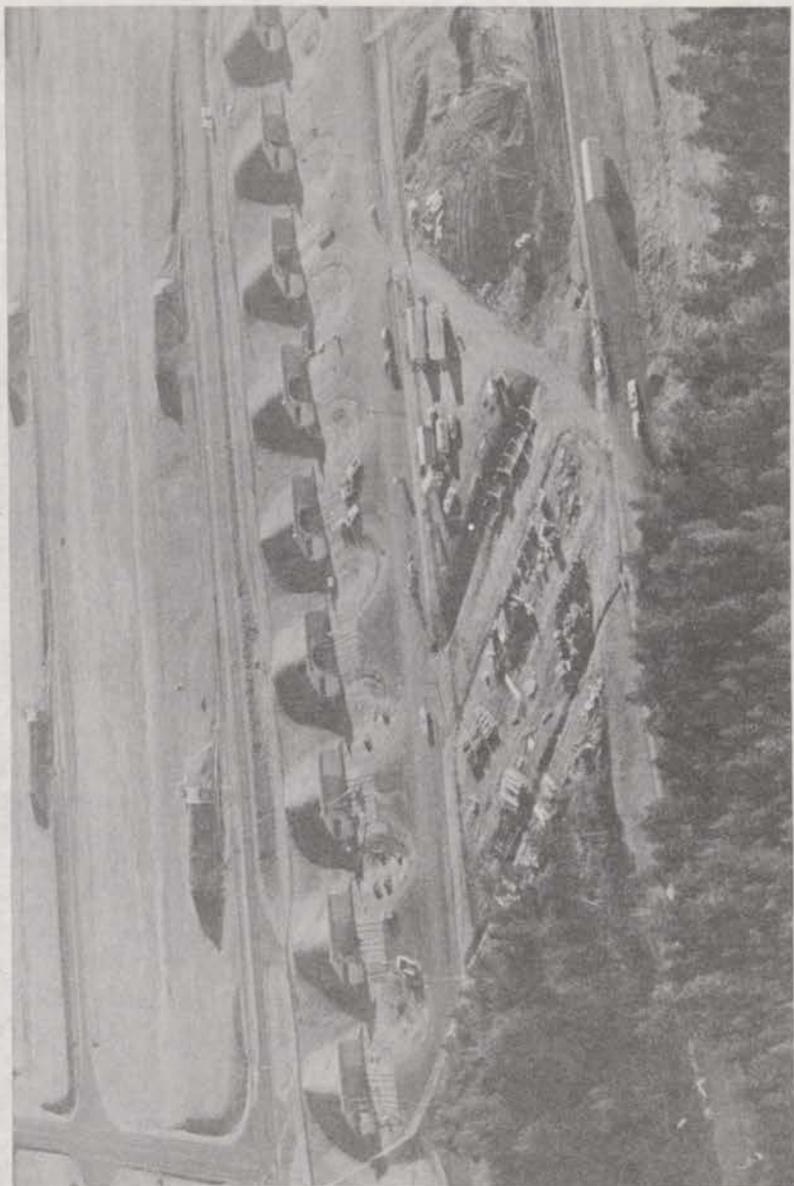
10. Vertical Missile Packaging Building



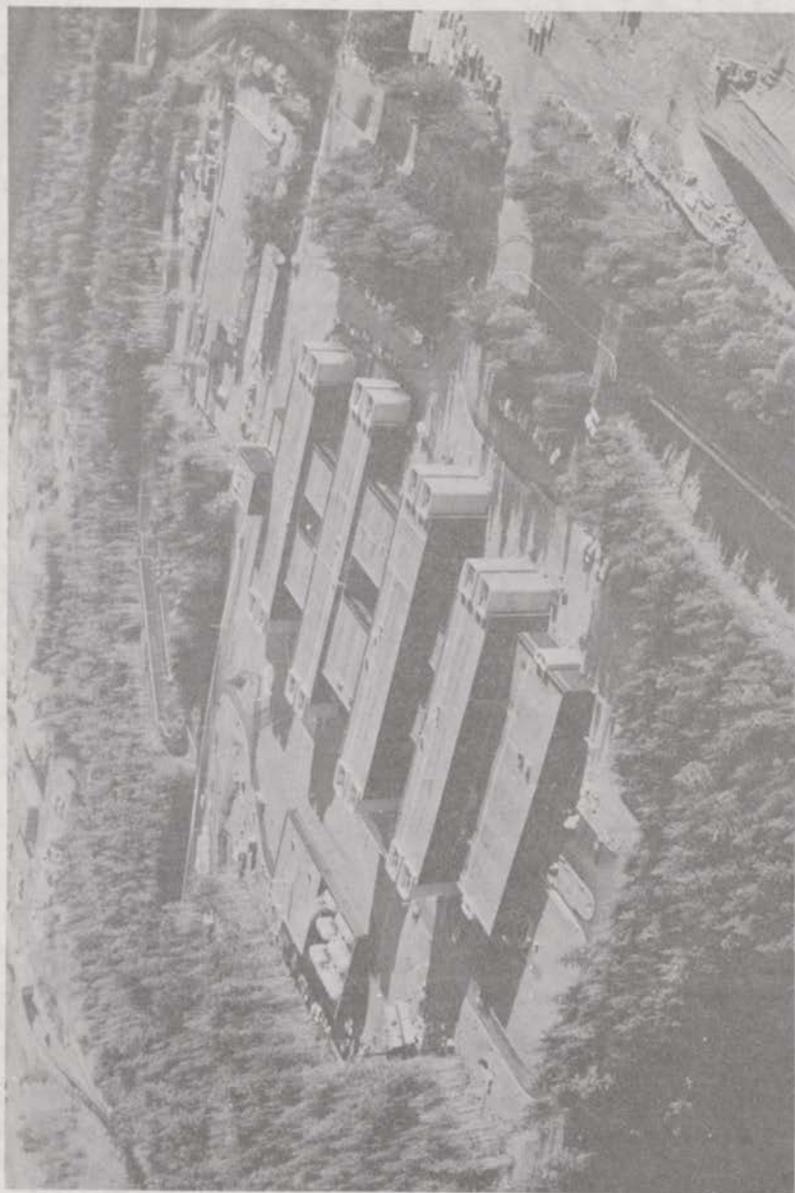
11. Missile Assembly Building



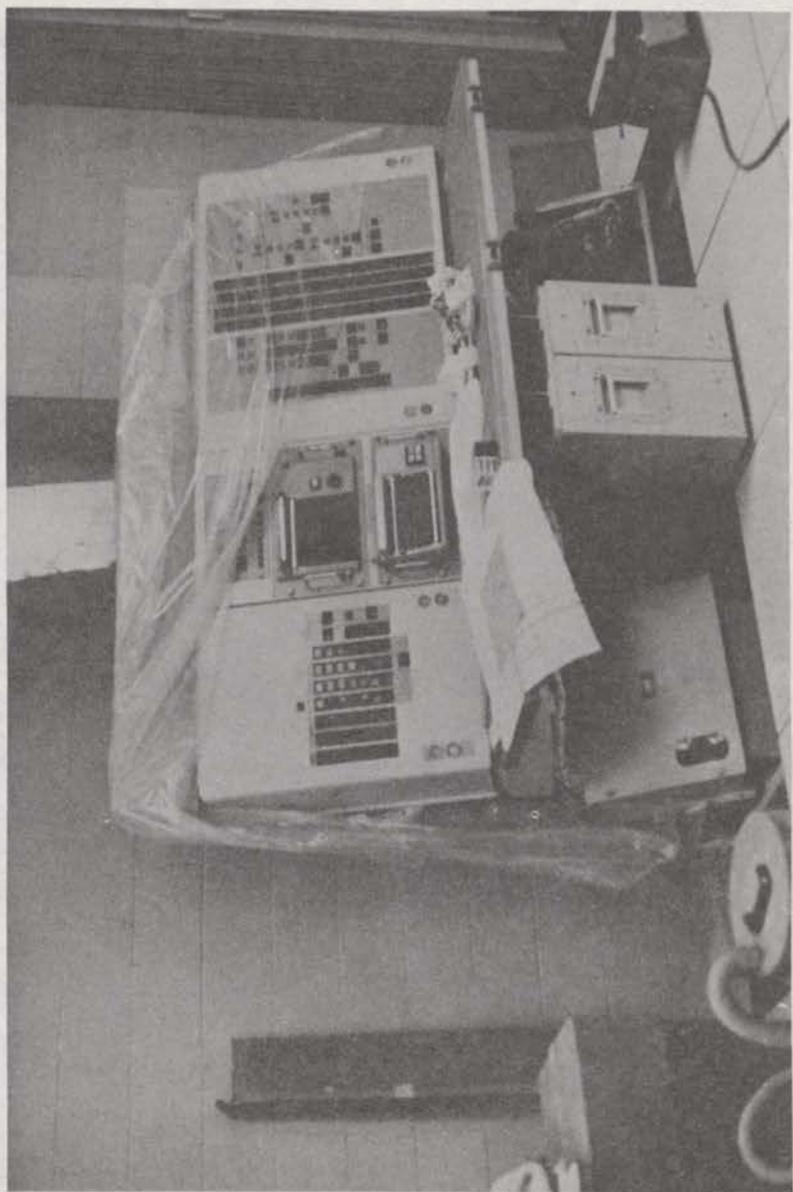
12. Missile Parts Warehouse (foreground) Inert Components Processing Building (background)



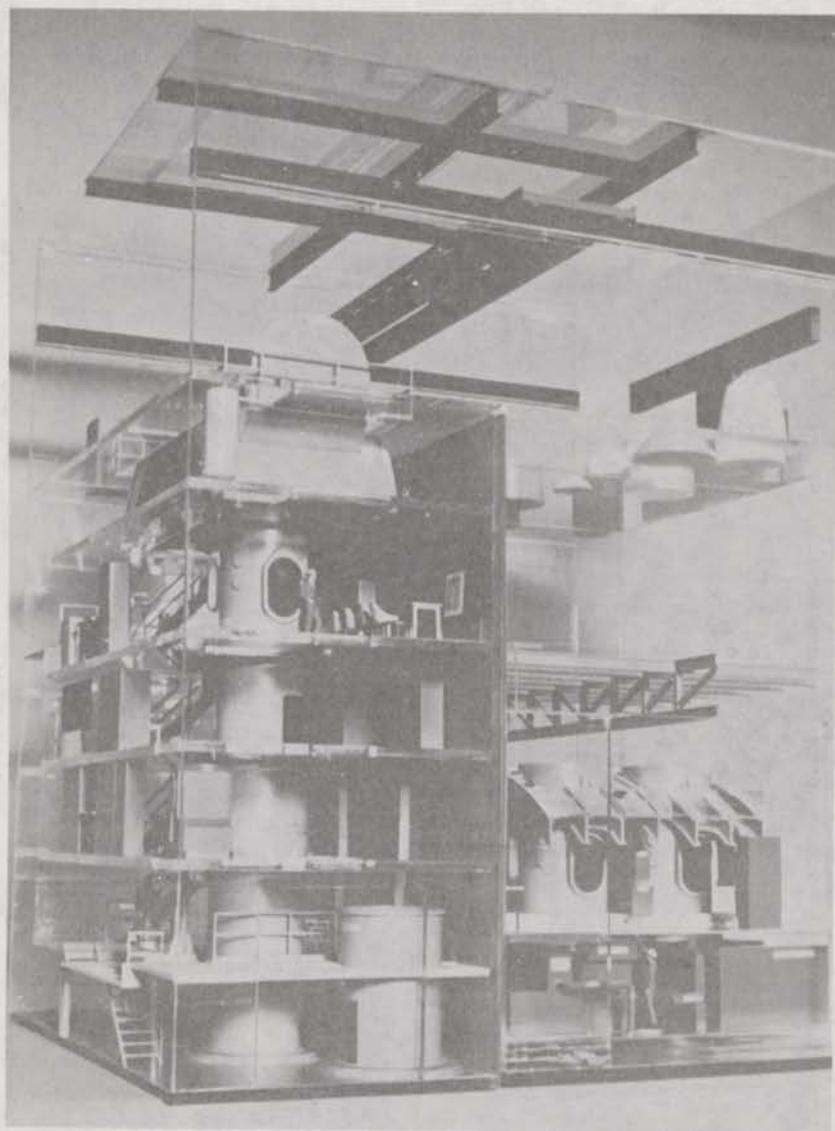
13. Missile Motor Magazines



14. TRIDENT Training Facility



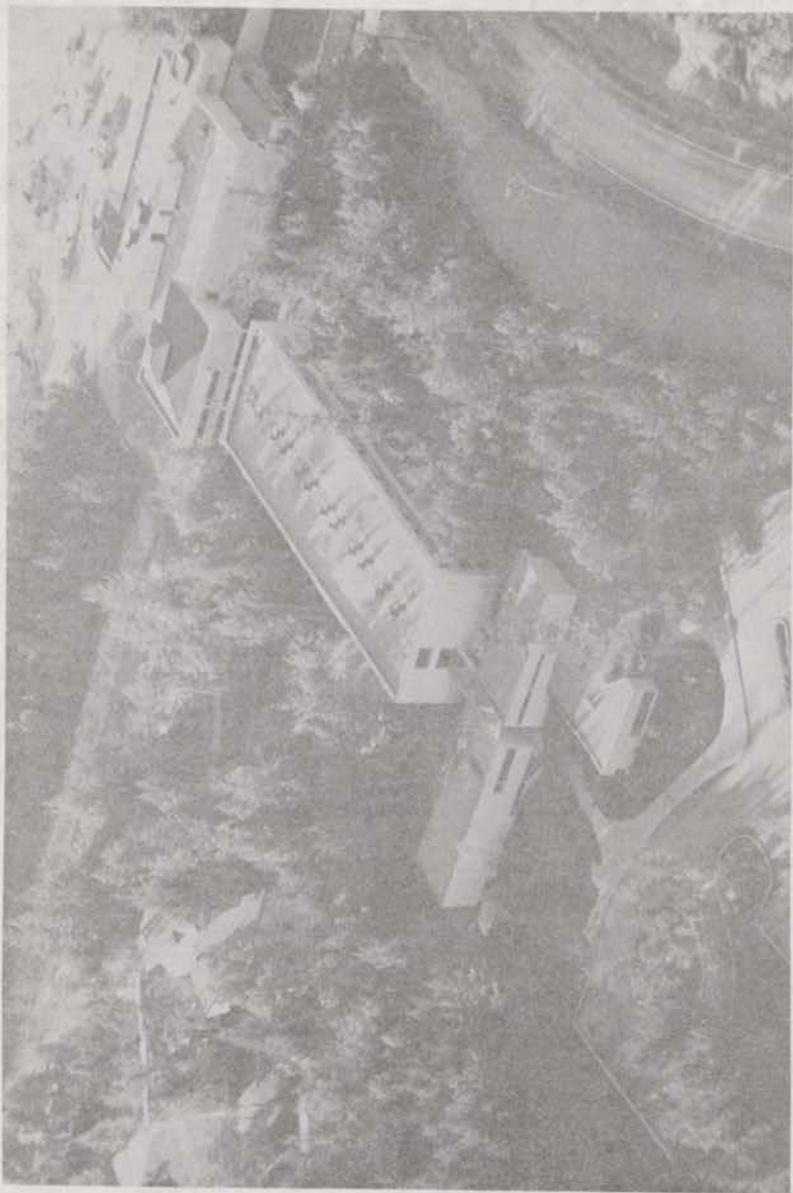
15. TRIDENT Training Facility—Weapons System Control Console



16. TRIDENT Training Facility—Launch Tube Trainer



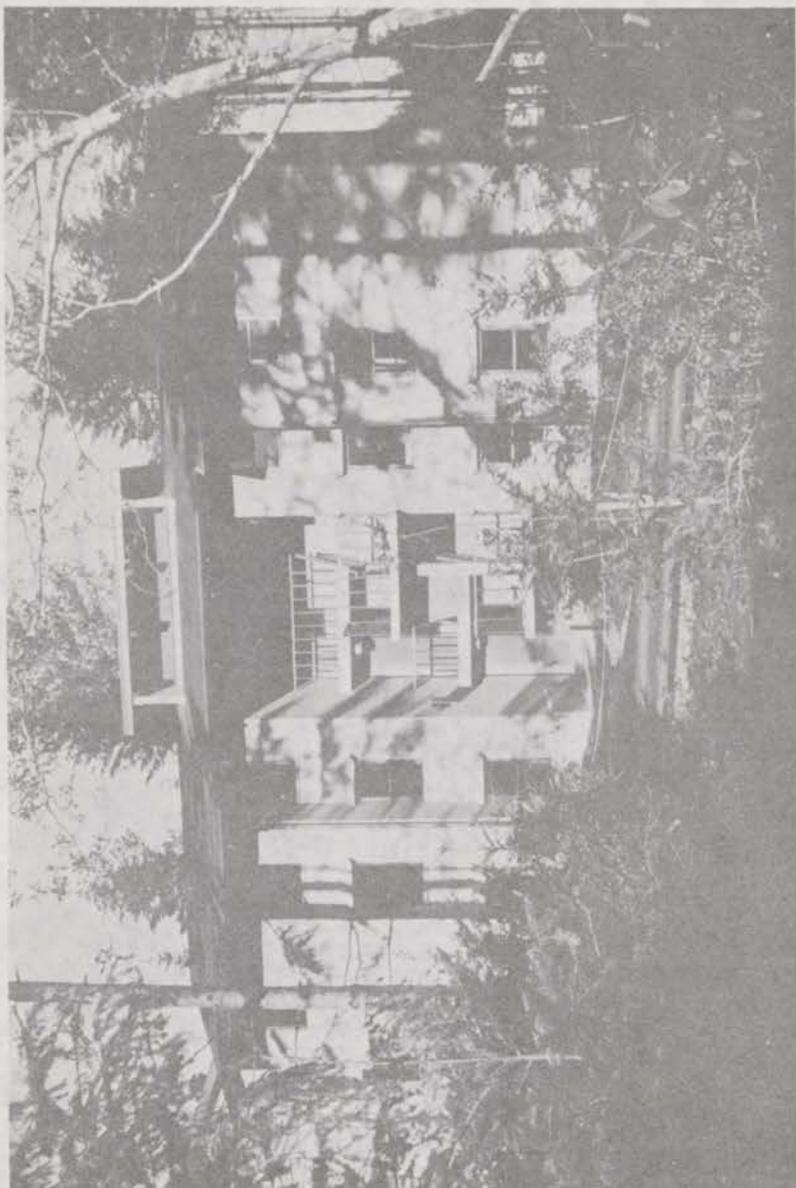
17. Enlisted Men's Dining Facility



18. Marine Corps Berthing and Administration Facility



19. Bachelor Enlisted Quarters (aerial)



20. Bachelor Enlisted Quarters (elevation)

STATEMENT OF REAR ADM. A. L. KELLN

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE.

I APPRECIATE THIS OPPORTUNITY TO PRESENT A MORE DETAILED PICTURE OF OUR MILCON REQUIREMENTS ASSOCIATED WITH THE PROPOSED EAST COAST SSBN REFIT SITE AT KINGS BAY, GEORGIA, AND WITH THE UPGRADING OF FACILITIES AT THE POLARIS MISSILE FACILITY AT CHARLESTON, SOUTH CAROLINA.

I WOULD FIRST LIKE TO COVER THE MILCON NEEDS AT KINGS BAY. AS YOU KNOW, THE TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN PROVIDES FOR THE WITHDRAWAL OF THE FLEET BALLISTIC MISSILE (FBM) SUBMARINE SQUADRON FROM ROTA, SPAIN, PRIOR TO 1 JULY 1979. CONSEQUENTLY, AN ATLANTIC REFIT SUPPORT SITE IS REQUIRED TO ACCOMMODATE THE ROTA SUBMARINES AND SUPPORT TENDER. PERSONNEL FROM THE NAVAL FACILITIES ENGINEERING COMMAND WILL PRESENT THE EXACT FUNDING REQUESTED, BUT I WOULD LIKE TO AMPLIFY WHAT THESE FUNDS WILL ACCOMPLISH. ABOUT 45 PERCENT OF THE TOTAL 1978 REQUEST WILL BE USED FOR DREDGING. DREDGING IS REQUIRED TO MAKE THE CHANNEL IN FROM SEA, AS WELL AS THE WATERFRONT AREA AND TURNING BASIN, USABLE BY THE SUBMARINES AND SUPPORT TENDER. IN PLACES, THE 200 FEET WIDE CHANNEL MUST BE WIDENED TO 400 FEET. OVERALL, THE CHANNEL AND TURNING BASIN MUST BE DEEPENED TO 35 FEET TO PROVIDE NECESSARY CLEARANCE. THE TURNING BASIN MUST ALSO BE EXPANDED TO PROVIDE MANEUVERING ROOM FOR THE SUBMARINES WHEN THE SUPPORT TENDER IS MOORED TO THE EXISTING WHARF. TOTAL DREDGING WILL AMOUNT TO ABOUT 9.5 MILLION CUBIC YARDS.

ANOTHER 45 PERCENT OF THE FISCAL YEAR 1978 TOTAL WILL BE USED FOR CONSTRUCTION OF NEW UTILITIES OR AN INCREASE IN CAPABILITY OF EXISTING UTILITIES. THIS INCLUDES SEWAGE REQUIREMENTS TO PRECLUDE DUMPING OF SEWAGE INTO ADJOINING WATERS, AS WELL AS WATER AND ELECTRICAL POWER FOR REFIT SUPPORT BUILDINGS, THE WHARF, AND THE SUPPORT TENDER.

ABOUT TWO PERCENT WILL BE USED FOR NECESSARY MINOR REPAIR OF THE EXISTING WHARF AND ADAPTATION OF THE WHARF TO ACCOMMODATE THE SUPPORT TENDER. THERE IS ALREADY AMPLE SPACE AT THE WHARF FOR TUGS AND OTHER SUPPORT CRAFT, SO VERY LITTLE UPGRADING IS REQUIRED IN THIS AREA.

ON THE SHORE, THE EXISTING PORT OPERATIONS BUILDING AND FIRE STATION BUILDING REQUIRE REFURBISHMENT TO PROVIDE ADEQUATE WATERFRONT SUPPORT.

THE REMAINING FUNDS WILL BE USED TO INSTALL A FLOATING DRYDOCK AND ACCESS CAUSEWAY TO THE DRYDOCK. A DRYDOCK CAPABILITY IS NECESSARY FOR THE REPAIR AND REFIT OF SUBMARINES AND MUST BE READY WHEN THE SUBMARINES ARRIVE.

INTRODUCTION OF THE TRIDENT C-4 MISSILE AND ITS BACKFIT TO 10 EAST COAST POSEIDON SUBMARINES CREATES A NEED FOR BOTH NEW AND MODIFIED FACILITIES. IN GENERAL, STORAGE AND HANDLING FACILITIES WILL BE LOCATED AT THE CURRENT POLARIS MISSILE FACILITY AT CHARLESTON, SOUTH CAROLINA. TO ACCOMMODATE THIS MISSILE, WE NEED TO BUILD 10 NEW MISSILE MOTOR MAGAZINES AS WELL AS MODIFY SOME 25 EXISTING MAGAZINES TO MEET STORAGE ENVIRONMENTAL SPECIFICATIONS. FOR THE STORAGE OF RE-ENTRY BODIES, WE NEED TO MODIFY EIGHT EXISTING MAGAZINES TO MEET ENVIRONMENTAL SPECIFICATIONS.

IN ORDER TO SUPPORT PRODUCTION OPERATIONS, THE LOAD CARRYING CAPACITY OF PORTIONS OF THE EXISTING RAILROADS MUST BE INCREASED.

TO PROVIDE FOR THE COVERED STORAGE OF SHIPPING AND STORAGE CONTAINERS OF ALL TYPES, MISSILE LINERS ON ERECTION TRAILERS, AND AIRLIFT EQUIPMENT, A COVERED CONTAINER STORAGE AREA IS REQUIRED. NO SUCH CAPABILITY EXISTS NOW FOR TRIDENT C-4.

ADDITIONALLY, NEW BUILDINGS ARE REQUIRED FOR RADIOGRAPHIC INSPECTION OF MISSILE MOTORS, FOR ASSEMBLY AND CHECKOUT OF MISSILE MOTORS, AND FOR THE ASSEMBLY AND DISASSEMBLY OF COMPLETE MISSILES. THE EXISTING DOCKSIDE HANDLING BUILDING WILL HAVE TO BE MODIFIED FOR HANDLING C-4 MISSILES.

THE REMAINING FUNDS WILL BE USED FOR CONSTRUCTION OF MAGAZINES FOR STORAGE OF LAUNCH GAS GENERATORS, LAUNCH TUBE CLOSURES, AND OTHER "SMALL ORDNANCE" ITEMS.

FOR ALL OF THE NEW CONSTRUCTION ITEMS, EXTENSIONS OF EXISTING UTILITY SYSTEMS ARE NECESSARY AND ARE INCLUDED.

IN SUMMARY, THE RELOCATION OF A SUBMARINE SQUADRON TO THE EAST COAST AND THE INTRODUCTION OF A NEW AND LARGER MISSILE TO THE ATLANTIC SUBMARINE FORCE HAS CREATED THE NEED FOR NEW FACILITIES. I BELIEVE THAT WHAT WE ARE REQUESTING IS THE MINIMUM, "BARE BONES" CAPABILITY TO SUPPORT AND SAFELY OPERATE THE CHANGING SUBMARINE FORCE, WHILE MEETING NATIONAL SAFETY AND ENVIRONMENTAL REQUIREMENTS.

REDUCTION OF MARINE CORPS PROGRAM

Senator JOHNSTON. General Bartlett, you say you have a \$27 million request. That is the request after the cut?

General BARTLETT. Yes, sir.

Senator JOHNSTON. How much did you reduce it?

General BARTLETT. It was reduced \$28,100,000, more than 50 percent.

Senator JOHNSTON. What was the \$28 million cut?

General BARTLETT. This is a list I can provide for the record, sir.

[The information follows:]

The following fiscal year 1978 Marine Corps projects were deferred:

<i>Project and location</i>	<i>Cost</i>
Physical fitness center: MCB, Camp Lejeune.....	\$600,000
Maintenance and operations building: MCAS (H), New River.....	3,500,000
Bachelor enlisted quarters, 427 men: MCRD, Parris Island.....	4,250,000
Dining facility alterations: MCRD, Parris Island.....	500,000
Bachelor enlisted quarters, women marine recruits: MCRD, Parris Island.....	2,300,000
Applied instruction building: MCRD, Parris Island.....	700,000
Dining facility: MCB, Camp Pendleton.....	2,000,000
Telephone system improvements: MCB, Camp Pendleton.....	550,000
Bachelor enlisted quarters: MCB, Camp Pendleton.....	12,200,000
Communications center: MCAS, El Toro.....	750,000
Flight simulator building: MCAS (H), Santa Ana.....	750,000
Total	28,100,000

Senator JOHNSTON. Will all of these items definitely have to be built sometime in the future?

General BARTLETT. Very definitely.

Senator JOHNSTON. Each one?

General BARTLETT. Yes, sir.

Senator JOHNSTON. They are not items you might study and decide you can do without; they are just deferred until a later time?

General BARTLETT. These are hard requirements for the Marine Corps in every category, especially the facilities for the women marines. We are urgently in need of better facilities for the women. We are getting more women and have to increase our facilities to provide for them.

Senator JOHNSTON. What is your experience with the woman marine?

General BARTLETT. My experience and the experience in the corps in the past 2 years: We are highly impressed; they are a super bunch of marines. When I go out to see the work they are doing and how they are doing it, I can't believe it.

I am so impressed I say, "Let's enlist all we can." We are trying to get at least 10,000 women marines in the corps and, if we can do that and get the caliber we are getting now, we will be in good shape.

RESTORATION OF PROGRAM

Senator JOHNSTON. Back to a statement I have made to the other services that have been here, we must cut when it is helpful to the economy but construction and building trades are necessary to the

employment of the country and we are going to try to restore that cut to the tune of \$600 million.

I don't know what kind of chance we will have but, if we can restore the \$600 million, that will be about three-fourths of the amount cut, I think, unwisely. For Trident, you have a \$121 million fiscal year 1978 request, plus prior year appropriations of \$484 million. I think you say by October 1 most of the prior appropriations will be obligated?

Admiral MARSCHALL. Yes, sir.

Senator JOHNSTON. All of this is going into the base at Bangor?

Admiral MARSCHALL. There are a few minor items for Cape Canaveral and a facility at Point Mugu, but most at Bangor, Wash.

Senator JOHNSTON. Fundamentally most will be centered at Bangor?

Admiral MARSCHALL. Yes, sir, but there is a tracking facility at Point Mugu and some missile testing facilities at Cape Canaveral that have already been built.

Senator JOHNSTON. The Armed Services Committee considers, for the most part, tactics, strategy, where you have Tridents stationed. Can you give me a short answer as to why it is wise to have all of the Tridents at one place and have to come through that narrow strait?

TRIDENT BASING

Admiral MARSCHALL. I will try. Basically we needed a refit site for the Trident submarines. We conducted economic and strategic studies. We studied this decision very, very thoroughly and came to the conclusion that a dedicated refit site was necessary if we were to keep these submarines at sea, where they would provide the strategic deterrent that the country needs.

The Bangor base was set up, as a result of these studies for the first 10 Trident submarines. It has been developed to permit further construction so we could accommodate eventually 20 submarines if necessary. We don't have any plans at this moment expanding Bangor to accommodate more than 10 submarines. The decision may be made in the future to have Trident submarines on the east coast or to increase the number at Bangor.

Senator JOHNSTON. The main question I have is on vulnerability, with all of your eggs in one basket.

Admiral MARSCHALL. I am sure that is a concern of all of us but, with the necessary capital investment, which is going to approach \$800 million, it would be pretty tough to get these facilities for the first 10 Trident submarines spread around in different locations in the country.

Again I say no decision has been made about future basing for Trident submarines beyond the first 10. It may happen that sometime in the not too distant future we may come to the committee and say, "Gentlemen, we think we want to base some on the east coast." It could happen.

Senator JOHNSTON. It just seems to me that, with everything in the one harbor, you can have everything from sabotage to just one nuclear strike there.

Admiral METZEL. Senator, the point should be made, I believe, that of the squadron of 10 submarines, 7 will be at sea at any given time; only 3 will be in port. Occasionally you might have a fourth in there for an overlap of a day.

The Strait of Juan de Fuca is the widest egress point of any of the ports from which we operate.

Senator JOHNSTON. I see.

Admiral METZEL. Admiral Kelln may have something to add.

BASING TRIDENT SUBMARINES-ATLANTIC COAST

Admiral KELLN. If I may add, up to the period of 1992 we will have 10 additional Poseidon submarines on the Atlantic coast backfitted with the Trident missile, which will give that long-range capability in the Atlantic. That is in addition to the existing Poseidon squadrons, one at Holy Loch and one at Charleston. So we will maintain our deterrent-force home ports scattered—that is, not in one place.

As Admiral Metzels has said, it will be normal practice to keep a majority of these boats, 7 of the 10 of any 1 squadron, at sea.

Senator JOHNSTON. How much economy is there in quantity? I guess we are committed to these first 10. But to build the second 10, will it be cheaper to put those also at Bangor?

Admiral KELLN. It becomes a matter of targeting and national policy. The Poseidon submarines were designed for a 20 year life but we are attempting to extend the life to 25 years. As those submarines age and that deterrent capability disappears from the Atlantic Ocean—it would be the Navy's intention to have Trident submarines and the Trident missile in the Atlantic. We can then maintain a two-ocean threat to the Soviets through a variety of threat azimuths on the Soviet Union—thereby compounding their ASW problem.

So if the Congress decides to build beyond 10 Trident submarines, it would be the Navy's intention and necessity, for targeting reasons as well as others, to consider very strongly putting those in the Atlantic Ocean.

Senator JOHNSTON. Thank you very much, gentlemen. I would be remiss if I didn't remark Admiral Marschall is from New Orleans, I am always happy to welcome him here.

NAVAL RESERVE

STATEMENT OF REAR ADM. PAUL W. ROHRER, DEPUTY DIRECTOR
OF NAVAL RESERVE

ACCOMPANIED BY:

- CAPT. JAMES A. ERICKSON, CEC, USN, DIRECTOR OF FACILITIES,
STAFF, CHIEF OF NAVAL RESERVE
COMDR. HERBERT H. LEWIS, JR., CEC, USN, HEAD, FACILITIES
BRANCH, OFFICE OF THE DIRECTOR OF NAVAL RESERVE
MAJ. DAVID W. NELSON, USMC, CONSTRUCTION PROGRAM-
MING UNIT, OFFICE OF DEPUTY CHIEF OF STAFF FOR INSTAL-
LATIONS AND LOGISTICS, STAFF, COMMANDANT OF THE
MARINE CORPS
V. H. DURRANCE, ASSISTANT FOR LEGISLATION AND LIAISON,
OFFICE OF THE DIRECTOR OF NAVAL RESERVE
F. A. PETERLIN, PROJECT MANAGER, RESERVE PROJECTS,
NAVAL FACILITIES ENGINEERING COMMAND

Senator JOHNSTON. Next on our witness list will be Rear Admiral Rohrer.

Admiral ROHRER. If you don't mind, I would like to read my statement.

Our request for fiscal year 1978 totals \$21.7 million, of which \$17,700 million is for specific projects and \$1.9 million is for continuing authority. This request is \$4.9 million more than the fiscal year 1977 program originally submitted to Congress but \$1.9 million less than the program ultimately approved by Congress.

This fiscal year 1978 military construction, Naval Reserve, program includes 18 projects totaling \$15,182,000 in support of the Naval and Marine Corps Air Reserve and five projects totaling \$4,618,000 in support of the Naval Surface Reserve and Marine Corps Reserve.

The Air Reserve program includes one air operations project required to provide adequate parking for P3 patrol aircraft. Three projects are being requested to provide hangar and maintenance facilities to support maintenance of Naval and Marine Corps Reserve aircraft.

The three projects requested for training facilities are required to correct training space deficiencies and provide space to house training devices being acquired by the Reserves. Two projects for personnel and administrative support facilities are required to provide bachelor enlisted quarters and supply administrative facilities.

The Naval Surface Reserve and Marine Corps Reserve program includes two projects—one to construct a new Reserve center to replace an inadequate existing center and the addition to an existing center to permit consolidation of Reserve centers.

Included in this fiscal year 1978 program are five energy conservation projects totaling \$600,000 and seven pollution abatement programs totaling \$1,500,000 at seven various activities.

The backlog of Naval Reserve and Marine Corps Reserve construction deficiencies now totals \$255 million. The backlog reflects changes to meet Reserve program improvements, the deterioration of our over-age facilities and the effects of the inflation of recent years in construction costs.

The fiscal year 1978 construction program is formulated to provide a required upgrading of inadequate Reserve facilities and to improve the mobilization readiness of the Naval and Marine Corps Reserve components.

We are continuing to support the policy of joint utilization at every opportunity. Of the 403 sites at which the Naval Reserve and Marine Corps Reserve now operate, 232, or 58 percent, are jointly utilized with one or more services. All of the support facilities proposed in this request are for sites jointly utilized by the Navy and Marine Corps Reserve with other Reserve forces or with the Regular Army.

We are progressing well with regard to awarding contracts for projects approved in prior year programs. Of the 16 projects in our fiscal year 1976 program, we now have 14, or 88 percent, of the projects authorized under contract. We anticipate that 100 percent of the projects provided for in the fiscal year 1977 program will be under contract prior to the end of this fiscal year.

In addition, favorable bid prices received on fiscal year 1976 projects are making possible early award of five additional high priority Reserve projects. Design for the projects requested in this program is well along and will allow award of most contracts early in the fiscal year.

The justification data books which have been furnished contain detailed project descriptions in support of our request. All of the requested projects are designed to improve operational, maintenance, training, and personnel support facilities and will contribute greatly to improved readiness and responsiveness of both Naval Reserve and Marine Corps Reserve.

We appreciate your past support and earnestly seek your approval of the required projects included in this year's program.

This concludes my statement, Mr. Chairman. I shall be pleased to answer any questions or provide further information as desired.

Senator JOHNSTON. Thank you very much, Admiral.

Getting back to Admiral Marschall, I am looking here for Diego Garcia. What do we have for that this year?

DIEGO GARCIA

Admiral MARSCHALL. We have \$7.3 million in this year's program, Mr. Chairman. The facilities include airfield facilities, communications improvements, fire stations, maintenance and storage facilities, a 172-man BEQ and recreation and morale facilities.

Senator JOHNSTON. In past debates we have had on Diego Garcia, I have taken the view it is very much in our interests to be there. The criticism is that we have a three-force Navy with entry into the Indian Ocean. Obviously this \$7.3 million won't put us into an ocean we wouldn't otherwise be in.

Will you give me the rationale for the \$7.3 million and what it entails? If we fail to give you this \$7.3 million, you would be in or out

of the Indian Ocean? This doesn't make it possible for you to be there.

Admiral MARSCHALL. That is right. It makes possible the ability of the fleet to go in and be served by what we refer to as a super filling station. The original intent of Diego Garcia was to provide an austere communications facility. That has been accomplished.

We came to the Congress back in the fiscal year 1975 and fiscal year 1976 programs to expand the mission so that we could provide logistic support to the fleet on its occasional visits into the Indian Ocean.

I think it is readily understandable that it is in the interests of the United States to have this capability for logistics support; as long as we are going to have any operations whatsoever in the Indian Ocean, it requires some facilities for the fleet which are a little bit beyond the replenishment ships of the task force because that is a very expensive proposition.

I think, by providing these fueling facilities which we are underway on, providing the necessary—

Senator JOHNSTON. This \$7.3 million is not for refueling?

Admiral MARSCHALL. No, sir; that was approved in the fiscal year 1976 program and is underway.

As we build up the mission of Diego Garcia to provide this so-called filling station for the fleet, of necessity we have to have additional facilities and a few more people. This rounds out the requirement for Diego Garcia to the best of our knowledge at this time.

Senator JOHNSTON. You say you need barracks for additional people?

Admiral MARSCHALL. Yes; 172 people.

Senator JOHNSTON. Are they there now?

Admiral MARSCHALL. No, sir. It is difficult to tell you what is there now and what is not, because we are in a transition. The Seabees are there building. They number close to 1,000. We have a Seabee battalion, which is basically 560-some people, plus elements of several other battalions there, all supervised by a regimental commander. There are roughly a thousand construction people there living in temporary quarters. The people living there now are housed inadequately right now—some of them—but the permanent station personnel who occupy the completed facilities are housed quite adequately.

RUNWAY EXTENSION

Senator JOHNSTON. What are you doing to the runway?

Admiral MARSCHALL. Extending it 4,000 feet. It began as an 8,000-foot runway and is being extended to 12,000 feet.

Senator JOHNSTON. That is for safety rather than usability? You can land most anything on 8,000 feet, can't you?

Admiral MARSCHALL. The necessity for the extension of 4,000 feet was the requirement by the Air Force that a KC-135 might have to come in there and it was their program that extended the strip.

A lot of discussion came up previously that it might be a B-52 base. This is not so, because the strip is too narrow, for one thing; and if we were to put B-52's in there at all for operational purposes, they would beat up that strip. It is just not "beefy" enough to take care of anything of that sort.

We anticipate sometimes there may be fleet aircraft in distress which could land at Diego Garcia; 12,000 feet accommodates the Navy, too. If you have an aircraft in trouble, he might need more runway than the 8,000 feet.

Senator JOHNSTON. The KC-135, if not fully loaded, can land with 8,000 feet very easily, can't it?

Admiral MARSCHALL. I don't know. I was under the impression it required more.

Senator JOHNSTON. Maybe more when they are taking off fully loaded?

Admiral MARSCHALL. Yes. But safety, of course, is the key to the whole thing.

SHIPYARD MODERNIZATION

Senator JOHNSTON. Admiral, we have \$43 million here for shipyard modernization. Does this indicate a decision by the Navy that they are going back to building their own ships? Didn't you have a study underway by the Department of Defense to do this? What were the results of those studies?

Admiral MARSCHALL. The last Navy ship built in a naval shipyard was in 1972. Since that time all Navy shipbuilding has been in private yards. There was a study caused by the Secretary of Defense last year to look into the merits of building navy ships in naval shipyards. This study was completed about December 1976, as I recall. The decision was made at that time that we would not build Navy ships in naval shipyards; we would continue using commercial yards, as we have for the past several years.

Senator JOHNSTON. What is the \$43 million for?

Admiral MARSCHALL. For shipyard modernization, to bring our shipyards up to snuff, so you can provide a better capability to overhaul and repair the ships of the fleet which now exist or are coming on the line. Shipyard modernization is a program which has had ups and downs over the last several years; with a concentrated effort in the next, say, 8 years, we hope very much to bring our shipyards to the point where they are completely efficient and able to do the necessary overhaul and repair.

Senator JOHNSTON. How much of that is outside of CONUS.

Admiral MARSCHALL. They only yard outside of CONUS is Hawaii. Of course, that is one of the 50 States.

Senator JOHNSTON. Don't we have a facility in the Philippines?

Admiral MARSCHALL. That is a ship repair facility, not a naval shipyard. We also have a ship repair facility in Guam.

Senator JOHNSTON. There is a difference between a ship repair facility and a shipyard?

Admiral MARSCHALL. One is a naval shipyard with a full industrial base and one is a ship repair facility with less than the total capability of a naval shipyard.

WHY MODERNIZE SHIPYARDS

Senator JOHNSTON. Why are we modernizing the shipyards when we made the decision to build our ships in public yards and use the naval shipyards only for refitting and repair?

Admiral MARSCHALL. That has been the only business of the naval shipyards for several years. You must understand that some of these shipyards go back almost to John Paul Jones. They are that old. They have sort of grown like Topsy over the years; what we are attempting to do in this shipyard modernization program is to engineer our modernization efforts so that these shipyards are capable of thorough, efficient overhaul of our navy ships.

It is strictly an industrial engineering problem. We have seen foreign shipyards built since the war which are super efficient. Our friends the Japanese, for example, all started after World War II; they are now the major shipbuilders in the world because they have these brand-new facilities.

The same is true for overhauling a ship as it would be for building one—not exactly, of course, but I remember when my ship was badly damaged in the Philippines in World War II we were practically rebuilt at Mare Island. You have to consider battle damage in the future and the continuing requirements for complete overhaul. When a carrier goes into the navy yard for complete overhaul, it may take up to 2 years, so this is very extensive work.

Senator JOHNSTON. Are we doing this work in a naval shipyard for political reasons, to keep these yards open, or is that money well spent?

Admiral MARSCHALL. In my own opinion and, I think, in the opinion of my seniors in the Navy, this is money extremely well spent. These are shipyards dedicated to navy ships and they are set up so they can take care of navy ships. The private yards sometimes are totally incapable of taking an aircraft carrier, for instance.

PRIVATE YARD CAPABILITY

Senator JOHNSTON. If they were capable of building the ship in the first place, they are capable of overhauling them. If the decision was made to go to the private yards to build it, presumably because it was more economical, the same logic should hold true for repair?

Admiral MARSCHALL. Take, for example, Newport News Shipping and Drydock, located in Virginia. They have built the aircraft carriers and they have built submarines and other major ships but they are in a continual building process. Now, they can, on occasion, do some overhaul and repair on our major ships if drydock space is available, but that is the only yard I know of which could accommodate an aircraft carrier, for example.

It is a question of size, a question of shipyard availability. Private yards have concentrated primarily on the building of ships, so that they have just run out of space. Newport News, for example, has been in a recent building program of their own facilities to build super-tankers. They have private work in addition to Navy work, which fully commits their capacity. They are just not available all of the time.

Some of the smaller yards are available, and I think we have about 70 percent of our overhaul and repair work done in navy yards and 30 percent private yards. This seems to have worked out rather successfully over the years.

[The information follows:]

SHIPYARD RETENTION REQUIREMENTS

The retention of the eight Naval shipyards is required to satisfy the CNO's Strategic and Operational requirements. These requirements are stated as follows:

Two Naval shipyards on each coast capable of repairing aircraft carriers.
One Naval shipyard on each coast capable of repairing surface nuclear ships.

Three Naval shipyards on each coast capable of over-hauling nuclear submarines.

Three Naval shipyards on each coast capable of installing, maintaining and checking out sophisticated electronics and missile weapons systems.

Naval shipyards to serve major homeport and operating areas.

In order to maintain the capability to satisfy these requirements, it is necessary to assign ship repair work to the Naval shipyards at continuing rates and levels so that the necessary skills remain readily available.

The capacity of the relatively few private shipyards with a capability to repair complex Navy combatant ships is largely committed to new construction, both Navy and commercial. With a largely new construction workload, these private shipyards are able to maintain a reasonable manning level. On the other hand, their repair work manning levels tend to go up and down making retention of certain skills in private shipyards a problem. Repair work cannot be assigned to private shipyards; it must be bid for on a competitive basis and since this is usually done for individual ships the manning levels in private shipyards tend to fluctuate. This situation in turn tends to discourage private shipyards from making heavy investments in the industrial plant and equipment required for ship repair work. This kind of plant and equipment is in many ways different and more complex than the "assembly-line" facilities and equipment used in multi-ship construction.

Shipwork, whether it is new construction or repair, must be done efficiently if Fleet schedules are to be met and lowest costs realized. To obtain an efficient ship repair operation the industrial plant of the Naval shipyards must be modernized. The Naval shipyards have the capability to perform the extensive and complex repairs that Navy combatant ship require. Obsolete and worn-out industrial facilities and equipment must be improved or replaced if the required work is to be performed satisfactorily.

ATLANTIC FLEET BALLISTIC MISSILE REFIT SITE

Senator JOHNSTON. Admiral, you have a site here, a refit site, which you are putting in Kings Bay, Ga. What does that site have that you don't now have in the missile facility in Charleston?

Admiral MARSCHALL. Water and room. I think, Mr. Chairman, if I could defer to Admiral Kelln he might explain in better detail.

Admiral KELLN. Yes, sir; early in the program to backfit the Trident I missile into the existing Poseidon submarines in the Atlantic Ocean, it became apparent we were using a much more energetic propellant to get the additional range of the Trident I missile. This additional range allows our ships to operate closer to the United States and in a much larger volume of ocean.

Each propellant has an explosive equivalent, and the existing submarine-operating bases had been, through the years, encumbered on their peripheries by civilian population, housing and so forth.

So, as we looked at the backfit program, it became very obvious to us that our existing bases would not be able to accommodate those ships and the space that was required around them, the blast safety zone space, so we instituted a review of the sites from which we could operate these ships. We completed that study in September of 1976 and Kings Bay, Ga., was the preferred site for basing those submarines.

In addition, the recently completed treaty of friendship and cooperation with the Spanish Government requires the Poseidon submarine squadron to leave Rota, Spain, by the first of July 1979.

So we had a twofold problem: (1) where to locate safely those submarines with this more energetic propellant missile and (2) where to relocate the ships coming back from Spain.

Essentially what we are going to do is to put the backfit missile on that squadron of ships coming back from Spain and we will locate them at Kings Bay, Ga. Kings Bay affords us the required blast safety zone. This is a property in fee or under easement, such that we will meet all of the requirements for safety to locate those submarines.

Senator JOHNSTON. This is the first step towards a very big program in Kings Bay, is it not?

Admiral KELLN. This is the first step to house the Poseidon ships. If the Congress decides to go beyond building 10 Trident submarines and we would recommend those additional submarines be based in the Atlantic, there is sufficient real estate area there already available that those Trident submarines could be accommodated at Kings Bay, that is correct.

So it is really a decision of the building practice, you might say, for those submarines; but, in any case, we need to house the Poseidon submarines backfitted with the Trident missiles and we are unable to do that with existing ports.

SUBMITTED QUESTIONS

Senator JOHNSTON. Admiral Marschall, we have a series of questions that we would like to have answered for the record.

Admiral MARSCHALL. Yes, sir, we will supply the answers.

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

CONSTRAINED PROGRAM

Question. The total program for FY 1978, at \$498.3 million, is about \$97 million below last year. Is this the result of the general moratorium on domestic construction, or are there other factors which would lead to such a decrease?

Answer. The FY 1978 program is smaller than those submitted in recent years. The Navy request submitted to the Office of the Secretary of Defense (OSD) in October 1976 was about \$750 million. OSD, in the course of the normal review, deleted or deferred certain projects, as is usually the case. The net reduction made by OSD was about \$79 million. At the conclusion of the program budget decisions this year, the Office of Management and Budget made a further net reduction of \$222 million, imposing a partial moratorium on construction within the United States until studies of the domestic base structure of the Department of Defense could be completed. The budget amendments submitted by the Carter Administration restored \$49.6 million, bringing the Navy's FY 1978 request to \$498 million.

Question. If attributable to a moratorium, what were the criteria used to select those installations and/or projects which would not be programmed in FY 1978?

Answer. In general, projects located at activities whose missions were to be examined for consolidation or elimination were deferred. In like manner, projects located at activities performing similar missions were deferred. The review was limited to the United States; projects outside the United States were not deferred in this decision.

Question. What do you believe would constitute a reasonable program in FY 1978 if we assume current structure and mission for Navy facilities? Please provide for the record a listing of those projects of relatively highest priority which are unfunded next year.

Answer. In answering this question, we must consider not only the relative urgency of the projects, but the status of design as well, to insure that the projects can be awarded promptly in FY 1978. We have continued the design of projects deferred from the FY 1978 program, so they are well underway. Nearly all of them will be completed by the end of calendar year 1977.

With respect to relative priorities, certainly pollution abatement projects, without which we will be in violation of the law and vulnerable to legal action, would be very high on our priority list for restoration. Similarly, energy projects, which would yield hard savings and contribute substantially to the national objective of reducing our consumption of scarce energy resources, would also be relatively high priority. Projects in support of trainers and simulators, many of which are already under procurement, and which are vital to maintaining fleet readiness are urgent. A detailed priority listing of some 127 deferred projects with a total value of \$225 million will be supplied to the Staff. All of these projects are valid requirements which should be built. Well over half of these projects could be awarded by the end of calendar year 1977, if they were authorized and funded in FY 1978. If the total list were to be authorized and funded, the Navy program would be about \$725 million.

PRIOR-YEAR SAVINGS

Question. Your budget reflects almost \$78 million of savings from prior years used as an offset to program in FY 1978. Assuming such savings to be the result of a favorable bidding environment, why have you not assumed that such a climate will also prevail in FY 1977?

Answer. Each time we prepare a program, the cost estimates are based on the latest available bid results, so the FY 1978 cost estimates have taken into account the favorable bid results received on the FY 1976 program.

Attempting to project costs 18 to 24 months or more into the future is a difficult proposition at best. During periods of fairly constant trends, we can usually project costs with reasonable confidence. During times like the present, when cost trends are changing under the influence of a downturn in the general economy and a rather severe downturn in construction, it is much more difficult. Even now, different respected construction cost indices are giving us different signals regarding what has been happening over the last year or so. Our own bid results tell us that there has been a significant levelling off in construction cost. There is a great deal of uncertainty in the industry regarding how much longer the recent trend will be sustained or when we may expect a resumption of the steady long-term uptrend in construction cost. As far as FY 1977 is concerned, early results indicate we will develop significant savings.

The Navy does its level best to estimate project costs exactly, because if we're off in either direction we suffer. If our estimates are too low, we are not able to get full authorized scope and have to reduce or cancel projects, as we did in the FY 1974 program. On the other hand, if our estimates are too high, the savings we generate represent additional projects which the Navy could have programmed had we been able to forecast more accurately.

Although we use the best tools available in the industry, and follow Tri-service guidance from the Office of the Secretary of Defense (OSD) on construction escalation, we will occasionally get caught by unforeseen changes in cost trends. Perhaps consideration might be given to establishing some mechanism for taking advantage of savings to accelerate urgent projects from a future year, such as pollution or energy projects. The Navy is confident that the need for Congressional oversight could be accommodated.

TRIDENT

Question. To date, \$484 million has been appropriated for construction of the TRIDENT site and related expenses. The FY 1978 request is for a further \$121.4 million. What is the currently projected total cost of this project, and when is the scheduled beneficial occupancy date?

Answer. The total MILCON cost is \$793.5 million, which includes \$63 million for family housing and \$3.5 million as TRIDENT's share of the Bremerton hospital. Individual facility beneficial occupancy dates range from 1975 to 1985. However, the Naval Submarine Base Bangor, initial operating capability date is September 1979.

Question. The Bangor site is based upon the logistic requirements for a 10-boat TRIDENT program. Will major augmentation be required if the submarine program were augmented beyond ten?

Answer. The incremental MILCON cost necessary for NAVSUBASE Bangor to support an additional 10 TRIDENT I boats is \$500 million, and \$200 million additional would be required for a TRIDENT II missile capability.

Additional Facilities to Support 20 Boats Include

Explosive Handling Wharf #3
 Refit Piers (2)
 Dry Dock
 Land Acquisition
 Delta Support Building
 Utilities and Site Improvements
 Additional Training Facilities
 Additional Administrative Facilities
 Squadron Office
 Bachelor Enlisted Quarters
 Bachelor Officer's Quarters
 Dining Facilities

Additional Facilities for TRIDENT II Capability Include

Flight Test Facilities
 Missile Assembly/Checkout Facilities
 Missile Storage Facilities
 Tracking Facilities

Question. What is the current status of the construction schedule? It is understood that there have been several legal challenges to the program; what has been their impact on schedule, and have any been disposed?

Answer. Construction to support the system Initial Operating Capability (IOC) of September 1979 is on schedule. To date litigation has not impacted construction schedules.

Question. \$11.5 million is budgeted in FY 1978 for community impact assistance due to the TRIDENT site. Would you briefly indicate the requirement - determination process used to establish such need, as well as the procedures for transferring the financing? What is your current estimate on the probable total to be required for impact assistance in this area?

Answer. Agencies of the State and local government develop facility and service requirements for their programs, based on normal growth data available to them and TRIDENT growth data. The latter has principally come from the February 1976 report of the Office of Economic Adjustment (OEA), local studies funded through HEW, HUD, EDA and Defense 608 and from the Navy's Environmental Impact Study.

Where State and local agency requirements exceed available funds from normal sources, project pre-application is made to the regional office (Region X) of the Federal domestic agency from which the originator expects to receive aid.

Regional federal agency review determines project eligibility for an existing federal program, as for example, the Community Development Block Grant Program under HUD.

A certification of program eligibility by the regional office of the federal agency and a statement that agency funds are not available and that the project appears to qualify under Section 608, PL 93-552 for TRIDENT impact aid leads to a formal application to the Federal agency headquarters in Washington, D. C. with copies to the Northwest Federal Regional Council (NWFRRC).

Projects must ultimately survive review not only by the NWFRRC but by the headquarters of the appropriate federal agency and the Office of Economic Adjustment, acting for the Secretary of Defense.

Requirements included in the FY 78 request, have not, of course, gone beyond the Northwest regional review but have been considered informally by representatives of OEA, NWFRC, Washington State, Office of Community Development, Kitsap County TRIDENT Coordinator and the appropriate local government officials.

When formal application is made for funding from TRIDENT impact aid (Sec. 608), successful projects ultimately are approved by the ASD(I&L), who directs the Navy (Project Manager for TRIDENT) to initiate transfer of funds from the Military Construction, Navy appropriation to the appropriate federal agency. The Navy Comptroller, acting on the request of the Naval Facilities Engineering Command (which holds all Navy MCON funds), executes a Standard Form 1151 to the Department of Treasury for actual transfer of funds to the other agency.

Previous testimony has identified the approximate total for TRIDENT impact aid as \$40 million. This estimate remains the current best estimate at this time. The Office of Economic Adjustment (OEA) is working with its consultant (The Urban Institute) to develop an estimate of the total "unfair and excessive financial burden" associated with TRIDENT. The OEA will be reviewing its revenues and cost projection with Washington State and local government officials in April and May with the target of a reliable estimate in June 1977.

Determination of the unfair and excessive burden is made extremely complex by the number of taxing entities involved which include: the City of Bremerton; counties of Kitsap, Mason and Jefferson; seven school districts, numerous special purpose districts (such as sewer and public utility) and the State.

POLLUTION ABATEMENT

Question. The Navy expresses dedication to meeting the goals of the amendments to the Clean Air and Water Pollution Control Acts, yet only \$13 million is programmed for this purpose in FY 1978. Why? What is the current estimate of cost to bring the Navy into full compliance with environmental laws and regulations?

Answer. The Navy continues to support pollution abatement projects in order to comply with the requirements of law. The recent programming history of the FY 1978 pollution abatement program is as follows:

	\$ Million
Navy request, October 1976	\$ 30.3
OSD/OMB Deferral	<u>- 17.4*</u>
Ford Budget	\$ 12.9
Carter Amendments	<u>-0-</u>
Carter Budget	\$ 12.9

* Includes -1.7 in Navy realignment (cost reduction of NSY Long Beach Municipal Connection).

The current estimate of total cost to bring the Navy in full compliance with environmental laws and regulations through FY 1980 is \$170 million. An additional \$95 million is estimated to be required for compliance through FY 1982.

ENERGY CONSERVATION

Question. In a similar vein, only \$5.9 million is programmed for energy conservation projects, although you estimate the effort to require over \$200 million. Why have you not concentrated more on this beneficial and highly cost effective program?

Answer. The Navy continues to support and emphasize the energy conservation program. The recent programming history for the FY 1978 request is as follows:

Navy request, October 76	\$ 31.6 Million
OSD/OMB deferral	- 26.8
Ford Budget	4.8
Carter Budget Amendments	+ 1.1
Carter Budget Request	\$ 5.9 Million

NUCLEAR WEAPONS SECURITY

Question. You indicate that, with planned FY 1978 funding, all physical security deficiencies will have been corrected. How much has this total program cost, to date?

Answer. The total cost to date of this program is broken down between regular and minor construction as follows:

Regular MILCON FY 1972 - FY 1978 Programs	\$ 76 Million
Urgent Minor Construction	9 Million
Total Physical Security	\$ 85 Million

SHIPYARD MODERNIZATION

Question. Approximately \$43 million is planned in FY 1978 for shipyard modernization. What is the currently planned total program for updating these industrial facilities?

Answer. The total Shipyard Modernization program will total \$1.363 billion over the period FY 1977 through FY 1986. This amount is made up of \$1.142 billion military construction and \$0.221 billion industrial plant equipment from the Other Procurement, Navy account.

Question. It is understood that the Defense Department is currently investigating the possibility of reinstating the construction of ships at public yards. What is the present status of this study? When was the last time that ships were constructed in government yards? Why should they now?

Answer. Studies were submitted by Navy to the Secretary of Defense during the latter part of 1976 on the cost aspects of building some attack submarines and support ships in Naval shipyards. In December 1976 a decision was made by the Secretary to forego any such new ship construction at this time. No further studies are underway. The last new construction in Naval shipyards follows:

Portsmouth	Delivered SSN in Oct 71
Philadelphia	Delivered Command Ship Feb 71
Puget Sound	Delivered AOE July 70
Mare Island	Delivered SSN Sept 72

The SECDEF position currently is that no new ship construction is needed in Naval shipyards.

Question. Are any of the planned projects in FY 1978 associated with the possibility of new construction in Navy yards?

Answer. None of these projects are directly associated with construction of new ships. The goal of our program is to attain facilities for overhaul of existing ships. Of course, new facilities of any kind enhance the ability to construct new ships when it occurs in those four Naval Shipyards that built ships in the past, and which could possibly build ships in the future.

Question. Please elaborate on the need for a \$12 million propeller facility at the Philadelphia Naval Yard. Does a commercial capability exist for the manufacture of surface and submarine propellers?

Answer. Philadelphia is the Navy's sole propeller manufacturing facility. As such, this yard casts and machines all the propellers needed for our nuclear submarine fleet, including the new Trident class. Other propellers for surface ships are made here; however, the private sector also makes such propellers.

Submarine propulsion technology is highly complex, involving large diameter, multi-bladed (7 blades), sound dampened, precisely balanced and profiled propellers. With enemy detection systems centered on acoustic characteristics of ships, it is essential propellers produce minimum noise and vibration.

Present propeller machine shop is obsolete for the large diameter, precise work required today. Space is needed to house \$16 million worth of new profiler machines now on order.

EAST COAST REFIT SITE

Question. You are requesting about \$20 million for a proposed missile refit site at Kings Bay, Georgia. What will be the primary mission of this new facility? How will this mission differ from that performed now at the missile facility at Charleston?

Answer. The Treaty of Friendship and Cooperation with Spain requires that the SSBN Squadron in Rota, Spain be relocated prior to 1 July 1979. The primary mission of the proposed refit site at Kings Bay, GA is to provide refit support for the relocated SSBNs. Of our presently 2 FEM-related support activities at Charleston the Polaris missile facility, Atlantic, and the tender refit site at the Naval Weapons Station, POMFLANT, provide missile support for the Charleston based squadron and will also provide this support for Kings Bay. Submarine Squadron 18 provides refit support for a squadron of SSBNs and is similar to the refit support planned for Kings Bay.

Question. It is understood that the facility is related to the TRIDENT missile, as opposed to the TRIDENT submarine. Would you elaborate on the program to backfit the TRIDENT missile? Are there currently any plans to station TRIDENT submarines in the Atlantic? Could the Kings Bay facility accommodate them?

Answer. The Navy intends to backfit the TRIDENT I (C-4) missile into selected Poseidon SSBNs with first backfitted SSBN deployed in FY 1980. Ten Poseidon SSBNs will be deployed with the TRIDENT I missile by FY 1984. The first ten TRIDENT submarines are going to be homeported at Bangor, WA. Plans for the homeporting of TRIDENT submarines beyond the tenth have not been made; however, should a decision be made to base TRIDENT submarines in the Atlantic there is sufficient land available at Kings Bay to accommodate them.

Question. Kings Bay is noted at the "preferred site". What other sites were or are being considered, and what makes Kings Bay preferable?

Answer. The more than 60 East Coast sites reviewed for potential use as a SSBN refit site include virtually every available East Coast port. This review narrowed the choices to five candidate sites: Narraganset Bay, RI; Cheatham Annex, VA; Charleston, SC; Kings Bay, GA; and Mosquito Lagoon, FL. Some of the features that make Kings Bay attractive are the availability of sufficient land to meet explosive safety requirements, the potential for growth and the easy access to sea.

Question. The FY 1978 program is for \$20 million. What is the total cost of establishing the site, and what is involved?

Answer. The total cost to establish a tender refit site at Kings Bay is about \$92 million in FY 1978 dollars. This includes dredging, utilities, and waterfront support moorings and housing for families of military personnel attached to the tender squadron staff and the drydock.

Question. Could the site accommodate two squadrons of submarines in the event that we could no longer base boats at Rota or Holy Loch?

Answer. Yes, Kings Bay has sufficient land available to site two squadrons of SSBNs; however, the Navy has no plans at this time to relocate from Holy Loch.

Question. Do you envision the need for community impact assistance as a result of the new base? If not, why not?

Answer. Some form of community impact assistance may be required due to the magnitude of population influx relative to the existing associated population base in Camden, GA.

Question. The Kings Bay location is currently an Army installation required for contingency planning. How will the Army meet this mission if the Navy uses the base as a refit site?

Answer. Navy is currently negotiating with Army for the transfer of the Kings Bay facility. Included in these negotiations are discussions on how the Army mission will be met.

BACHELOR HOUSING

Question. Almost \$29 million is requested in FY 1978 for bachelor housing. How many new or renovated spaces will this provide?

Answer. No additional bachelor officer spaces will be provided by the FY 1978 program. A total of 3,444 bachelor enlisted spaces at a total cost of \$28.8 million will be provided for the Navy and Marine Corps. A breakdown by modernization, and new construction by rate structure for the Navy and Marine Corps follows:

	BACHELOR ENLISTED SPACES						
	Type Construction			Ratings			
	New Spaces	Modernization	Total	E2-E4	E5-E6	E7-E9	Total
Navy	923	0	923	537	316	70	923
Marine Corps	1,152	1,369	2,521	2,521	0	0	2,521
	2,075	1,369	3,444	3,058	316	70	3,444
Percent	60	40	100	89	9	2	100

Question. What is the currently-estimated need for future barracks construction to house all enlisted men in quarters which meet percent standards?

Answer. The Department of the Navy has an estimated need for about \$600 million to modernize and construct bachelor quarters meeting minimum occupancy standards for all of its bachelor personnel.

GENERAL AUTHORIZATION

Question. \$98.5 million is being requested for planning, design and minor construction. Given the complex nature of these efforts, how is this specific figure arrived at? Is there a detailed project listing? If not, what is the basis for assuming this level to be adequate?

Answer. A detailed listing of the FY 1979 and FY 1980 programs provides the basis of the Planning and Design requirement. It is based on final designs for the \$1.3 billion FY 1979 program, concept design to the 30 percent level for three fourths of the \$900 million FY 1980 program and includes in-house costs for design administration and cost certification. The minor construction requirement is based on historical levels with some increase for the expanded approval authority from \$300,000 to \$400,000 provided by PL 94-107, FY 1976. An increase was also made this year to provide for urgent requirements that might be expected to develop from the large deferral of projects from the FY 1978 program. The requested amounts for Planning and Design and Minor Construction should be adequate.

DIEGO GARCIA

Question. You are requesting \$7.3 million for construction on the island of Diego Garcia. This topic has been of more than passing interest in recent years. Would you please indicate the purpose for this funding, and elaborate on current plans for this facility. Compare current total cost estimates for the installation with those previously approved, and indicate if there has been any mission change envisioned since the matter was last discussed by the Congress.

Answer. The mission of Diego Garcia remains the same as previously discussed with the Congress. The initial construction, which was authorized and funded in FY 1970 through FY 1973, was for development of a communications station. An expansion of facilities, originally submitted as a FY 1974 supplemental request, was approved by Congress in FY 1975 and FY 1976. The expansion, which will provide logistics support for periodic operations of a Navy task force in the Indian Ocean, is now under construction by Navy Seabees.

In summary, \$49,052,000 construction was authorized and \$34,250,000 was appropriated during FY 1970-FY 1976. The appropriation is less than the authorization because the \$14,802,000 program for FY 1975 was funded from savings. The current working estimate is \$52.6 million.

With respect to the FY 1978 program for Diego Garcia, we testified in previous years that there would be a follow-on program. We intended to program this work in FY 1977, but the delays involved in meeting the requirements of the Congress for the FY 1975 and FY 1976 programs dictated deferral to FY 1978 because of Seabee workload on the island. Included in the FY 1978 request are airfield facilities, communications improvements, fire stations, maintenance and storage facilities, a BEQ for 172 men, and recreation and morale facilities.

OVERSEAS

Question. One overseas project planned in FY 1978 is a communications building addition in Rota, Spain. Will this activity be unaffected by the removal of operating elements in 1979?

Answer. The building addition is for the Naval Security Group classified function, not the Communications Station. There is no relationship between the mission of the security group and the number of homeported ships. Collocation with the fleet at Rota is coincidental. Most security group activities are not located near fleet concentrations.

TORPEDO PREPARATION FACILITY

Question. \$1.9 million is planned for a test, check and assembly building for the MK 37 torpedo at Naval Submarine Base, Pearl Harbor. Is not the MK 37 torpedo no longer in production? What are the plans for this weapon, and how many are now in the fleet?

Answer. It is correct that the MK 37 torpedo is no longer in production. However, there are currently (deleted) MK 37's allocated to this station for storage and maintenance to service homeported and transient ships. The inventory will remain constant through at least 1982, and probably well beyond. After the decline of the MK 37 workload and after modifying the installed equipment the new facility will be capable of servicing the new Harpoon missiles that will be fired from submarines. Therefore, there is a hard-core, long-range requirement for this facility.

Naval Reserve

Reserve Strengths

QUESTION: Some debate has been generated in recent years over the appropriate size of the Naval Reserve and the number of annual weekend drills needed to maintain proficiency. What is the size and average drill strength on which the FY 1978 request is based?

ANSWER: At the time this Fiscal Year 1978 program was formulated, the Selected Reserve strength was programmed to be 93,600.

QUESTION: How have changes in the size and constitution of the Reserves been reflected in your construction program?

ANSWER: This Reserve construction program is made up mostly of projects to support the Air Reserves, whose proposed strength has not varied significantly with changes to the Naval Selected Reserve. The two projects for the Naval Surface Reserve were included in this program because the requirement remains valid at a strength of 93,600 or 52,000.

Unnecessary Construction

QUESTION: In June 1976, the GAO issued a report that Reserve facilities could be obtained faster and cheaper by making greater use of existing or joint-use facilities. The report was particularly critical of the requirements review process. What is your position on the findings and recommendations of this report?

ANSWER: This GAO report cited only one Naval Reserve Center. The Navy does not agree with the GAO position. The center being replaced had to be replaced because an engineering evaluation of the facility determined it to be substandard because of poor overall condition and space deficiencies. Consolidation at the site recommended by GAO would have had too much of an adverse impact on recruiting and retention. With regard to the review system, Naval and Marine Corps Reserve projects are very carefully screened to find alternatives to new construction. Consideration is given at the Navy and OSD levels not only to cost, joint utilization, and improved readiness, but to such equally important factors as operation and training efficiency, mission compatibility, and the impact on personnel recruiting and retention. Joint utilization and construction is also reviewed by the State Reserve Forces Facilities Boards. Their recommendations are reviewed carefully by the Navy and OSD.

Program Performance

QUESTION: Is there a practical constraint on the amount of construction funds that could be productively used in FY 1978? That is, notwithstanding backlog, would available manpower, design status or other considerations limit the potential scope of the program?

ANSWER: This Fiscal Year 1978 Reserve construction program is less than it has been in prior years and is also less than is programmed for future years. Therefore, there should be no problem accommodating additional projects. Considering that the design and construction contracts would be administered by Engineering Field Divisions throughout the country, an additional \$5 million could be productively utilized.

Program Changes

QUESTION: For the record, would you please compare the FY 1976 and FY 1977 project listings submitted to Congress with the projects that were actually accomplished or are now planned? What is the reason for these changes?

The information follows:

Location and Description	1976		Reason for Change
	Submitted to Congress (\$000)	Actual Program	
NMCRC New Haven, CT			
Reserve Training Bldg	2,268	2,134	
NMCRC Liverpool, NY			
Reserve Training Bldg	1,565	1,755	
AFRC Bolling APB, Wash, DC			
Reserve Training Building	13,900	10,841	
NMCRC Roanoke, VA			
Reserve Training Bldg	1,807	1,735	
NAS New Orleans, LA			
Bachelor Enlisted Quarters	1,559	1,694	
NAS Dallas, TX			
Air Traffic Control	626	892	
NAS Glenview, IL			
Acft Maint Hangar	5,500	4,313	
NMCRC Green Bay, WI			
Reserve Training Bldg	1,632	1,690	
AFRC Albuquerque, NM			
Reserve Training Bldg	1,891	1,826	
AFRC Fresno, CA			
Reserve Training Bldg	964	1,009	
NMCRC Tallahassee, FL			
Res Trng Bldg Addition	538	383	
NAS Atlanta, GA			
Ordnance Complex	0	248	Note 1
NARU whidbey Island, WA			
Acft Parking Apron	0	3,800	Note 1
Energy Conservation	1,800	1,800	
Pollution Abatement	700	700	
Minor Construction	400	400	
Planning/Design	1,200	1,200	
Total	34,600	34,600	

Note 1: Project advanced from future year program to take advantage of favorable bid prices received on FY 1976 projects.

	1977	(\$000)	(\$000)	
NARU Whidbey Island, WA				
Acft Parking Apron		3,749	0	To FY 1976
NAF Detroit, MI				
Acft Maintenance Hangar		3,266	3,266	
NAF Detroit, MI				
Int. Maint. Facility		1,512	1,598	
NAS Dallas, TX				
Int. Maint. Facility		3,579	3,579	
Indianapolis, IN				
USMCR Rehab to NRC		600	748	
Stockton, CA				
Armed Forces Res Center		830	804	
Jackson, MS				
USMCR Add-on to Army		664	664	
NAS Glenview, IL				
Control Tower		978	1,000	
NAS Willow Grove				
Avionics Shop/Engine Shop		1,647	1,647	

<u>Location and Description</u>	<u>Submitted to Congress</u>	<u>Actual Program</u>	<u>Reason for Change</u>
NARU Norfolk, Va			
Aviation Tech. Trng. Bldg	1,657	1,530	
NMCRC Winston-Salem, NC			
Reserve Training Building	1,235	2,068	Note 1
NAS New Orleans, LA			
Acft Rinse Facility	348	245	
NAS New Orleans, LA			
Rehab Hangar	549	666	
NAS New Orleans, LA			
Supply Whse Mezzaine	0	136	Note 2
NAS Willow Grove			
GSE Shop	0	324	Note 2
NMCRC Buffalo, NY			
Reserve Center	0	1,519	Note 2
HQ Fourth MARDIV, New Orleans			
Admin Bldg. Alt.	0	820	Note 3
Energy Conservation	1,100	1,100	
Minor Construction	450	450	
Planning/Design	1,436	1,436	
Total	23,600	23,600	

Note 1: Navy portion added to Marine Corps reserve addition.

Note 2: Advanced from future year program to replace projects reprogrammed to Fiscal Year 1976.

Note 3: Requirement generated after program submitted.

Total Force Policy

QUESTION: Under the Total Force Policy, increasing emphasis is being placed on the Reserve components in the accomplishment of traditionally "active" responsibilities. What new missions or responsibilities have fallen to the Naval Reserve in recent years? Do you think there are other areas in which the Reserves could be more productively utilized?

ANSWER: New mission responsibilities in recent years:

Special Warfare

Helicopter Combat SAR Squadron (HC)
 Helicopter Light Attack Squadron (HAL)
 Ocean Tugs (ATF)
 Fleet Logistic Support Squadron (VR) Program
 Reserve Air Wings

Approved missions which are unfunded:

Helicopter Anti-Submarine (HLS) Squadron Augmentation
 Fleet Air Reconnaissance (VQ) Squadron Augmentation
 Air Test and Evaluation (VX) Squadron Augmentation
 Carrier Air Anti-Submarine (VS) Squadron Augmentation
 Fleet Tactical Support (VRC) Squadron Augmentation

Other areas under consideration:

Ship augmentation - RAP
 Hospital Ship
 Airborne Mine Countermeasures Squadron
 Intermediate Maintenance Activities
 Fleet Composite (VC) Squadrons

QUESTION: If, and as, the Reserves become more integrated with the active force, does this modify the need for separate and discrete facilities? That is, why cannot more Reservists report directly to the active unit to which they would be assigned under a contingency, and not have to assemble in specifically "Reserve" facilities?

ANSWER: From the stand point of the Surface Reserve, many Naval and Marine Corps Reserve units utilize active force installations or activities on a regular or periodic basis. Examples of these include a command post, medical and dental, communications, and maintenance units and rifle teams. The active force Navy, however, is concentrated in approximately a dozen locations in the United States, while Selected Naval Reserve units are currently located in every state, Puerto Rico, The Panama Canal Zone and London, UK. Reserve demographics make it impossible to locate all the required Selected Reserve units within reasonable travel distance of the active units to which they would be assigned under a contingency. Naval Reserve managers continually review such possibilities and take advantage of opportunities to effect such unit locations.

From the Air Reserve standpoint, over the years, reserve training facilities, as well as USN bases, have been reduced and/or consolidated in the interest of DOD cost reductions. As a result, the Air Reserve training sites have been consolidated to the maximum extent possible and still maintain facilities reasonably close to major population centers. This is necessary to support reserve recruiting requirements. Unfortunately, not all USN bases are located within reasonable proximity to large population areas. Integration and collocation of reserve units have been accomplished successfully, however, the reserve population base at these sites is approaching saturation. The reserve training facilities at USN bases are designed to provide the specific training, administration of the Selected Reserve units and the necessary interface with fleet units. For these reasons, a full time administrative unit and Reserve facilities are considered necessary to provide continuing support for the Reserve program.

QUESTIONS SUBMITTED BY SENATOR INOUE

Senator JOHNSTON. In addition, I have a series of questions which Senator Inouye has posed regarding certain facilities in Hawaii, as well as related correspondence. Responses to the questions should be submitted in writing for inclusion in the permanent record, along with the pertinent correspondence.

[The material follows:]

Question. The battleship *U.S.S. Arizona*, which was sunk in the attack on Pearl Harbor on December 7, 1941, is still commissioned and serves as a national cemetery for the 1,102 officers and men entombed therein. The national shrine constructed at the site of the sunken ship was visited by over a half-million persons in 1976 and the annual visitor count is projected to pass one million by 1990. The existing makeshift shoreside facilities, which include only a small boat ramp and narrow covered walkway, are wholly inadequate to the task of dealing with this enormous traffic load. Visitors usually have to stand in line for over an hour to visit the shrine—and 2-hour waits are not uncommon during the peak tourist season. For a number of years I have been vigorously seeking to have new facilities built which would be more in keeping with the character of the shrine and bring home to the visitors its important historical significance and atmosphere. I have introduced legislation designed to provide for such facilities, and I would appreciate an indication by the Navy of its position on the need for these facilities.

Answer. The Navy has always considered the Arizona Memorial an important historical monument, and has operated the facility as well as limited funding permitted. Improvements in the facilities and services for visitors are long over due. Funding for the needed improvements would be most welcome.

Question. If the Navy is in favor of having such facilities built, please provide in some detail the actions the Navy is prepared to take, any ideas it may have as to the design of such facilities, the cost of construction of such facilities, an estimate of when construction could start, and how they would be managed and operated after construction.

Answer. The Navy has operated and maintained the memorial and shoreside facilities, though this type of facility is not a normal Navy function. The National Park Service has numerous similar facilities throughout the country, and has the experience and expertise to operate and maintain them. It is the current Navy plan to support the required improvements in the Military Construction program and then turn over future operations to the National Park Service which has demonstrated capability and success in this type of visitor center.

Design of the Arizona Memorial Shoreside Facility will provide supporting facilities for visitors to the Arizona Memorial. The facilities will provide a shoreside Visitor Center which will include a museum, auditorium, exhibit area, waiting room, and boat dock. The scope of the project comprises 14,340 square feet of building area plus other supporting improvements at an estimate cost of \$3,500,000. Selection of an Architect/Engineer for the planning and design of this facility has been initiated and every effort will be made to assure that construction will be started in fiscal year 1978. Upon completion of construction, the Visitor facilities will be operated by the National Park Service.

Question. If this project would involve coordination with any other agency, including but not limited to the Department of the Interior, please identify such agencies and describe in detail the nature and extent of such coordination.

Answer. The Department of Interior has been contacted and is in agreement with the Navy on a transfer at the earliest date that resources are available to the National Park Service for proper care and operation. The National Park Service has indicated their plan to conduct a feasibility study on the transfer. The study will develop cost estimates and other data necessary for a Department of Interior recommendation on legislation to implement the transfer.

Question. In addition to the foregoing, please provide any further information which the Navy has available or can develop which would tend to give this Subcommittee a better idea of the need for such facilities, the costs involved and the benefits which would result from their construction, or which would otherwise be of help to the Subcommittee in its deliberations on this issue.

Answer. I will provide the Form DD 1391 for the record.

1. COMPONENT NAVY		FY 1978 MILITARY CONSTRUCTION PROJECT DATA			2. DATE 4 Apr 1977	
3. INSTALLATION AND LOCATION NAVAL STATION PEARL HARBOR, HAWAII				4. PROJECT TITLE ARIZONA MEMORIAL SHORESIDE FACILITY		
5. PROGRAM ELEMENT 2 46 15 N		6. CATEGORY CODE 760-10	7. PROJECT NUMBER P-153		8. PROJECT COST (\$000) 3,500	
9. COST ESTIMATES						
ITEM		U/M	QUANTITY	UNIT COST	COST (\$000)	
MEMORIAL FACILITY		LS	-	-	2,114	
BUILDING		SF	14,340	97.98	(1,405)	
BOAT LANDING		LS	-	-	(391)	
OUTDOOR EXHIBIT AREA		LS	-	-	(318)	
SUPPORTING FACILITIES		-	-	-	865	
SITE IMPROVEMENT		LS	-	-	(865)	
SUBTOTAL		-	-	-	2,979	
CONTINGENCY (5%)		-	-	-	149	
ESTIMATED CONTRACT COST		-	-	-	3,128	
SUPERVISION, INSPECTION & OVERHEAD (5.5%)		-	-	-	172	
SUBTOTAL REQUEST FOR AUTHORIZATION		-	-	-	3,300	
PLANNING AND DESIGN		-	-	-	200	
TOTAL REQUEST FOR APPROPRIATION		-	-	-	3,500	
10. DESCRIPTION OF PROPOSED CONSTRUCTION						
<p>Visitor center with auditorium, museum, exhibit area, waiting room, boat dock.</p> <p>Air Conditioning - 40 Tons.</p>						
11. REQUIREMENT						
<p>PROJECT. Provides shoreside facilities for visitors to the Arizona Memorial at Ford Island. Upon completion of construction, the facilities will be operated by the National Park Service.</p> <p>REQUIREMENT. The Battleship, USS ARIZONA, which was sunk in the attack on Pearl Harbor, 7 December 1941, serves as a national cemetery for the 1,102 officers and men entombed within. The national shrine constructed at the site of the sunken ship was visited by over a half million persons in 1976. Adequate parking, waiting area, museum facilities, theater, and boat landing are required to support the Memorial from shoreside for the visitor load that is increasing annually.</p> <p>CURRENT SITUATION. The existing makeshift shoreside facilities, which include a small boat ramp and narrow covered walkway, were never fully satisfactory even in 1962 when the Memorial was visited by 122,000 people. With an annual visitor count projected to pass one million by 1990, the facilities are now totally unsuitable and inconsistent with the character of the Memorial. Visitors usually stand in line for over an hour and for more than two hours during the peak tourist season. Parking space and visitor waiting area are insufficient to permit full use of the shrine by interested visitors. The covered sidewalk offers no protection from wind driven rain.</p> <p>IMPACT IF NOT PROVIDED. Failure to provide an adequate program and facilities in support of the USS ARIZONA Memorial will, in effect, deny access to some future Memorial visitors or provide less than satisfactory access by those visitors able to visit the Memorial. The opportunity to present the important historical significance and atmosphere of the shrine will be lost without a proper visitor center. History and background of the attack on Pearl Harbor remain a matter of prime interest to off-island visitors, as well as one of special importance to local residents. Without new facilities, the presentation of this valuable educational experience will be unavailable, while the time spent waiting for the boat to the Memorial will continue to be wasted.</p>						

CORRESPONDENCE RECEIVED FROM SENATOR INOUE

Senator JOHNSTON, Lastly, I have a letter from the Fleet Reserve Association concerning the Shore Side Support Facilities of the *USS Arizona* Memorial which I would like to have made part of the permanent record.

[The letter follows:]

APRIL 20, 1977.

HON. DANIEL K. INOUE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR INOUE: Mr. C. E. Burns, President of the USS Arizona Memorial Museum Foundation, has informed me of your outstanding initiative to place \$3.3 million in the fiscal year 1978 Military Construction Authorization bill for the construction of the Shore Side Support Facilities of the USS Arizona Memorial. We sincerely appreciate your positive action in this regard.

As you are aware, Fleet Reserve Association Branch 46 at Pearl Harbor-Honolulu established the USS Arizona Memorial Museum Foundation to raise funds for the construction and operation of the Shore Side Support Facilities. The United States Navy has agreed to deed an 11.3 acre site on which to build the facilities. The Foundation has raised almost \$250,000 for this construction since its establishment. We are confident that a display of funding by the Federal Government will result in appreciable grants from the private sector.

Upon learning of your positive action in behalf of the Memorial, I directed Mr. Roberts W. Nolan, our National Executive Secretary, and head of our Washington, D.C. Offices, to address the enclosed "Flash" to the 2,200 national, regional, and branch officers of the Fleet Reserve Association. I am confident that the "Flash" will produce viable support of your action.

I have also addressed the enclosed letter to Chairman Stennis and to every member of the Senate Armed Services Committee urging support of your action to fund the construction.

I will be in Washington, D.C. throughout the week of 25 April and would appreciate a short visit with you on this matter. Mr. Nolan is contacting your appointment secretary regarding this. Meanwhile, Mr. Nolan who has already contacted Mr. Vischer of your staff stands ready to be of service. He may be contacted at 785-2768.

On behalf of the 132,586 members of the Fleet Reserve Association and their families, we sincerely thank you for your display of leadership in surging ahead in this positive manner regarding the Shore Side Support Facilities.

With every good wish to you and yours, I remain in Loyalty, Protection and Service,

THOMAS A. HEANEY,
National President.

SUBCOMMITTEE RECESS

Senator JOHNSTON. Thank you very much, gentlemen. You have been very helpful. We will stand in recess subject to the call of the Chair.

[Whereupon, at 10:54 a.m. Wednesday, March 9, the subcommittee was recessed, to reconvene at the call of the Chair.]



MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1978

THURSDAY, MARCH 10, 1977

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

The subcommittee met at 10 a.m. in room S-146, the Capitol, Hon. J. Bennett Johnston (chairman) presiding.

Present: Senator Johnston.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT, DEPUTY DIRECTOR OF ENGINEERING AND SERVICES, U.S. AIR FORCE

OPENING REMARKS OF SENATOR JOHNSTON

Chairman JOHNSTON. The hearing will come to order. This morning's session addresses the proposed fiscal year 1978 military construction programs of the Air Force, Air Force Reserve, and Air National Guard. Requested appropriations for these three components total \$453 million.

For its active forces, the Air Force is requesting a total program in fiscal year 1978 of \$438.9 million, and new appropriations of \$398.9 million. While this is approximately \$500 million below the fiscal year 1977 level, last year's program included \$437 million for a single facility, the Arnold Engineering Test Center, so the ongoing program would appear to increase about \$70 million. This increase, however, is more than reflected in planned overseas construction, which grows over \$80 million above fiscal 1977. Domestic effort is actually below the austere level of last year. We assume that this is the result of the so-called "moratorium" on construction pending further base studies, but I'm sure that the witnesses are prepared to place the situation into clearer perspective.

For Guard and Reserve forces, the \$54.5 million requested in fiscal year 1978 represents an increase over prior year of \$6.5 million. The Air Force Reserve program is budgeted at \$11.2 million, and that of the Air Guard at \$43.3 million.

Witnesses appearing today include Maj. Gen. William D. Gilbert, Deputy Director of Engineering for the Air Force, Maj. Gen. Lavern

E. Weber, Chief of the National Guard Bureau, Maj. Gen. William Lyon, Chief of the Air Force Reserve, and Maj. Gen. Francis S. Greenlief, Retired, Executive Vice President of the National Guard Association of the United States.

We are happy to lead off this morning with Maj. Gen. William D. Gilbert, Deputy Director of Engineering, from Downsville, La.

PREPARED STATEMENT

General GILBERT. Mr. Chairman, I am glad to be here and present our views.

I have a short statement I would like to read, with your permission, and file the long statement for the record, if that would be satisfactory.

Chairman JOHNSTON. Yes; we will put that into the record.

[The statement follows:]

STATEMENT OF MAJOR GENERAL WILLIAM D. GILBERT

MR. CHAIRMAN, AND MEMBERS OF THE COMMITTEE: IT IS A PLEASURE TO APPEAR BEFORE THIS COMMITTEE TO PRESENT THE AIR FORCE FISCAL YEAR 1978 MILITARY CONSTRUCTION PROGRAM.

THE PRIMARY OBJECTIVE OF THIS PROGRAM IS TO SUPPORT THE FORCE AND DEPLOYMENT GOALS PRESENTED BY THE AIR FORCE CHIEF OF STAFF IN HIS ANNUAL REPORT TO THE 95TH CONGRESS. THE BILL NOW BEFORE YOUR COMMITTEE REQUESTS APPROPRIATION OF \$501,555,000 TO THE AIR FORCE FOR NEW CONSTRUCTION, WITH MAJOR SUBDIVISIONS AS FOLLOWS:

REGULAR MILITARY CONSTRUCTION	\$438,900,000
MILITARY FAMILY HOUSING	\$ 8,155,000
GUARD/RESERVE CONSTRUCTION	<u>\$ 54,500,000</u>
TOTAL	\$501,555,000

MY COMMENTS TODAY CONCERN ONLY THE \$439 MILLION REQUESTED FOR THE REGULAR MILITARY CONSTRUCTION PROGRAM SINCE FAMILY HOUSING AND RESERVE FORCES CONSTRUCTION WILL BE COVERED SEPARATELY IN ACCORDANCE WITH THE USUAL PRACTICE OF YOUR COMMITTEE. THE \$439 MILLION IN THE REGULAR MILITARY CONSTRUCTION PROGRAM INCLUDES \$215 MILLION FOR PROJECTS INSIDE THE UNITED STATES, \$140 MILLION FOR PROJECTS OUTSIDE THE UNITED STATES, AND \$84 MILLION FOR MINOR CONSTRUCTION AND PLANNING AND DESIGN. THIS YEAR'S PROGRAM INCLUDES SEVERAL PROJECTS WHICH ARE IDENTIFIED FOR ACCOMPLISHMENT AT VARIOUS LOCATIONS. THESE PROJECTS ARE PRIMARILY FOR THE BEDDOWN OF ESSENTIAL NEW WEAPON SYSTEMS. EXACT LOCATIONS HAVE NOT BEEN FINALIZED BECAUSE OF DOMESTIC BASE RESTRUCTURING STUDIES. HOWEVER, WE HAVE THOROUGHLY REVIEWED THE MINIMUM ESSENTIAL FACILITIES REQUIRED TO BEDDOWN THESE NEW WEAPON SYSTEMS AND HAVE CONSIDERED THE REQUIREMENT AGAINST CURRENT ASSETS AT

ALL OF OUR SUITABLE BASES. BASED ON THIS THOROUGH ANALYSIS, I CAN ASSURE THE COMMITTEE THAT WE HAVE FIRM FACILITY REQUIREMENTS REGARDLESS OF FINAL BEDDOWN LOCATIONS. ALSO, I CAN ASSURE YOU THAT THEY ARE NEEDED IN THIS FISCAL YEAR PROGRAM IN ORDER TO HAVE THE REQUIRED OPERATIONAL FACILITIES TO COINCIDE WITH THE WEAPON SYSTEMS SCHEDULED INTO THE INVENTORY. HOWEVER, WE ARE PREPARED TO IDENTIFY OUR PREFERRED LOCATIONS DURING TESTIMONY ON THE INDIVIDUAL PROJECTS AND TO DISCUSS THE DETAILS OF THE SCOPE AND COST THAT HAVE BEEN DETERMINED FOR THE LOCATION.

BEFORE GOING INTO A DISCUSSION OF THE DETAILS OF THE PROJECTS IN THIS REQUEST, I WOULD LIKE TO BRIEFLY COVER A FEW TOPICS IN WHICH YOUR COMMITTEE AND OTHERS IN THE CONGRESS HAVE EXPRESSED AN INTEREST. IN ADDITION, I WILL ADDRESS SOME OF THE IMPORTANT ELEMENTS AND MAJOR EFFORTS PROPOSED IN THIS YEAR'S PROGRAM.

FINAL YEAR - TWO PROGRAMS

OUR FY 1978 APPROPRIATION REQUEST INCLUDES PROJECTS WHICH SHOULD COMPLETE REQUIREMENTS FOR TWO PROGRAMS WHOSE ORIGINS DATE BACK SEVERAL FISCAL YEARS. YOUR SUPPORT OF OUR EFFORTS TO INCREASE THE LOGISTICS RESPONSIVENESS OF AIR FORCE DEPOTS AND TO PROTECT OUR NUCLEAR RESOURCES HAS RESULTED IN THE SUCCESSFUL ACCOMPLISHMENT OF OUR MISSION, AND IS APPRECIATED. WE URGE YOUR CONTINUED SUPPORT OF SIMILAR PROGRAMS AS THEY ARE PRESENTED THIS YEAR, AND IN THE FUTURE.

DEPOT PLANT MODERNIZATION PROGRAM (DPMP) - THE DEPOT PLANT MODERNIZATION PROGRAM WAS FORMALLY INITIATED IN FY 1972 AS A MEASURE DESIGNED TO MODERNIZE AIR FORCE LOGISTICS COMMAND DEPOTS TO ACHIEVE GREATER EFFICIENCY AND EFFECTIVENESS THROUGH CAPITAL INVESTMENT. TO DATE, THE ACCUMULATED

SAVINGS FROM INVESTMENTS IN FACILITIES HAVE PROVIDED THE BENEFITS WE EXPECTED. THROUGH THE END OF FY 1977. WE WILL HAVE REDUCED DEPOT MAINTENANCE PERSONNEL BY OVER 2,850, AND DEPOT DISTRIBUTION PERSONNEL BY OVER 580. THIS YEAR'S PROGRAM REPRESENTS THE FINAL INCREMENT OF OUR FORMAL DEPOT PLANT MODERNIZATION PROGRAM AND INCLUDES FOUR PROJECTS AT THREE LOCATIONS FOR A TOTAL OF \$15.4 MILLION. FOLLOW-ON MISSION ESSENTIAL DEPOT FACILITIES AND EQUIPMENT MAY STILL BE REQUIRED IN FUTURE YEARS TO ENHANCE THE EFFICIENCY OF OUR DEPOTS. WE PLAN TO REQUEST THESE FACILITIES ON AN INDIVIDUAL BASIS IN FUTURE PROGRAMS AS THE NEED ARISES.

NUCLEAR MUNITIONS SECURITY PROGRAM - THIS YEAR WE ARE ASKING FOR APPROXIMATELY \$54.5 MILLION TO CONTINUE OUR NUCLEAR WEAPONS SECURITY IMPROVEMENT PROGRAM TO COUNTER THE RECOGNIZED TERRORIST THREAT. WE ARE PLEASED TO REPORT THAT THIS INCREMENT SHOULD COMPLETE THE UPGRADE OF OUR NUCLEAR STORAGE AND ALERT AREAS, AIR FORCE WIDE, TO THE STANDARDS OF CRITERIA AS WE KNOW THEM TODAY. SINCE THE INCEPTION OF THIS PROGRAM IN THE FY 1975 MILITARY CONSTRUCTION PROGRAM, WE WILL HAVE INVESTED APPROXIMATELY \$99 MILLION.

THESE PROJECTS, TOGETHER WITH OTHER MEASURES SUCH AS ELECTRONIC SECURITY SYSTEMS AND REVISED OPERATIONAL PROCEDURES, WILL PROVIDE A GREATLY IMPROVED LEVEL OF PROTECTION AGAINST THE TERRORIST THREAT.

AIR INSTALLATION COMPATIBLE USE ZONE (AICUZ)

THIS YEAR'S REQUEST FOR \$2.0 MILLION INCLUDES THE ACQUISITION OF PROPERTY RIGHTS TO FIVE INSTALLATIONS AND IS A CONTINUATION OF OUR PROGRAM OF EXPANDED CLEAR ZONE ACQUISITION AT THE ENDS OF AIR FORCE RUNWAYS.

TO DATE, THE OVERALL AICUZ PROGRAM HAS YIELDED THE FAVORABLE RESULT WE ENVISIONED. LOCAL COMMUNITIES HAVE TAKEN POSITIVE ACTION, INCLUDING LAND-USE PLAN MODIFICATIONS, ZONING ORDINANCE AMENDMENTS, NEW BUILDING CODE PROVISIONS AND INCOMPATIBLE DEVELOPMENT DENIALS. THESE ACTIONS ARE CONSISTENT WITH THE PRINCIPLE OF THE LOCAL/FEDERAL PARTNERSHIP WHERE THE FEDERAL GOVERNMENT ACQUIRES THE MOST HAZARDOUS AREAS, AND LOCAL COMMUNITIES ESTABLISH COMPATIBLE USES IN THE REMAINDER OF THE AICUZ AREA WHERE LESS RESTRICTION CONTROLS ARE REQUIRED.

AIRFIELD SURVIVABILITY MEASURES

OUR REQUEST INCLUDES \$95.9 MILLION FOR AIRFIELD SURVIVABILITY MEASURES TO BE CONSTRUCTED AT AIR BASES IN EUROPE. THIS PROVIDES \$60 MILLION FOR AN ADDITIONAL INCREMENT OF APPROXIMATELY 76 AIRCRAFT SHELTERS AND SUPPORT FACILITIES WHICH ARE ELIGIBLE FOR NATO RECOUPMENT. WITH THIS INCREMENT, 770 SHELTERS WILL HAVE BEEN CONSTRUCTED OR APPROVED FOR CONSTRUCTION IN EUROPE, INCLUDING THE FIRST GENERATION SHELTERS AUTHORIZED IN THE TAB VEE PROGRAM WHICH BEGAN IN FISCAL YEAR 1968. LIKE THOSE IN THE FISCAL YEAR 1975, 1976 AND 1977 PROGRAMS, THESE SHELTERS WILL BE DESIGNED AND CONSTRUCTED TO ACCOMMODATE THE FULL RANGE OF U.S. TACTICAL AIRCRAFT, INCLUDING THE F-4, F-111, F-15, A-10, AND F-16. THIS PROGRAM INCREMENT, WHEN ADDED TO THE INVENTORY, WILL STILL LEAVE THE AIR FORCE SERIOUSLY SHORT OF THE TOTAL SHELTERS REQUIRED TO PROTECT THE FULL RANGE OF MOBILIZATION AIRCRAFT. WE WILL SEEK TO COVER THIS GAP IN FUTURE PROGRAMS.

IN ADDITION TO AIRCRAFT SHELTERS, THIS YEAR'S PROGRAM INCLUDES ESSENTIAL AIRCRAFT OPERATIONAL FACILITIES AT COLLOCATED OPERATING BASES (COB) FOR DISPERSAL OF CURRENTLY

ASSIGNED AND FOLLOW-ON AIRCRAFT, AND PASSIVE DEFENSE IMPROVEMENTS THROUGHOUT THE EUROPEAN AREA. THESE ADDITIONAL FACILITIES, IN CONJUNCTION WITH FACILITIES AVAILABLE AT THE COB ALONG WITH AIRCRAFT SHELTERS, ARE THE MINIMUM NECESSARY TO MAINTAIN THE READINESS POSTURE OF OUR TACTICAL FORCES AND TO SURVIVE AND RESPOND TO A CONVENTIONAL ATTACK IN THE EUROPEAN AREA.

FLIGHT SIMULATORS

OUR FY 1978 REQUEST INCLUDES FLIGHT SIMULATOR FACILITIES AT FOUR LOCATIONS FOR \$10.6 MILLION. THESE PROJECTS ARE PART OF AN OVERALL PROGRAM DESIGNED NOT ONLY TO PROVIDE ESSENTIAL AND EFFICIENT AIR CREW TRAINING, BUT ALSO TO INCREASE FORCE READINESS THROUGH NEW TRAINING TECHNIQUES AND REDUCE OPERATION AND MAINTENANCE COSTS OF CURRENT AND FUTURE AIRCRAFT RESOURCES. THERE ARE ALSO SIGNIFICANT SAVINGS IN CRITICAL FUEL SUPPLIES AS WELL.

SIMULATORS ARE A VALUABLE ADJUNCT TO FLIGHT TRAINING. THIS IS ESPECIALLY TRUE WHERE WE CANNOT AFFORD TO EXPEND REAL ORDNANCE, TEST EMERGENCY PROCEDURES OR SAFELY CARRY OUT COMBAT MANEUVERING, YET MAINTAIN THE HIGH-LEVEL OF PROFICIENCY NECESSARY TO ACCOMPLISH THE AIR FORCE'S MISSION.

HOSPITAL PROGRAM

THIS YEAR'S PROGRAM INCLUDES \$20.8 MILLION FOR MEDICAL AND DENTAL FACILITIES AT THREE LOCATIONS. BECAUSE OF CHANGES IN INSTALLATION MISSIONS AND PATTERNS OF HEALTH CARE PRACTICE, FACILITIES AT THESE LOCATIONS ARE NO LONGER ADEQUATE IN SIZE AND CONFIGURATION.

AN EFFICIENT AND MODERN HEALTH CARE SYSTEM IS AN ESSENTIAL FACTOR IN PROVIDING QUALITY HEALTH CARE SERVICES TO OUR PERSONNEL. THE DEPARTMENT OF THE AIR FORCE SUPPORTS

THE DEPARTMENT OF DEFENSE EFFORT TO MODERNIZE THIS VALUABLE SEGMENT OF OUR SUPPORT ACTIVITIES.

BACHELOR HOUSING PROGRAM

IT IS A CONTINUING AIR FORCE OBJECTIVE TO PROVIDE ADEQUATE HOUSING FOR OUR BACHELOR PERSONNEL, AND WITH THE SUPPORT OF THIS COMMITTEE, WE HAVE MADE CONSIDERABLE PROGRESS IN IMPROVING LIVING CONDITIONS FOR OUR PEOPLE. WE GREATLY APPRECIATE YOUR EFFORTS IN THIS AREA AND URGE YOUR CONTINUED SUPPORT OF THIS MUCH NEEDED PROGRAM IN THE FUTURE.

WE HAVE DEVELOPED A BACHELOR HOUSING IMPROVEMENT PROGRAM WHICH INSURES THAT OUR BACHELOR PERSONNEL ARE HOUSED IN COMFORTABLE FACILITIES. THE PROJECTS INCLUDED IN THIS YEAR'S REQUEST REPRESENT OUR MOST URGENT NEEDS AND PROVIDE A BALANCE OF MODERNIZATION OF EXISTING, AND CONSTRUCTION OF NEW FACILITIES. THE PROGRAM PROPOSED IS THE MOST COST EFFECTIVE METHOD OF PROVIDING AN ADEQUATE LIVING ENVIRONMENT FOR OUR BACHELOR PERSONNEL AT EACH LOCATION.

WHILE WE ARE TAKING STEPS TO MEET OUR CURRENT NEEDS, WE ARE ALSO LOOKING TOWARD THE FUTURE. THE YOUNG MEN AND WOMEN WHO ARE ENTERING THE AIR FORCE REFLECT THE CHANGING ENVIRONMENT IN THE CIVILIAN COMMUNITY. THEY HAVE HIGHER EXPECTATIONS CONCERNING ADEQUATE HOUSING, INCLUDING PRIVACY. OUR GOAL IS TO PROVIDE OUR PERSONNEL ACCOMMODATIONS SIMILAR TO WHAT IS ACCEPTED BY TODAY'S STANDARDS. WE SOLICIT YOUR SUPPORT AS WE WORK TOWARD THIS OBJECTIVE.

NEW MISSIONS AND MISSION REALIGNMENTS

OUR REQUEST INCLUDES \$19.7 MILLION FOR FACILITIES TO SUPPORT MISSION AND/OR WEAPONS SYSTEM CHANGES IN THE CONTINENTAL UNITED STATES. THESE ACTIONS ARE INTENDED TO MODERNIZE OUR FORCES AND INCREASE THEIR COMBAT CAPABILITIES.

IN PROCEEDING WITH THESE ACTIONS, ALL ASPECTS OF THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PROCESS ARE CONSIDERED, TO INCLUDE THE INTERACTION BETWEEN THE AIR FORCE AND THE PUBLIC. COMPLIANCE WITH THE FULL DISCLOSURE PROVISIONS OF THE NEPA HAS ADDED A NEW DIMENSION TO OUR DECISION MAKING PROCESS.

ENERGY PROGRAM

THIS YEAR'S ENERGY PROGRAM CONTINUED TO SUPPORT THE ENERGY GOALS OF THE NATION. THE CRITICAL ENERGY SHORTAGES EXPERIENCED THIS WINTER ARE INDICATIVE OF THE IMPORTANCE OF SUCH A PROGRAM. OUR FISCAL YEAR 1978 ENERGY REQUEST IS AUSTERE BECAUSE OF THE SEVERELY CONSTRAINED MILITARY CONSTRUCTION PROGRAM BUDGET. WE HAVE INCLUDED \$2.3 MILLION IN PROJECTS TO REDUCE ENERGY CONSUMPTION THROUGH VARIOUS MEASURES, SUCH AS ENERGY MONITORING AND CONTROL SYSTEMS, AND \$1.1 MILLION TO PROVIDE FUEL OIL BACKUP IN PLANTS AFFECTED BY THE CONTINUING NATURAL GAS SHORTAGE. HOWEVER, ADDITIONAL ENERGY CONSERVATION AND FUEL CONVERSION PROJECTS HAVE BEEN IDENTIFIED FOR ACCOMPLISHMENT IN OUR OUTYEAR PROGRAMS. WE ARE PROCEEDING WITH THE DESIGN EFFORT ON THESE PROJECTS TO INSURE THAT WE CAN BE RESPONSIVE TO ANY REQUEST FOR INCREASED EMPHASIS ON THIS VITAL PROGRAM.

ENVIRONMENTAL PROTECTION

IN KEEPING WITH NATIONAL ENVIRONMENTAL PROTECTION POLICIES, OUR \$9.0 MILLION REQUEST FOR WATER POLLUTION CONTROL PROJECTS REFLECTS OUR CONTINUING EFFORTS TO MEET THE MORE STRINGENT WATER QUALITY STANDARDS PROMULGATED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY AND THE STATES IN RESPONSE TO THE FEDERAL WATER POLLUTION CONTROL ACT AMMENDMENTS OF 1972.

THIS YEAR'S PROGRAM BUILDS ON AIR FORCE PROGRAMS OF PREVIOUS YEARS AND CONSISTS OF PROJECTS IDENTIFIED TO COMPLY WITH FEDERAL AND STATE STANDARDS ON WASTEWATER QUALITY. WE ALSO ANTICIPATE FUTURE PROGRAMS BEING REQUIRED TO CONNECT TO REGIONAL WASTEWATER TREATMENT SYSTEMS AND TO COMPLY WITH THE MORE STRINGENT 1985 WATER POLLUTION CONTROL STANDARDS. WE SOLICITE YOUR CONTINUED SUPPORT IN THIS AREA AS OUR PROGRAM IS EXPANDED TO COMPLY WITH OTHER NEW STANDARDS IN NOISE CONTROL, PESTICIDES AND AIR POLLUTION.

COST ESTIMATES AND DESIGN STATUS

WE PRESENT TO THE COMMITTEE THE MOST ACCURATE COST ESTIMATES WE CAN DEVELOP. THIS ENTAILS USING OUR MOST RECENT BIDDING EXPERIENCE AND LATEST DESIGN COST ESTIMATES, ALONG WITH A CONSTANT REVIEW OF INFLATION RATES BASED ON ANTICIPATED MARKET CONDITIONS AND ECONOMIC TRENDS. WE HAVE WORKED CLOSELY WITH OUR COUNTERPARTS IN THE ARMY, NAVY AND THE OFFICE OF THE SECRETARY OF DEFENSE TO INSURE THAT WE PROVIDE ACCURATE COSTS TO THE COMMITTEE.

WE HAVE INCREASED OUR EMPHASIS ON ADVANCED DESIGN PROGRESS AT AN EARLIER STAGE IN THE PROGRAMMING CYCLE SO THAT COST ESTIMATES CAN BE FURTHER IMPROVED OVER PREVIOUS PRESENTATIONS. TO THIS END, DESIGNS HAVE BEEN INITIATED ON ALL PROJECTS IN THIS YEAR'S REQUEST. WE ALSO CONTINUE TO PLACE EMPHASIS ON VALUE ENGINEERING TO DETERMINE ECONOMICAL AND COST EFFECTIVE CONSTRUCTION MATERIALS AND METHODS TO PROVIDE THE BEST FACILITIES AT THE LEAST COST. THE FISCAL YEAR 1978 PROGRAM PLANNING BEGAN EARLIER THAN IN PRIOR YEARS. CONSEQUENTLY, WE HAVE A HIGH DEGREE OF CONFIDENCE IN THE ESTIMATES NOW BEFORE THE COMMITTEE.

SUPPORT

THE SUPPORT PORTION OF THIS REQUEST INCLUDES \$58.4 MILLION FOR PLANNING AND DESIGN REQUIRED FOR DESIGN OF SUBSEQUENT MILITARY CONSTRUCTION PROGRAMS AND \$26 MILLION FOR MINOR CONSTRUCTION WHICH WILL BE USED FOR URGENT PROJECTS THAT MUST BE ACCOMPLISHED PRIOR TO THE NEXT MILITARY CONSTRUCTION PROGRAM.

CONCLUSION

IN CONCLUSION, MR. CHAIRMAN, WE WISH TO ASSURE YOU AND YOUR COMMITTEE THAT THIS PROGRAM REPRESENTS OUR BEST CONSTRUCTION PROPOSALS WITHIN THE CONFINES OF AN EXTREMELY AUSTERE BUDGET. CAPITAL INVESTMENTS ARE PROPOSED ONLY FOR THOSE INSTALLATIONS PROGRAMMED TO REMAIN IN THE INVENTORY FOR THE FORESEEABLE FUTURE. ATTACHED TO THE PRINTED COPIES OF MY STATEMENT ARE NARRATIVE DESCRIPTIONS OF THE ENTIRE PROGRAM BROKEN OUT BY CATEGORY OF FACILITIES, BY MAJOR COMMANDS AND BY MISSION ELEMENTS SUPPORTED.

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT. I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE. IF THERE ARE ANY QUESTIONS ABOUT OUR PROGRAM, WE WILL BE PLEASED TO PROVIDE ADDITIONAL INFORMATION.

(ATTACHMENTS TO STATEMENT FOLLOW)

TABLE I
DEPARTMENT OF THE AIR FORCE
FY 1978 MILITARY CONTRUCTION APPROPRIATION PROGRAM
FOR THE ACTIVE FORCES

SECTION 301

COMMAND

INSIDE THE UNITED STATES	(\$000)
AIR FORCE LOGISTICS COMMAND	46,130
AIR FORCE SYSTEMS COMMAND	24,044
AIR TRAINING COMMAND	18,233
ALASKAN AIR COMMAND	12,111
MILITARY AIRLIFT COMMAND	14,551
PACIFIC AIR FORCES	2,140
STRATEGIC AIR COMMAND	12,914
TACTICAL AIR COMMAND	32,422
UNITED STATES AIR FORCE ACADEMY	1,740
AIR INSTALLATION COMPATIBLE USE ZONE	2,042
NUCLEAR WEAPONS SECURITY	44,298
SPECIAL FACILITIES	4,378
TOTAL INSIDE THE UNITED STATES	<u>215,003</u>
OUTSIDE THE UNITED STATES	
PACIFIC AIR FORCES	1,400
STRATEGIC AIR COMMAND	1,453
UNITED STATES AIR FORCES IN EUROPE	119,721
NUCLEAR WEAPONS SECURITY	10,162
SPECIAL FACILITIES	6,761
TOTAL OUTSIDE THE UNITED STATES	<u>139,497</u>
SUPPORT	
PLANNING AND DESIGN	58,400
MINOR CONSTRUCTION	26,000
	<u>84,400</u>
TOTAL APPROPRIATION PROGRAM	438,900

TABLE II
 DEPARTMENT OF THE AIR FORCE
 FY 1978 MILITARY CONSTRUCTION APPROPRIATION PROGRAM
 ACTIVE FORCES

SUMMARY BY FORCE PROGRAM

	<u>AMOUNT (\$ MILLIONS)</u>	<u>PERCENT OF TOTAL</u>
STRATEGIC FORCES	75,670	17.2
GENERAL PURPOSE FORCES	167,999	38.3
INTELLIGENCE AND COMMUNICATIONS	11,003	2.5
AIRLIFT	16,451	3.8
RESEARCH AND DEVELOPMENT	20,809	4.8
CENTRAL SUPPLY AND MAINTENANCE	21,568	4.9
TRAINING, MEDICAL AND OTHER GENERAL PERSONNEL ACTIVITIES	41,000	9.3
ADMINISTRATION AND ASSOCIATED ACTIVITIES	84,400	19.2
TOTAL	<u>438,900</u>	<u>100.0</u>

TABLE III
 DEPARTMENT OF THE AIR FORCE
 FY 1978 MILITARY CONSTRUCTION APPROPRIATION PROGRAM
 ACTIVE FORCES

PROGRAM BY CONSTRUCTION CATEGORIES

	<u>AMOUNT</u> <u>(\$ MILLIONS)</u>	<u>PERCENT</u> <u>OF TOTAL</u>
OPERATIONAL	129,578	29.5
TRAINING	20,706	4.7
MAINTENANCE	36,643	8.5
RESEARCH, DEVELOPMENT AND TEST	14,811	3.4
SUPPLY	72,190	16.5
HOSPITAL AND MEDICAL	20,827	4.7
ADMINISTRATION	5,404	1.2
BACHELOR HOUSING	25,878	5.9
COMMUNITY	11,944	2.7
UTILITIES	3,206	0.7
POLLUTION	8,981	2.0
ENERGY	2,290	0.5
REAL ESTATE	2,042	0.5
SUPPORT	<u>84,400</u>	<u>19.2</u>
TOTAL	438,900	100.0

NARRATIVE CATEGORY ANALYSIS

(\$ MILLIONS)

OPERATIONAL FACILITIES

\$129.6

THIS CATEGORY CONTAINS ESSENTIAL ITEMS SUCH AS RADAR SUPPORT FACILITIES, AIRCRAFT INSTRUMENT LANDING AND NAVIGATION FACILITIES, AND THE JOINT SURVEILLANCE SYSTEM. INCLUDED IN THIS CATEGORY ARE AIRFIELD SURVIVABILITY MEASURES FOR \$95.9 MILLION AT VARIOUS LOCATIONS IN EUROPE; A TELECOMMUNICATIONS CENTER AT RAMSTEIN AB, GERMANY, FOR \$5.5 MILLION; AND A REPLACEMENT RUNWAY AT LUKE AFB, ARIZONA, FOR \$4.9 MILLION.

TRAINING FACILITIES

\$20.7

TRAINING FACILITIES INCLUDED IN THIS CONSTRUCTION PROGRAM COVER A RANGE OF AIR FORCE TRAINING ACTIVITIES SUCH AS TRAINING FOR PILOTS AND NONCOMMISSIONED OFFICERS. MAJOR PROJECTS ARE: FLIGHT SIMULATOR TRAINING FACILITIES AT THREE LOCATIONS WITHIN THE U.S. FOR \$9.2 MILLION; FIELD TRAINING FACILITIES AT FOUR LOCATIONS FOR \$5.2 MILLION; AND A RANGE SUPPORT FACILITY AT GEORGE AFB, CALIFORNIA FOR \$1.5 MILLION.

MAINTENANCE FACILITIES

\$36.6

THE MAINTENANCE CATEGORY CONTAINS FACILITIES TO SUPPORT AIRCRAFT AND ENGINE MAINTENANCE ACTIVITIES AND SPECIAL PURPOSE SHOPS. INCLUDED IN ONE PROJECT TALLING \$2.6 MILLION FOR AN ADDITION AND ALTERATIONS TO AN AIR FORCE MISSILE SERVICE SHOP AT HILL AFB, UTAH. THIS CATEGORY ALSO PROVIDES AIRCRAFT FUEL SYSTEMS MAINTENANCE FACILITIES AT FIVE LOCATIONS FOR \$6.9 MILLION; AIRCRAFT CORROSION CONTROL FACILITIES AT TWO LOCATIONS FOR \$7.2 MILLION.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION \$14.8

THIS YEAR'S PROGRAM IS DIRECTED AT PROVIDING SPECIALIZED FACILITIES DESIGNED TO BE RESPONSIVE TO THE OVERALL R&D PROGRAM AND THE CHALLENGES OF TODAY AND TOMORROW. MAJOR ITEMS INCLUDE A FLIGHT TEST MISSION CONTROL COMPLEX AT EDWARDS AFB, CALIFORNIA, FOR \$7.7 MILLION; AN AIRCRAFT SURVIVABILITY RESEARCH FACILITY AT WRIGHT-PATTERSON AFB, OHIO, FOR \$1.8 MILLION; AND AN ARMAMENT SYSTEMS INTEGRATION FACILITY AT EGLIN AFB, FLORIDA, FOR \$3.9 MILLION.

SUPPLY FACILITIES \$72.2

THE MAJOR PORTION OF THIS CATEGORY IS FOR PROJECTS TOTALLING \$54.5 MILLION FOR NUCLEAR WEAPONS SECURITY IMPROVEMENTS AT LOCATIONS WITHIN THE UNITED STATES AND OVERSEAS. ALSO INCLUDED IN THIS YEAR'S PROGRAM ARE JET FUEL STORAGE FACILITIES AT TWO LOCATIONS FOR \$9.5 MILLION; AND A LOGISTIC MATERIALS STORAGE FACILITY AT KELLY AFB, TEXAS, FOR \$5.7 MILLION.

MEDICAL FACILITIES \$20.8

THIS YEAR'S PROGRAM IS DIRECTED TOWARD THE CONSTRUCTION AND MODERNIZATION OF HOSPITAL FACILITIES TO PROVIDE PROPER MEDICAL CARE. PROJECTS IN THIS CATEGORY INCLUDES A DISPENSARY AT RAF BENTWATERS, UNITED KINGDOM, FOR \$7.3 MILLION; A DENTAL CLINIC AT LACKLAND AFB, TEXAS, FOR \$4.7 MILLION; AND AN ADDITION AND ALTERATIONS TO A COMPOSITE MEDICAL FACILITY AT TINKER AFB, OKLAHOMA, FOR \$8.8 MILLION.

ADMINISTRATIVE FACILITIES \$5.4

THIS YEAR'S PROGRAM PROVIDES ADMINISTRATIVE FACILITIES TO INCLUDE AN AIRCRAFT MAINTENANCE CONTROL FACILITY AT TWO

LOCATIONS FOR \$1.9 MILLION; AND AN ADDITION TO THE DATA PROCESSING FACILITY AT LANGLEY AFB, VIRGINIA, FOR \$3.5 MILLION.

BACHELOR HOUSING

\$25.9

WE RECOGNIZE THE CONTINUING NEED TO PROVIDE SUITABLE LIVING ACCOMMODATIONS FOR AIR FORCE BACHELOR PERSONNEL, AND WE HAVE INCLUDED A MODEST COMBINATION OF MODERNIZATION OF EXISTING FACILITIES AND NEW CONSTRUCTION TO SATISFY OUR MOST PRESSING DEFICIENCIES. CONSTRUCTION OF 732 NEW BACHELOR PERSONNEL SPACES AT FIVE LOCATIONS FOR \$11.2 MILLION; AND THE MODERNIZATION OF 2,600 EXISTING BACHELOR SPACES AT SIX LOCATIONS FOR \$14.7 MILLION ARE REQUESTED.

COMMUNITY

\$11.9

AS WITH THE BACHELOR HOUSING CATEGORY, WE RECOGNIZE THE CONTINUING NEED TO PROVIDE PEOPLE ORIENTED PROJECTS FOR ALL AIR FORCE PERSONNEL. THIS YEAR'S PROGRAM INCLUDES AN ADDITION TO A DEPENDENT SCHOOL AT SEMBACH AIR BASE, GERMANY, FOR \$4.9 MILLION; AN ADDITION TO THE AIR FORCE ACADEMY, COLORADO, CHAPEL CENTER FOR \$1.6 MILLION; A COMMISSARY WAREHOUSE ADDITION AT ANDERSEN AFB, GUAM, FOR \$1.5 MILLION; AND A GYMNASIUM AT SHEMYA AFB, ALASKA, FOR \$1.7 MILLION.

ENERGY AND UTILITIES

\$5.5

OUR PROGRAM SUPPORTS THE ENERGY GOALS OF THE NATION. INCLUDED ARE PROJECTS TO REDUCE ENERGY CONSUMPTION AT FOUR LOCATIONS FOR \$2.3 MILLION; FUEL OIL BACKUP AT FIVE LOCATIONS FOR \$1.1 MILLION; AND AN EMERGENCY POWER PLANT AT OFFUTT AFB, NEBRASKA, FOR \$1.4 MILLION.

POLLUTION \$9.0

THIS YEAR'S \$9.0 MILLION IS FOR POLLUTION ABATEMENT PROJECTS AT VARIOUS LOCATIONS WITHIN THE UNITED STATES.

REAL ESTATE \$2.0

THE ACQUISITION OF REAL ESTATE INTERESTS INCLUDES EXPANDED CLEAR ZONES AT THE ENDS OF RUNWAYS FOR \$2.0 MILLION, AND THE TRADE OF LAND AT ENT AFB, COLORADO, IN EXCHANGE FOR 167 ACRES OF LAND ADJACENT TO PETERSON AFB, COLORADO.

SUPPORT \$84.4

INCLUDED IS \$58.4 MILLION FOR PLANNING AND DESIGN, AND \$26.0 MILLION FOR MINOR CONSTRUCTION OF URGENT PROJECTS.

FORCE AND DEPLOYMENT GOALS

Mr. Chairman, and members of the committee. I am pleased to present the Air Force military construction appropriation program for fiscal year 1978. Our program supports force and deployment goals presented in the Air Force Chief of Staff's Annual Report to the 95th Congress. This year's program consists of projects throughout the United States and overseas, totaling approximately \$439 million. Included are several projects for the bed down of essential new weapon systems which are identified for accomplishment at various locations. Exact locations have not been indicated because of the domestic base restructuring studies. However, we are prepared to identify our most preferred locations during testimony on the individual projects and to discuss the details of the scope and costs that have been determined for that location.

Also, we have thoroughly reviewed the minimum essential facilities required against current assets at all of our suitable bases. Based on this thorough analysis, I assure the committee we have firm facility requirements in this fiscal year program in order to have the required operational facilities to coincide with the arrival of the new weapon systems into the inventory.

The remainder of our program provides for facilities to support a broad spectrum of Air Force requirements, including some modernization. I will merely highlight a few of the larger and more important programs and projects, at this time. Our program continues to support the energy goals of the Nation. The critical energy shortages experienced around the Nation this winter are indicative of the importance of such a program. We have included projects to reduce energy consumption and to provide fuel oil backup in plants effected by the continuing natural gas shortage.

In the area of bachelor housing improvement, we have developed an aggressive program which will insure all of our bachelor personnel are housed in adequate facilities. This year's program is a step closer to our overall goal of providing our personnel with accommodations similar to what is accepted by today's standards.

Our request will provide 76 additional aircraft protective shelters to be constructed at air bases in Europe. The shelters are designed to accommodate the full range of U.S. tactical fighters and are eligible for NATO recoupment.

Also included are items to maintain aircraft operations of the dispersal and follow-on forces and increase survivability throughout the European area.

This year brings to a close two programs whose origins date back several years. The depot plant modernization program was initiated in fiscal year 1972. To date, the accumulated savings from investments in facilities have provided the benefits we expected. Although this year provides the final increment of our final depot plant modernization program, future years requests may still include facilities which will enhance the efficiency of our depots. The nuclear munitions security improvement program should also be completed by this year's request. The work planned will upgrade our nuclear storage and alert areas Air Force wide to standards of criteria as we know them today.

We are continuing the air installation compatible use zone program as a means of controlling encroachment at the end of our Air Force runways where the accident potential is highest. Our pollution abatement program is small this year. However, we have included several projects which are in keeping with the national environmental protection policies and comply with Federal and State standards of waste water quality.

Mr. Chairman, I thank you for the opportunity to appear before this committee. The complete detailed statement has been provided for the record.

We are now ready to respond to your questions as well as provide any additional information required by your committee.

FUTURE CONSTRUCTION

Chairman JOHNSTON. Thank you very much.

Almost \$20 million of the fiscal year 1978 budget request is associated with the requirements generated by new systems. Will you please elaborate on the future projects involved and the probable location of each of these?

General GILBERT. Yes, sir. With the chairman's permission, there are two that I would prefer not to elaborate on at this time because the Presidential decision has not been made yet. The B-1, although we do have a couple of projects in for those, I do not have the preferred locations.

Other than that, we do have a facilities program to accommodate the A-10. For these our preferred location is Moody Air Force Base, Ga. We have projects to beddown the F-15's that will be coming off the production line. Our preferred location for the F-15's is Eglin Air Force Base, Fla., and Holloman Air Force Base in New Mexico. Also, our preferred beddown of the F-16 is at Hill Air Force Base, Utah. We are also continuing facilities for the AWACS beddown at Tinker Air Base, Okla.

Chairman JOHNSTON. That beddown will take some additional construction, I suppose?

General GILBERT. Yes; it will. We are projecting, in this years program for the preferred F-16 beddown at Hill Air Force Base about \$8 million, or closer to a \$9 million beddown program. It seems to us to be a very compatible location and no more facilities are required there than at any other place. As the chairman probably knows, sometime ago, we announced Hill as the depot for the F-16, and now we propose to station the largest wing, which would be a four squadron wing, at that location.

B-1 BOMBER CONSTRUCTION REQUIREMENT

Chairman JOHNSTON. What kind of construction would the B-1 take?

General GILBERT. As we see it now, sir, the primary type facility we would have to have for the B-1 would be simulator facilities. If the concept of basing, and it is purely a concept now, should continue, we will require some additional ramp space because we would be putting more B-1's at bases than we now have strategic airplanes.

Chairman JOHNSTON. In other words, you would have wider dispersion of the B-1?

General GILBERT. We would have a higher concentration per base. We will disperse it across the Conus but in addition to that, we do envision, at this time having a higher concentration per base whereas now the typical wing has about 15 B-52's, for B-1's it may go to as much as 30.

Chairman JOHNSTON. What bases did you have in mind for the B-1?

General GILBERT. Sir, that has not been fully determined, now. Very frankly, we are in the process of looking across all of the Strategic Air Command bases because they can accommodate all for an equivalent price. We just have not finalized the basing of the B-1. Because the B-1 does carry more ammunition than current strategic bombers, we would probably need some additional munitions storage.

Chairman JOHNSTON. In terms of personnel necessary to support a B-1 base, when and if it is put in, would it take more or less than an ordinary base?

General GILBERT. I would ask for Major O'Neil to address that.

Major O'NEIL. Under current concepts, we would load the bases a little more heavily with B-1's and consequently, the population would be a little bit higher.

Chairman JOHNSTON. Fiscal year 1978 represents the last increment of the modernization program—within the investment to date, how many facilities have been modified?

General GILBERT. Through fiscal year 1977, we have invested about \$190 million and that represents about 70 facilities in the program.

Chairman JOHNSTON. How much did you reduce your budget from what the original request would have been, as a result of cuts in the latter stages of the Ford administration?

General GILBERT. The overall budget, sir?

Chairman JOHNSTON. Yes.

SUPPLEMENTAL BUDGET REQUEST

General GILBERT. Our October 1 submission request contained projects amounting to \$662.9 million. The administration at that time reduced us to \$317.1 million. Then, the current administration's supplement restored \$121 million bringing the Air Force program to a total of \$438 million.

Chairman JOHNSTON. \$453 million including the Guard.

General GILBERT. Yes, sir.

Chairman JOHNSTON. \$438 million—you are \$224 million down.

General GILBERT. Yes, sir, overall, from our original program. We had deferred \$287 million of our original program, but then the reason for the difference is some projects were put in subsequently that we did not have in our original program, for instance the supplement that Mr. Carter put in contains some additional money for shelters and support facilities in Europe.

CONUS REDUCTION

Chairman JOHNSTON. Now, what I am getting at is how much was cut in Conus and, of that amount, how much is essential work that must be done under most any situation?

First of all, how much is the Conus cut?

General GILBERT. The Conus cut was about \$248 million.

Chairman JOHNSTON. Of that \$248 million, does virtually all of it have to be done at one time or another, or does some of it represent contingency plans, B-1 type facilities that may not have to be constructed? How much of the \$248 million will eventually have to be built?

General GILBERT. We hope, sir, all of it, because none of the deferred items were associated with beddown.

Chairman JOHNSTON. Of the \$248 million, it is not a question of if, it is a question of when? Whether you spend it this year or next year?

General GILBERT. That is the way we see it, sir. It has never been deferred, it has not been canceled. That can be afforded by the bases study, if we were to close bases and some of this program was in those bases, it would be reduced by an appropriate amount.

Chairman JOHNSTON. Senator Stevens has a number of questions he would like answered. He is chairing another committee at this time and cannot be here. Please provide your responses for the record.

Thank you.

NATIONAL GUARD BUREAU

STATEMENT OF MAJ. GEN. LAVERN E. WEBER, CHIEF, NATIONAL
GUARD BUREAU

PREPARED STATEMENT

Chairman JOHNSTON. Our next witness is Maj. Gen. Lavern E. Weber, Chief of the National Guard Bureau. We are glad to have you back, General Weber.

General WEBER. Mr. Chairman, I am delighted to have the opportunity to appear before this committee. I have presented to your committee a detailed opening statement. With your permission, I would like that inserted into the record.

Chairman JOHNSTON. Yes; we will put that into the record.

[The statement follows:]

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

It is a privilege to appear before this distinguished committee to present the Air National Guard Military Construction request for Fiscal Year 1978. Within the framework of the total force, each project in this request has been carefully reviewed for priority and need.

This program provides for urgently required facilities that will accommodate modernized weapon systems assigned to the Air National Guard. In addition to the direct mission support requirements, these projects also enhance recruiting and retention by providing our members with upgraded facilities for performance of training.

The past year has presented many challenges to the Air National Guard; challenges which I am proud to say were accepted as opportunities. For example, the Air National Guard achieved an excellent 94% pass rate on gaining command inspections which validates our combat readiness and capability. We deployed one Tactical Reconnaissance and four Tactical Fighter units to the European Theatre for training in 1976 without an accident or an incident. Further, the Air National Guard was selected to receive the General Benjamin D. Foulios Memorial Award for 1976. This Air Force Award, formerly known as the Dedalian Award, is presented to the USAF Major Command contributing the most toward aircraft accident prevention. Also, the Air National Guard captured top honors for the F-106 and F-101 Fighter Interceptor categories in the annual USAF William Tell Competition. The active forces daily reliance upon the Air National Guard for Combat Communications, Tactical Air Control, Airlift, Air Defense, Tactical Fighter, and Air

Refueling continues to increase and we welcome the opportunities presented.

Providing adequate facilities is a major factor in our ability to accomplish increased mission requirements. The FY 1978 appropriation request will support the construction requirements for 19 of our 91 flying units that are projected for conversion to more modern weapon systems in the 1979-1980 time frame. Our FY 1976 program, which is now either under construction or in final process of award to construction companies, will provide the essential facilities to support 15 aircraft conversions. The first increment of our FY 1977 program consisting of 23 projects, estimated at \$14,110,000, has been recleared with the Congress and is currently being advertised for bid. The remaining projects are progressing well in the design phase.

It has been our policy during past years to accomplish the ANG design and construction management through the State US Property and Fiscal Officers whenever feasible. At installations where the Army Corps of Engineers or Navy Facility Engineering Command are managing construction, the ANG uses the services of those agencies.

REQUEST FOR MILITARY CONSTRUCTION PROGRAM APPROPRIATION

The Air National Guard requests an appropriation of \$43.3 million for our FY 1978 Military Construction Program. This is the minimum needed to meet ANG facility requirements, essential in keeping our combat units in a fully trained status, and to support unit aircraft conversions. This program is comprised of 67 major projects at 50 locations in 34 states and the Commonwealth of Puerto Rico. All projects incorporate the use of modern engineering techniques coupled with energy saving designs and materials. Increased insulation, efficient

lighting by new design methods, and recycling of heated or cooled air are examples of our conservation efforts. Many of our units are still housed in temporary World War II buildings. We will continue to convert or alter these buildings to support our needs in lieu of construction, whenever possible. However, many of the buildings have reached the age where replacement is necessary. Replacement of 9 such facilities are included in this program. Under lump sum authorization/appropriation procedure we have been able to make adjustments within the approved program to be responsive to unforeseen or changed circumstances. Again, in 1978 all projects in the major construction category will be cleared with Congressional Committee prior to advertisement, with cost estimates adjusted in accordance with final design.

COMMITTEE SUPPORT

Past recognition of our facility requirements by this Committee and the flexibility allowed by the lump sum appropriation has directly supported our efforts to maintain a high state of combat readiness.

The ANG is in the process of awarding the 1977 program which provides only the most urgent of our construction needs. Within the framework and in support of the total force, our FY 1978 appropriation request of \$43.3 million is the minimum amount necessary to support mission requirements.

CONCLUSION

Mr. Chairman, this concludes my statement in support of the Air National Guard Fiscal Year 1978 Military Construction Request. This Committee's continuing support of our needs is deeply appreciated. I am prepared to answer questions you may have at this time:

MAJOR GENERAL LA VERN E. WEBER
CHIEF, NATIONAL GUARD BUREAU

Major General La Vern E. Weber was born on 3 September 1923 in Lone Wolf, Oklahoma. He was commissioned a Second Lieutenant, U. S. Marine Corps upon graduation from Officer Candidate School in 1945 and served until 1946. He was commissioned in the Army National Guard in 1948, and graduated from the U. S. Army Command and General Staff College, 1955.

Major General Weber's early career included assignments as a U. S. Marine Corps platoon leader in World War II and as an Army Operations Officer in Korea. Subsequent to 1952 he performed staff duty in the Oklahoma Army National Guard at battalion, regimental and division levels. From 1952 to 1964 he served successively as S-3, 179th Infantry Regiment, OKARNG; G-1, 45th Division, OKARNG; and Chief of Staff, 45th Infantry Division, OKARNG.

On 8 March 1965, General Weber was promoted to Major General concurrent with his appointment as State Adjutant General of Oklahoma. He served in the position of Adjutant General until his appointment as Director, Army National Guard, 11 October 1971. He was appointed by the President to be Chief of the National Guard Bureau and confirmed by the U. S. Senate on 16 August 1974.

STRENGTH OF GUARD

General WEBER. I would advise the committee that the Air National Guard has had what we consider to be a good year, a good progressive year. We will continue to fill the role as identified for the Air National Guard in support of the U.S. Air Force.

As discussed with the committee the other day, strength continues to be one of our problems. We dropped below 91,000 in strength for the first time in several years. I am happy to report, in the past several months, we have progressed over the 91,000 mark, and are well on our way to our programmed strength for fiscal year 1977. Our strength in the Air National Guard will increase largely through a nominal increase in full time recruiters. In fiscal year 1976 we employed 210 full time recruiters and have programmed to expand to 340 recruiters. This will permit us to attain our programmed strength of 93,000 in fiscal year 1978.

We are also enlisting more women into the Air National Guard. We currently have about 5,000, a bit over 5 percent of our onboard strength.

WOMEN PERSONNEL

Chairman JOHNSTON. Let me interrupt there. Do we have any women pilots anywhere in the Armed Forces?

General WEBER. We have one in training.

Chairman JOHNSTON. One in training.

General WEBER. We also have them in the Army National Guard, as I mentioned to you the other day.

FLIGHT TRAINING

Chairman JOHNSTON. In the Air Guard, when you take people right in from civilian life, how much training do they have to have to learn to fly?

General WEBER. They require a lengthy time period for qualification, which includes an officer training program. They first become officers before they can be accepted into flight training.

Chairman JOHNSTON. Which takes about how long?

General WEBER. About 1 year.

Chairman JOHNSTON. From the time they would go into the service? Let's say I want to be an Air Guard pilot, and I haven't had any prior service?

General WEBER. I believe that period of time is 1½ months for officer training.

Chairman JOHNSTON. Officer training, and then about 1 year of flying?

General WEBER. Yes.

Chairman JOHNSTON. Excuse me for interrupting your statement. Go ahead.

General WEBER. We feel that the requested facilities will contribute materially to the ability of the Guard to recruit and retain personnel. These facilities, also house the maintenance functions of the equipment that we are issued.

Our organizational structure for this year continues with 91 flying units, 233 nonflying units. Our aircraft modernization program is pro-

gressing well. In fiscal year 1978 we will convert six units. This year fiscal year 1977 we will convert 12 of our units. Combining those with fiscal year 1976, we will have converted 35 of our flying units. That is 40 percent of our units. This is, obviously, a very sensitive factor with respect to our request for construction moneys to accommodate new aircraft. Our readiness is limited by the large number of conversions.

C-130-A MODEL AIRCRAFT

We have a new problem with our C-130-A model aircraft, due to propeller failures. This problem is being improved and by the end of next calendar year, the problem will be resolved.

COMBAT READY

Ninety percent of our units are combat ready and we have a 94-percent pass rate on readiness inspections.

Chairman JOHNSTON. Excuse me—94 percent are combat ready?

General WEBER. Ninety percent are combat ready.

Chairman JOHNSTON. And they are ready with respect to what weapons, what aircraft?

General WEBER. With the aircraft that are issued to the particular unit. Some of these are older aircraft—we refer to them as obsolete or near obsolete. We have 47 units equipped with older aircraft. These include F-100, F-101, and O-2 units.

Chairman JOHNSTON. Is it accurate to say that it is combat ready? If the equipment is obsolete, do you use that equipment?

General WEBER. Yes; it is accurate because these weapons systems are used to support the Air Force.

Chairman JOHNSTON. They would be useful in an emergency?

SAFETY RECORD

General WEBER. Absolutely. We are extremely pleased with the flying safety of the Air National Guard. In 1976, with our 3,700 pilots, 1,500 aircraft, we flew over 400,000 flying hours with a safety record of 3.2 accidents per 100,000 flying hours. That was good enough for the Air National Guard to be awarded the Air Force Safety Award for 1976. We are extremely pleased with this record. For the first time we can see that maybe a near zero accident rate is a possibility, and we are working in that direction.

In our request for construction money for fiscal year 1978, we are asking for \$43.3 million, and that, sir, we consider to be the absolute minimum if we are to keep pace with the construction requirements. Of this 43.3 million, \$37.3 million is for major construction, \$3 million is for minor construction and \$3 million is for planning. This money will permit us to complete 67 major projects in 34 of our States. Many of our units are still in World War II buildings and that, plus our conversions, has driven our backlog of construction to the level of \$296 million.

Mr. Chairman, this concludes my formal statement. I am now prepared to respond to any questions you may have.

Chairman JOHNSTON. Thank you. I have no further questions.

AIR FORCE RESERVE

STATEMENT OF MAJ. GEN. WILLIAM LYON, CHIEF OF AIR FORCE
RESERVE

PREPARED STATEMENT

Chairman JOHNSTON. The next witness will be Major General William Lyon, Chief, Air Force Reserve.

General LYON. Mr. Chairman, we submitted a full statement for the record. I have a short statement I would like to make at this time.

Chairman JOHNSTON. The full statement will be put into the record. [The statement follows:]

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

It is with distinct pleasure that I again meet with you. In discussing the Air Force Reserve Military Construction Program for Fiscal Year 1978, we once again request your support which, in the past, has greatly assisted the Air Force Reserve in achieving its assigned mission.

In the 1970 through 1975 time frame, over 90% of the flying units in the Air Force Reserve underwent conversion to different line aircraft. The construction programs during this period were geared to respond directly to the conversion to the newer aircraft and mission requirements for facility support.

Starting with the Fiscal Year 1976 Military Construction Program, the Air Force Reserve began to reassess and realign priorities of our major project requirements. Most of the operational items necessary to support the current mission were in-place. With top level emphasis on more realistic long-range planning, it was decided that future mission requirements should be met in a timely sequence, as integral parts of the program.

On-site surveys were accomplished by our engineers of all Reserve facilities for each operating location. Based on these surveys, a comprehensive program was established to upgrade existing facilities and, where necessary, construct new facilities. In addition, support items - long the tail-end of the Military Construction Program - took on new importance in the draft-free environment. As strong recruiting and retention factors, support requirements were re-evaluated. High standards for health and welfare

were stressed in all projects to insure that people projects received the same "tender loving care" as equipment projects.

Once this re-examination was in motion, the Air Force Reserve Military Construction Program evolved into a more comprehensive "master plan" that would reflect all the needs of our force.

Our Fiscal Year 1976 Military Construction Program was the first step toward establishment of this stable master plan and the concept continued to provide guidance for the Fiscal Year 1977 program.

The Fiscal Year 1978 Air Force Reserve Military Construction Program presented here today has been formulated on this concept of combining operational, training, maintenance and support requirements to meet current needs. No percentages were set to achieve a balance, rather each line item was first evaluated on its own merit and then incorporated in the comprehensive long-range master plan. The program follows no set rules in which a particular facility category gets the major share of the program, rather the concept provides us with the relationship we sought - that is, a construction program that reflects all of the Reserve's current needs as well as support for long-range planning.

With this basic concept in mind, I will now bring you up to date on the status of our on-going Fiscal Year 1977 Military Construction Program and highlight our Fiscal Year 1978 request.

The Fiscal Year 1977 Military Construction Program consists of 28 projects totaling \$10.8 million in appropriations. Contract award of these projects has begun with

award of the entire program estimated for late spring or early summer.

Analysis of the projects recently awarded indicates overall bids well within government estimates and projects under construction are meeting construction schedules. So again this year, all indications point to excellent bids with large numbers of contractors submitting bids. We are therefore striving to award as early as possible to take advantage of the start of the construction season and the availability of skills and materials.

The Air Force Reserve Fiscal Year 1978 Military Construction Program, which we are presenting today, consists of 19 projects at nine installations located in eight states. Major construction amounts to \$10.1 million, with design and minor construction amounting to an additional \$1.1 million for a total program of \$11.2 million.

Major emphasis is on facility replacement projects, with maintenance activities receiving high priority. There is a joint project with the Air National Guard, a Reserve Forces Operational Training Facility at Chicago-O'Hare, of which the Reserve is funding approximately 45% of the total project cost.

The Fiscal Year 1978 program is a "total plan" for this particular time period and both non-flying and flying activities received the same consideration throughout the programming cycle. Our established goal was to insure that all Air Force Reserve units are provided adequate facilities on a timely basis to accomplish their assigned missions.

The Fiscal Year 1978 Military Construction Program combines requirements to best represent current Reserve needs across the entire spectrum of Air Force Reserve assigned

missions. However, the program still retains enough flexibility to absorb unforeseen or out-of-cycle changes brought on by new missions or realignment of forces that the Reserve may be called on to support.

We believe that our program is strong and firm, yet can accept unforeseen high priority mission changes - and lean and austere, yet adequate enough to meet the current needs of the Reserve as a vital part of the Total Force. People as well as equipment comprise the Air Force Reserve and both people and equipment needs are a part of our Military Construction Program.

Mr. Chairman, this completes my prepared statement. Again, this year, we solicit your continued support. I am prepared to answer any questions you have at this time.

AIRCRAFT CONVERSIONS

General LYON. Mr. Chairman, it is with great pleasure that I again meet with you to discuss the Air Force Reserve military construction program. Once again, we request your support.

In the 1970 through 1975 time frame, over 90 percent of the flying units in the Air Force Reserve underwent conversion to different line aircraft. Facility programs, by necessity, were driven by these operational requirements.

Starting with the fiscal year 1976 military construction program, the Air Force Reserve had accomplished these major conversions and began to reassess and realign priorities of our project requirements. With top level emphasis, it was decided that follow-on operational requirements should be met as integral parts of the military construction program along with other elements that make up the total Reserve mission.

Onsite surveys were accomplished for each operating location and a comprehensive construction program was established to upgrade existing facilities and, where necessary, provide new facilities. As strong recruiting and retention factors, support requirements were also closely evaluated.

Once this reexamination was in motion, the Air Force Reserve military construction program evolved into a more complete master plan that would reflect all the needs of our force.

The fiscal year 1978 Air Force Reserve military construction program presented here today has been formulated on the concept of combining operational, training, maintenance, and support requirements to meet current needs of the force.

CONSTRUCTION COSTS

The program consists of 19 projects at 9 installations located in 8 States. Major construction amounts to \$10.1 million, with design and minor construction amounting to an additional \$1.1 million for a total program of \$11.2 million.

Major emphasis is on facility replacement projects, with maintenance activities receiving high priority. There is a joint project with the Air National Guard, a Reserve Forces Operational Training Facility at Chicago-O'Hare.

We believe that the program is strong and firm, yet can accept unforeseen high priority mission changes—and lean and austere, yet adequate enough to meet the current needs of the Reserve as a vital part of the total force. People as well as equipment comprise the Air Force Reserve and both people and equipment needs are a part of our military construction program.

Mr. Chairman, that completes my prepared statement. Again, this year, we solicit your continued support. I am prepared to answer any questions you have at this time for me.

Chairman JOHNSTON. Thank you very much. I have no questions at this time.

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF, EXECUTIVE
VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF
THE UNITED STATES

PREPARED STATEMENT

Next, we are happy to welcome to this committee, Maj. Gen. Francis S. Greenlief, executive vice president of the National Guard Association of the United States. We are happy to have you, not only because of your background with the military, but because of your separation from it now. You can tell it like it is, without being constrained by your bosses.

General GREENLIEF. Mr. Chairman, I do appreciate the opportunity to represent the National Guard Association, and with your permission, I will only present a brief version of the statement.

Chairman JOHNSTON. The full statement will go into the record.
[The statement follows:]

Mr. Chairman, and distinguished members of the Committee, I appreciate the opportunity to represent the National Guard Association of the United States as you consider the FY 78 Appropriations Request for the Military Construction Program of the Army and Air National Guard.

The Total Force Policy has evolved to the point that this nation cannot execute its war plans unless the Army and Air National Guard can produce the combat readiness required of them. This condition is clearly demonstrated by the fact that the Total Force relies on National Guard and Reserve Forces for:

- 54% of Army Deployable Forces
- 45% of Army Aviation Forces
- 52% of Infantry and Armor Battalions
- 58% of Field Artillery Battalions
- 65% of Combat Engineers Battalions

- 64% of Air Force Tactical Airlift Aircraft
- 50% of Air Force Tactical Reconnaissance Aircraft
- 12% of Air Force Jet Tanker Aircraft
- 32% of Air Force Tactical Fighter Aircraft
- 50% of Air Force Air Defense Interceptors
- 100% of Air Force Early Warning Aircraft
- 50% of Air Force Tactical Air Control System

The readiness requirement demands a balanced mix of trained manpower, equipment, and training and maintenance facilities. I will address the facility requirements of the Army National Guard and the Air National Guard in turn.

Army National Guard (ARNG)

The ARNG construction backlog at end FY 1975 was \$552 million. At end FY 1976 the backlog had risen to \$612 million. The increasing backlog is produced by inflation, new requirements generated by the increasing equipment inventory, and insufficient funding. Notwithstanding the generosity of this Committee in appropriating \$61.1 million for FY 1977, the appropriation will only approximate the cost growth that is expected to occur in FY 1977.

The DoD-approved FY 1977 MCARNG Appropriations request listed the FY 1978 requirement as \$71.2 million. The FY 1978 MCARNG Budget Submission, prepared in accordance with DoD guidance, requested \$57.1 million. The FY 1978 President's Budget, which you are considering today, has cut

the FY 1978 MCARNG program to \$49.4 million. Although the Budget Request has been cut \$21.1 million, I am unaware of any challenge to the validity of the construction requirement.

Recognizing that the ARNG carried over \$11.9 million from FY 1976 to FY 1977, we do not now ask that the MCARNG Program be increased to the earlier DoD-approved level of \$71.1 million. We do, however, request that the appropriation be increased by \$7.7 million to \$57.1 million. Restoration of the \$7.7 million will permit construction of the following projects which were eliminated by the cut:

<u>LOCATION</u>	<u>PROJECT</u>	<u>COST (\$000)</u>
Camp Roberts, Calif.	Mobilization and Training Equipment Site	\$1,188
Fresno, Calif	400-Man Armory	1,063
Fort Polk, La.	Mobilization and Training Equipment site	1,181
Camp Guernsey, Wyo.	Ammunition Storage	612
		<u>\$7,705</u>

Air National Guard (ANG)

This Committee increased the ANG MCP Appropriation \$9.6 million above the \$27.6 million requested in the FY 1977 President's Budget. Your action brought the FY 1977 Appropriation to \$37.2 million.

At end FY 1976 the ANG MCP backlog was \$336 million.

The U.S.A.F. and the DoD have increased the ANG MCP to \$43.3 million in FY 1978. This level of funding is expected to reduce the ANG backlog to \$296 million by end FY 1978.

Although the ANG obligation rate was low in FY 1976, accelerated action by the National Guard Bureau and the States will permit obligation of 97.4% of the program by 31 March 1977. This rapid reaction to a changing construction bidding market demonstrates the need of the ANG for new facilities. Of the sixty-seven projects which can be supported by the President's FY 1978 Appropriations Request, twenty-four are generated by ANG flying unit conversions. These construction projects in support of unit conversions greatly accelerate the attainment of readiness by the ANG.

We request that an additional \$6,663,000 be appropriated to provide the following urgently needed facilities for the ANG:

	(\$000)
<u>Fresno ANG Base, Calif.</u>	
Support Equipment Shop	\$345
<u>Buckley ANG Base, Colo.</u>	
Fuel Cell Maintenance Dock	530
Communications-Electronics Tng Facility	800
<u>Greater Wilmington Airport, Del.</u>	
Auto Maintenance/Refueling Shop	405
<u>Dobbins AFB, Ga.</u>	
Rocket Storage Facility	160
<u>Reno Municipal Airport, Nev.</u>	
Base Engineering Facility	401
<u>Mansfield Lahm Airport, Ohio</u>	
Base Engineering Facility	490
<u>Rickenbacker AFB, Ohio</u>	
Auto Maintenance Facility	705
<u>Zanesville Municipal Airport, Ohio</u>	
Auto Maintenance/Support Equipment Facility	360
<u>Will Rogers World Airport, Okla.</u>	
Base Engineering Facility	330
Dispensary	412
<u>Portland International Airport</u>	
Composite Squadron Operations Facility	725
Energy	1,000
	<u>\$6,663</u>

These projects will further reduce the construction backlog of the ANG, and will contribute directly to the readiness of the ANG.

AID TO THE ECONOMY

The construction industry has been one of the most economically depressed industries, and has been among the slowest to recover. The additional projects we have requested will not only improve the readiness of the ARNG and the ANG, but they will provide much needed employment in the construction industry, and can be placed under contract in FY 1978.

CONSTRUCTION PLANNING SERVICES

Current policy permits the ANG to utilize the United States Property and Fiscal Officers in each of the States for design and construction management of military construction projects constructed at airfields where there is no U.S. Army Corps of Engineers or Navy Facility Engineering Command present.

Where those agencies are present the ANG is required to use their services, thus escalating the cost of facilities. The following chart demonstrates the cost differential between the several construction planning services. Costs are shown as a percentage of project costs:

<u>Construction Planning Svc</u>	<u>Design Fee</u>	<u>Construction Management</u>	<u>Total</u>
USPFO	7-1/2%	4%	11-1/2%
U.S.A. Chief of Engr	9-1/2%	11%	20-1/2%
Navy Fac Engr Command	9%	10-1/2%	19-1/2%

We recommend that the report of this Committee indicate your support of a policy change which would permit the National Guard Bureau to use the construction planning services of the USPFO's whenever it is within their capabilities.

SUMMARY

In summary, we request that you appropriate \$57.1 million for the ARNG Military Construction Program for FY 1978, and that you appropriate \$50 million for the ANG Military Construction Program for FY 1978. Further, we request that you indicate your approval of National Guard Bureau use of the USPFO's to provide construction planning services for ANG projects.

Mr. Chairman, We deeply appreciate the past support of your Committee, and are confident that the readiness of the ANG justifies your support.

BIOGRAPHY

MAJOR GENERAL FRANCIS S. GREENLIEF (Ret.)
Executive Vice President
National Guard Association of the United States (1974-)

Major General Francis S. Greenlief joined the staff of the National Guard Association of the United States in September 1974, after retiring as Chief, National Guard Bureau on 1 July 1974. He was appointed the Executive Vice President of the 48,000-member Association in September 1975.

General Greenlief was born in Hastings, Nebraska on 27 July 1921. He completed high school there and enrolled in the University of Nebraska in 1939 to study business administration.

He enlisted in Company G, 134th Infantry, Nebraska National Guard in Hastings on 5 July 1940, and was ordered to active duty with his unit on 23 December 1940 as a corporal. At the time of his entrance to Infantry Officer Candidate School in May 1942, he was Acting First Sergeant of the same Company.

General Greenlief was graduated from Officer Candidate School and was commissioned a second lieutenant, Infantry, on 25 August 1942. He served as Platoon Leader and Commanding Officer, Company L, 134th Infantry in the European Theater of Operations from May 1944 until August 1945, participating in the Normandy, Northern

France, Rhineland, and Ardennes Campaigns. He was released from active duty on 5 January 1946.

On 3 November 1947, General Greenleaf rejoined the Nebraska National Guard as Commanding Officer, Company G, 134th Infantry. He subsequently served as S-3 of the 134th Infantry Regiment, acting Assistant Adjutant General of Nebraska, G-4 of the 34th Infantry Division and Division Chief of Staff. He was promoted to colonel on 1 July 1957.

As a colonel, he was ordered to active duty from the Nebraska Army National Guard and assigned as Executive Officer, Army Division, National Guard Bureau on 1 January 1960. He was appointed brigadier general and designated Assistant Chief (Army), National Guard Bureau, on 3 November 1962.

General Greenleaf was appointed as Deputy Chief, National Guard Bureau, on 14 September 1963 and was promoted to major general on 9 February 1965. On 13 September 1967, he was extended for an additional four-year term. On 20 April 1970, he was appointed Director, Army National Guard in addition to his duties as Deputy Chief, National Guard Bureau.

He was appointed by the President and confirmed by the Senate to be Chief, National Guard Bureau, for a four-year term and was sworn into office on 1 September 1971.

He completed flying training and was designated an Army Aviator on 22 May 1969. He is qualified in fixed and rotary wing aircraft.

AWARDS AND DECORATIONS include Distinguished Service Medal, USA, w/cluster; Distinguished Service Medal, USAF; Silver Star, Bronze Star, Purple Heart with three Oak Leaf Clusters, Croix de Guerre with Gold Star, European-African-Middle Eastern Campaign Medal with four Battle Stars, the Combat Infantry Badge and the Army Aviator Badge, Distinguished Service Medal, NGAUS; and many State awards.

READINESS REQUIREMENTS

General GREENLIEF. Mr. Chairman, I appreciate the opportunity to represent the National Guard Association of the United States as you consider the fiscal year 1978 appropriations request for the military construction program of the Army and Air National Guard.

The readiness requirement demands a balanced mix of trained manpower, equipment, and training and maintenance facilities. I will address the facility requirements of the Army National Guard and the Air National Guard in turn.

The Army National Guard construction backlog at end fiscal year 1975 was \$552 million. At end fiscal year 1976 the backlog had risen to \$612 million. The increasing backlog is produced by inflation, new requirements generated by the increasing equipment inventory, and insufficient funding, of the past. Notwithstanding the generosity of this committee in appropriating \$61.1 million for fiscal year 1977, the appropriation will only approximate the cost growth that is expected to occur in fiscal year 1977.

The DOD-approved fiscal year 1977 MCARNG appropriations request listed the fiscal year 1978 requirement as \$71.2 million. The fiscal year 1978 MCARNG budget submission, prepared in accordance with DOD guidance, requested \$57.1 million. The fiscal year 1978 President's budget, which you are considering today, has cut the fiscal year 1978 MCARNG program to \$49.4 million. Although the budget request has been cut \$21.1 million, I am unaware of any challenge to the validity of the construction requirement.

Recognizing that the Army Guard carried over \$11.9 million from fiscal year 1976 to fiscal year 1977, we do not now ask that the MCARNG program be increased to the earlier DOD-approved level of \$71.1 million. We do, however, request that the appropriation be increased by \$7.7 million up to \$57.1 million. That is the September approved DOD figures. Restoration of the \$7.7 million will permit construction of the following projects which were listed in my full statement.

AIR NATIONAL GUARD

This committee increased the ANG MCP appropriation \$9.6 million above the \$27.6 million requested in the fiscal year 1977 President's budget. Your action brought the fiscal year 1977 appropriation to \$37.2 million. Even so, at the end of fiscal year 1976, the ANG MCP backlog was \$336 million. This year we are happy to see that the Air Force and DOD have increased the Air Guard construction program to \$43.3 million. This level of funding is expected to reduce the Air Guard backlog to \$296 million by the end of fiscal year 1978.

Although the Air Guard obligation rate was somewhat low in fiscal year 1976, accelerated action by the National Guard Bureau and the States will permit obligation of 97.4 percent of the program by March 31, 1977.

Chairman JOHNSTON. Will you repeat that?

General GREENLIEF. The rate was low in 1976, but because of the accelerated action by the Guard Bureau and the States, they will be able to obligate 97.4 percent of the fiscal year 1976 program by March 31, 1977.

This rapid reaction to a changing construction bidding market demonstrates to me clearly the real need of the Air Guard for new facilities. Mr. Chairman, we then request that an additional \$6,663,000 be appropriated to provide the urgently needed facilities for the Air Guard, which I have listed in my statement.

Mr. Chairman, the construction industry has been one of the most economically depressed industries in our Nation and it has been among the slowest to recover. The additional projects we have requested today will not only improve the readiness of the Army Guard and the Air Guard, but they will provide much-needed employment in the construction industry, and they can be placed under contract in fiscal year 1978.

UTILIZATION OF U.S. PROPERTY AND FISCAL OFFICERS

Current policy permits the National Guard to utilize the U.S. Property and Fiscal Officers in each of the States for design and construction management of military construction projects constructed at airfields where there is no U.S. Army Corps of Engineers or Navy Facility Engineering Command present. Where those agencies are present the ANG is required to use their services, thus escalating the cost of facilities. The chart in my statement demonstrates the cost differential between the several construction planning services. We can get more steel, brick, and mortar if we use the construction planning services of the USPFO whenever it is within their capabilities.

Chairman JOHNSTON. Does that require legislation?

General GREENLIEF. No, sir, it is a regulation of the Department of Defense and specifically I would recommend that your report carry some language that urges the Department of Defense to permit that authority to the National Guard Bureau.

Chairman JOHNSTON. What is the reason not to do so?

General GREENLIEF. Originally, it was concluded where the U.S. Army Corps of Engineers, Navy Engineering Command, was in existence at a facility, they could probably do it cheaper. The facts show they cannot. This is not intended as a criticism of either the Corps or the NavFac. It is just a recognition of the fact those agencies have a very large overhead and any project they build must share part of the cost of that overhead.

AIR FORCE CONSTRUCTION COMPANY

Chairman JOHNSTON. Do you share in that view, General?

General GILBERT. Yes, sir, I am familiar with the question. While it does cost us more in the Air Force, the Air Force is not interested in establishing its own construction agency because that is also expensive. We do, in locations where the corps or the Naval Facilities Engineering Command is not available, we do our own design and construction through our existing inhouse forces or AE contract, and we get our fair share of each year's program to keep our engineers actively involved in their profession, but I still must say that it is the most economical means, I think, in the end, for the Active Forces to carry out its construction.

Chairman JOHNSTON. The Air Force would resist report language as requested by the general?

General GILBERT. For the active—we would prefer that it not include the active because, as I think, in the end, it would be a costly proposition.

PLANNING CONSTRUCTION

General GREENLIEF. What I am suggesting is, it could not help the Air Force. He is responding as to what he would like for the Air Force. I am asking not anything additional be created, merely that the U.S. Property and Fiscal Officers, who are active duty officers in each of the States, be authorized to use their current capabilities to provide the planning construction. This would not place additional workload on the Air Force. It would be done at State level with Federal officers and their assistants, who are already there, and produce very significant savings. The same facility would not be available to the Air Force because the USPFO's—our officers—could not do the construction lines for that.

General GILBERT. I would add—I can't speak for the Guard and the Reserve—but in the case of the active force, the authorization legislation does require that we use the corps or the Naval Facilities Engineering Command.

General GREENLIEF. It does not provide that for the National Guard.

We want to change the exception to the policy, because they do provide the exceptions.

Chairman JOHNSTON. Would anybody else like to comment on that?

General WEBER. Certainly, the Guard Bureau would endorse the recommendation of General Greenlief. We do this in our Army Guard construction program. It is only appropriate that we do it in the Air Guard.

BUDGET REQUEST

General GREENLIEF. In summary, we request that you appropriate \$57.1 million for the Army National Guard military construction program and \$50 million for the military construction program for fiscal year 1978. Further, we request that you indicate your approval of National Guard Bureau use of the U.S. Property and Fiscal Officer to provide construction planning services for National Guard projects.

Again, sir, I deeply appreciate the opportunity to participate and appear before your committee, and I am confident that the readiness of the Army Guard and Air Guard will continue.

I will be happy to answer any questions you may have.

Chairman JOHNSTON. Thank you very much for a very good statement.

You want \$7.7 million increase from the Army and \$6.663 million for the Air Guard, and of that, virtually the whole thing could be committed and obligated during the coming fiscal year. Is that correct?

General GREENLIEF. It can all be committed. I believe, in the Army Guard side, they can obligate something like 90 percent of the fiscal year 1978. I am told in the Air Guard they could commit all of it and, in short, all they would have left is the carryover that you must

have to be able to operate, conduct a continuing program into the next year. You must have some carryover because you have the hiatus between one fiscal year's appropriation and the next.

PROPOSED INCREASE IN APPROPRIATION TARGETS

Chairman JOHNSTON. As I have said here with the other services, we are going to ask for an increase in the appropriation targets for military construction. It does not make any sense at all to take projects that must be built—we are not talking about projects that may or may not be built depending on what the state of military decisions are—we have projects here that must be built, and if so, you ought to build them now. That is what the stimulus program is all about. We are going precisely the opposite direction, deferring essential projects for this year, for another year, when inflation might be the problem rather than unemployment.

General GREENLIEF. I couldn't agree more, and buying them earlier gets them cheaper.

Chairman JOHNSTON. Not only that, but we have a depression in the housing market and building trades, and costs are lower than they probably will be in the next several years.

SUBMITTED QUESTIONS

At this point in the record, I will insert additional questions which I will ask that you answer for the record.

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

QUESTION. In Fiscal Year 1977, the domestic construction program was characterized as generally austere because of the necessity to finance \$437 million at the Arnold Engineering Test Center. In Fiscal Year 1978, the domestic program is even lower. Is this a reflection of the general Defense moratorium on new construction, or are there other reasons why the ongoing program could be expected to be so low?

ANSWER. Our total program this year of \$438.9 million is larger than our FY 1977 MCP request less the \$437 million Aeropropulsion Systems Test Facility (ASTF). Our FY 1977 request was \$802.3 million and, after subtracting ASTF out, this left \$365.3 million. Both programs are austere in that they do not adequately address modernization requirements. The domestic portion of this year's program is about \$35 million less than last year. This is due to the increased emphasis in this year's program on readiness overseas and the deferral by the Secretary of Defense of many projects at domestic bases. A comparison is as follows:

	FY 1977	FY 1978
	(\$ Millions)	
Inside United States	249.4	215.0
Outside United States	57.1	139.5
Design/Minor Construction	<u>58.8</u>	<u>84.4</u>
TOTAL	365.3	438.9
ASTF	<u>437.0</u>	
TOTAL	802.3	

QUESTION. If the present base structure and mission were assumed to continue, what additional projects would you consider appropriate for FY 1978?

ANSWER. The majority of the \$287 million of projects that were deferred are considered to be valid requirements. However, it was determined by the Secretary of Defense that these projects be deferred to the FY 1979 Military Construction Program.

QUESTION. Are there additional programs which you believe will be required regardless of mission reorientation, such as energy conservation and pollution abatement, which should be funded in FY 1978?

ANSWER. Yes. We consider that the deferred pollution projects totalling about \$22 million as well as the deferred energy projects totalling about \$46 million, all for bases in the United States are of sufficient urgency that they should be funded in FY 1978. The deferred pollution projects are considered high priority statutory requirements and the energy projects are extremely significant in view of the energy shortage.

QUESTION. Almost \$20 million of the FY 1978 request is associated with requirements generated by new or changing mission. Would you please elaborate on the specific projects involved and the probable location of each? What future effort is probable as the result of introduction of such new systems as AWACS, the B-1 bomber, A-10, etc.?

ANSWER. Twenty-two projects for \$27,920,000 are included at eight locations in support of the B-1, F-4G, A-10, F-15, F-16 and AWACS weapons systems. The preferred locations and projects requested are as follows:

<u>WEAPON SYSTEM</u>	<u>PREFERRED LOCATION</u>	<u>PROJECT TITLE</u>	<u>(\$000)</u>
B-1	Not yet identified	Flight Simulator Training Facility	\$ 5,858
		Add to Field Training Facility	1,097
			<u>\$ 6,955</u>
F-4G	George AFB	ECM Facility	\$ 1,308
			<u>\$ 1,308</u>
A-10	Moody AFB	Field Training Facility	\$ 871
		Aircraft Fuel Systems Maintenance Facility	810
			<u>\$ 1,681</u>
F-15	Eglin AFB	Flight Simulator Training	\$ 1,016
		Aircraft General Purpose Shop	338
		Alter Aircraft Maintenance Docks	1,213
		ECM Facility	438
		Support Equipment Shop	324
		Weapons Release Systems Shop	535
			<u>\$ 3,864</u>
F-15/T-38	Holloman AFB	Arm and Disarm Pads	\$ 664
			<u>\$ 664</u>
(Deleted)	(Deleted)	Flight Simulator Training Facility	\$ 1,400
			<u>\$ 1,400</u>
F-16	Hill AFB	Aircraft Runup Facilities	\$ 380
		Squadron Flight Operations Facility	914
		Field Training Facility	1,535
		ADAL Aircraft Maintenance Facility	3,388
		Add to Avionics Shop	468
		Jet Fuel Storage Facility	1,130
		Aircraft Maintenance Control Facility	1,013
			<u>\$ 8,828</u>
		AWACS	Tinker AFB
			<u>\$ 3,220</u>
TOTAL			<u>\$27,920</u>

Final decisions have not been reached on total numbers of aircraft to be purchased for our new weapons systems such as the B-1, AWACS, A-10 and F-16s. The amount of facility construction required depends on numbers of aircraft, to be assigned, and the amount of existing facilities that can be used for new aircraft. As numbers of aircraft and base locations are identified, on-site facility runways will be conducted to finalize MCP requirements. The type construction needed might include such items as alert and munitions facilities, maintenance shops/hangar additions and alterations, flight simulator facilities, parking apron, etc.

<u>WEAPON SYSTEM</u>	<u>PREFERRED LOCATION</u>	<u>PROJECT TITLE</u>	<u>(\$000)</u>
B-1	Not yet identified	Flight Simulator Training Facility	5,858
		Add To Field Training Facility	1,097
			<u>6,955</u>
F-4G A-10	George AFB Moody AFB	ECM Facility	1,308
		Field Training Facility	871
		Aircraft Fuel Systems Maintenance Facility	810
			<u>1,681</u>
F-15	Eglin AFB	Flight Simulator Training	1,016
		Aircraft General Purpose Shop	338
		Alter Aircraft Maintenance Docks	1,213
		ECM Facility	438
		Support Equipment Shop	<u>324</u>
			3,864
F-15/ T-38	Holloman AFB	Arm and Disarm Pads	664
[Deleted]	[Deleted]	Flight Simulator Training Facility	1,400
F-16	Hill AFB	Aircraft Runup Facilities	380
		Squadron Flight Operations Fac	914
		Field Training Facility	1,535
		ADAL Aircraft Maintenance Fac	3,388
		Add To Avionics Shop	468
		Jet Fuel Storage Facility	1,130
		Aircraft Maintenance Control Fac	<u>1,013</u>
			8,828
AWACS	Tinker AFB	Aircraft Fuel System Maintenance	3,220
			<u>TOTAL</u>
			\$27,920

Final decisions have not been reached on total numbers of aircraft to be purchased for our new weapons systems such as the B-1 AWACS, A-10 and F-16s. The amount of facility construction required depends on numbers of aircraft, to be assigned, and the amount of existing facilities that can be used for new aircraft. As numbers of aircraft and base locations are identified on-site facility runways will be conducted to finalize MCP requirements. The type construction needed might include such items as alert and munitions facilities, maintenance shops/hangar additions and alterations, flight simulator facilities, parking apron, etc.

QUESTION. FY 1978 represents the last increment of this modernization program. What has been the investment to date, and how many facilities have been modified? Have any been excluded in FY 1978 as a result of the moratorium?

ANSWER. The total investment through the FY 1977 program in military construction is \$189.1 million. Through the FY 1977 Military Construction Program, there have been seventy projects approved at six locations involved. One project totalling \$3.861 million was deferred as a result of the moratorium. It was at Kelly AFB, Texas, for Reentry Vehicle Storage.

QUESTION. After four years and \$100 million, you are completing the security upgrade of nuclear weapons storage facilities. Has a similar program been envisioned for our chemical and/or binary weapons storage facilities? Are they equally susceptible to terrorist penetration? How many installations would be involved, and at what cost?

ANSWER. The Air Force does not store chemical and binary weapons and, therefore, no program exists for the upgrade of storage sites against terrorist penetration. Any Air Force assets in this category are stored for us by the Army.

Question. You are continuing the Air Installation Compatible Use Zone program in FY 1978 at five more bases. Does this program actually entail acquisition of additional land in most cases? How many installations have, to date, established compatible use zones, and what is the extent of the program to come? Are there bases where it is impossible to do this because of encroachment?

Answer. Of the ninety bases in the AICUZ program, sixty-four have land acquisition requirements. Ten of these bases were accomplished through the minor land acquisition program and thirty-two were funded in the FY 1977 and prior Military Construction Programs. Five are in FY 1978 MCP and seventeen bases remain in the FY 1979 program for a total of sixty-four. We have prescribed AICUZ studies at forty-three bases and local governments have already taken positive actions at over twenty bases in the form of new or amended land use plans or ordinances, and development proposal denials. The encroachment problem varies from base-to-base and, although some have significant encroachment, we do not consider the situation at any of them as impossible.

Question. In FY 1978, \$25.9 million is requested for the construction or modernization of 3,332 enlisted housing spaces. What is the current deficit of units required to adequately house all enlisted personnel in quarters that meet present criteria?

Answer. We have a programmable deficiency of 6,546 spaces. These will be programmed as new facilities in future Military Construction Programs. In addition to our new construction efforts, we are programming projects to modernize the 53,905 substandard spaces to meet current adequacy standards.

FY 1978 MCP cost of \$25.9 million includes both enlisted and officer spaces. There are 3072 enlisted spaces at a cost of \$19.6 million and 260 officer spaces at a cost of \$6.3 million.

QUESTION. You indicate that the energy program for Fiscal Year 1978 has been severely constrained. What do you consider the appropriate level to be, assuming that it can be physically executed?

ANSWER. Our original submission of projects to reduce energy conservation was \$48.2 million for Fiscal Year 1978. It was reduced to \$2.3 million. The importance of the program has certainly been underscored by the critical energy shortages experienced this winter. We fully support the energy conservation goals of the nation, and we have continued with the design of the program so that, if additional

funds are made available, we will be able to go to the contract without any loss of time.

QUESTION. \$1.1 million of the budgeted \$2.3 million is for oil backup in gas-fired plants. Since the availability of oil may become as uncertain as that of natural gas, why do we not plan for coal backup?

ANSWER. Provision of an oil backup system for these dispersed plants is preferable for two major reasons. First, critical gas shortages during the winter of 1976-77 have dictated that alternate systems be provided for use as soon as possible. Three of the five locations in this request are in California where the State has identified plants which will not be supplied with gas in the event of shortages. The extensive new facilities associated with a coal system far exceed available construction time, and thus necessitate the oil-fired option. Second, the coal-fired system requirements are not compatible with the existing equipment. Thus, a coal-fired system would require a totally new package of boilers, controls, storage area, transportation and handling equipment, and extensive pollution controls to facilitate the conversion. Since these plants are to be provided with only a backup capability, the investment costs for such a transition to coal would be prohibitive at this time.

QUESTION. What has been the Air Force's investment in pollution control/abatement program since the major emphasis in recent years? What is the estimated future cost of bringing all installations into compliance with existing air and water quality laws and regulations?

ANSWER. Since the promulgation of the initial Johnson Executive Orders on pollution control, the Air Force has, in 1965 to 1978 Military Construction Programs, programmed \$177 million, \$67.7 million for air, and \$110.3 million for water pollution control. Our estimated future costs are in the order of \$150 million.

QUESTION. Cost Estimating. You have been experiencing a favorable bidding environment.... Why have you not also assumed that this favorable climate would extend into FY 1977?

ANSWER. Our savings have accrued during a time when construction activity was less than in most previous years. This is supported by Department of Commerce statistics which also show that Federal contract awards through July 1976 declined approximately 60 percent from that of a year ago. Also, this was a period of heavy unemployment.

This indicates that contractors have been forced to pare profits to a minimum level to get contracts. This is reflected in the degree of bidder participation and in the exceptionally low bids they have offered.

Our position is further supported by the fact that during this slump in construction activity construction material prices continued to rise. As of September 1976, the wholesale price index for all construction materials was 10 percent above that of the previous year. This is expected to continue and will probably increase at an accelerated rate as a result of the present fuel crisis.

Construction activity is expected to increase when the plans of the Carter Administration are implemented. When this occurs, contractors will likely resume normal profit margins. With increases in material costs and profit margins, contract costs will increase.

Question. \$58.4 million is being requested for Planning, and Design. Given the complex nature of the efforts, how is this specific amount arrived at? Is there a detailed project listing, or is some other measures used to assure adequacy?

Answer. The \$58.4 million of design funds requested in Fiscal Year 1978 will be required to design significant portions of the FY 1979 and FY 1980 Military Construction Program (MCP), as well as that portion of the FY 1978 MCP upon which

design will not have been concluded during FY 1977. The design fund requirement is based on experience gained in the FY 1973-FY 1976 period, and is about 7 percent of the construction cost of the programs to be designed. The FY 1979 and FY 1980 MCP levels are those contained in the Secretary of Defense Five-Year Defense Plan, and are based on a tentative listing of projects.

QUESTION. A 344-man dormitory was authorized for Galena in fiscal 1976. We delayed funding at that time due to the impact of the pipeline on construction costs in Alaska. The pipeline is now virtually complete so construction in Alaska should become more competitive. Why is this dormitory not included in the FY 1978 budget request?

ANSWER. The decision to defer the budget request for the Galena airman dormitory to the FY 1979 MCP was based on two factors: (1) Uncertainties as to possibility of placing the support functions at Galena under contract thereby reducing the number of military personnel required at Galena, (2) Uncertainties over the impact of the minimally attended radar concept on operations at Galena.

QUESTION. Two temporary dormitories were put in place in 1973. I am told that because of inadequate heating and insulation, the temperature in the first floor rooms during the winter hovers around 45 degrees while on the second floor it is 85 degrees. Additionally, there are no day rooms, lounge areas or laundry facilities in these two buildings. Do you consider these conditions acceptable?

ANSWER. In 1973, in order to relieve severe overcrowding, two second generation modular relocatable dormitories were withdrawn from contingency assets to provide temporary accommodations for airmen stationed at Galena until permanent facilities could be built. The modular facilities were designed for use in temperate climates and extensive modifications were accomplished before they were sent to Alaska. Although we realized that the living conditions would be somewhat austere, we believed that it was more important to reduce overcrowding. Concurrently, with the erection of the relocatable facilities we programmed new construction to provide adequate accommodations. However, for the reasons addressed previously the new facilities were deferred until the FY 1979 MCP.

QUESTION. The scope of the original dormitory has been reduced from 344 spaces to 179 spaces. What is the anticipated cost of this smaller facility?

ANSWER. The scope has been reduced to a total 179 spaces. It is anticipated the facility would contain about 37,900 square feet and cost about \$5.1 million. This is based on providing a permanent facility with semi-private baths, and area cost factor of 2.8 and an unit cost of \$106.70 per square foot.

QUESTION. The authorization will expire on December 31st of this year. If we provided the funds, would you be able to put this project under contract by then?

ANSWER. By following a very tight schedule, we expect the project can be awarded by December 31, 1977.

QUESTION. Almost all of the facilities at Galena are most inadequate in view of its isolated location and extremely cold temperatures. What out-year projects do you have planned for this site?

ANSWER. The following is a list of the out-year program for Galena:

<u>ITEM</u>	<u>COST(\$000)</u>
Aircraft Instrument Landing and Navigation Facility	180
Group Headquarters	964
Exchange Sales Store	2,490
Consolidated Open Mess	2,340
Water Storage Tank	607
Liquid Fuel Pipeline	<u>1,555</u>
TOTAL	8,136

The above listing of projects represents the type of facilities that are required at this base. We are continuously reviewing facility needs at all bases and these items are subject to revision. The actual Air Force request submitted to the Congress, for a specific fiscal year program, will only include those projects whose overriding urgency has been established in competition with other Air Force needs.

Question. Why are you requesting \$26 Million for minor construction this year versus \$24 Million last year?

Answer. The primary purpose of minor construction projects is to satisfy unforeseen, urgent requirements; therefore, we cannot identify and program projects in advance against the budget request. However, we can estimate with a high degree of confidence that \$26.0 Million will be the minimum requirement for FY 1978. This is \$2.0 Million greater than the \$24 Million we received in fiscal years 1976 and 1977. The additional funds are requested because we expect additional projects will be required for base realignments and mission changes that may be generated from the study of the domestic base structure. The Secretary of Defense has constrained the Air Force FY 1978 MCP pending the results of that study, but has recognized the need for an increased minor construction level under these conditions. Also, the additional funds will compensate for inflated construction costs.

Military Construction/Unfunded Requirements

Question: What do you consider to be the most critical unfunded projects in FY 1978 for the Guard and Reserves? Why do you consider it necessary that they be accomplished in FY 1978, assuming all can be accomplished from a practical standpoint? This pertains to both the Guard and Reserves.

Answer: There are six unfunded projects considered most critical by the Air Force Reserve. All these projects are at Mather AFB, CA, and are in support of the KC-135 mission that is in operation at that location. These projects are:

Reserve Forces Operational Training	\$1,611,000
Squadron Operations	908,000
Organizational Maintenance Shop	845,000
Addition to Ground Equipment Shop	168,000
Aircraft Maintenance Control	290,000
Addition to Aircraft Maintenance Shop Inspection and Repair Shop	257,000
TOTAL	<u>\$4,079,000</u>

The projects are required as follow-on to the initial beddown of this unit and, due to the long lead-time required for construction, will be available (if funded in the FY 78 MCP) to provide much needed facilities for this first of a kind all Reserve strategic support mission. These projects would enhance the mission by providing adequate essential facilities.

In addition to the projects considered most critical, there are three projects that should be considered as necessary and critical to mission performance of the Air Force Reserve. These projects include:

Kelly AFB, Texas

Aerial Port Training Facility \$ 750,000

Bergstrom AFB, Texas

Engine Inspection and Repair Shop 500,000

Dobbins AFB, GA

Telecommunications Facility 400,000

\$ 1,650,000

These projects along with those projects requested at Mather AFB, CA will provide the Air Force Reserve with essential facilities to support on going high priority missions. Approved of additional funding in the FY 78 MCP should be \$5,729,000 to meet construction requirements beyond current funding requests.

Military Construction/Unnecessary Construction

Question: In June, 1976, the GAO issued a report that Guard and Reserve facilities could be obtained faster and cheaper by making greater use of existing requirements-determination process, especially at the state level.

Would you please give us your position on the findings and recommendations of this report.

Answer: The Air Force Reserve does not concur with the findings of the GAO report. We are of the opinion that every effort has been made through the individual State Facility Review Boards, the Command Review Board and at Air Staff level to eliminate duplication and maximize use of facilities.

The recommendations outlined by GAO in their report are only reiterations of actions already being taken by the Reserve Forces.

Military Construction/Program Changes

Question: For the record, would you please compare the FY 1976 and FY 1977 project listings submitted to the Congress with the projects that were actually accomplished or are now planned. This is for both the Air Guard and Air Force Reserve.

Answer: The FY 76 and 77 programs being accomplished compared to the listing of those presented to the Congress, varies only in the following projects:

Deletions:

<u>Year</u>	<u>Location</u>	<u>Project</u>	<u>Cost (\$000)</u>
76	Carswell AFB, TX	Alter Maintenance Hangars	303
76	Carswell AFB, TX	Alter Aircraft Fuel System Maint Dock	180
77	Minn-St Paul IAP, MN	Jet Fuel Storage	390
77	Niagara Falls IAP, NY	Repair Taxiway Lighting	563
77	Portland IAP, OR	Squadron Operations	300
77	Carswell AFB, TX	Gen Purpose Aircraft Maint Shop	1,000

Additions:

76	Bergstrom AFB, TX	AGE Shop	295
76	Westover AFB, MA	Convert to Aircraft Fuel System Maint Dock	407
76	McChord AFB, WA	Reserve Forces Operational Tng Fac	565
76	Dobbins AFB, GA	Squadron Operations	511
76	Dobbins AFB, GA	Aircraft Maintenance I&R Shop	319

<u>Year</u>	<u>Location</u>	<u>Project</u>	<u>Cost (\$000)</u>
76	Dobbins AFB, GA	Air Condition Airmen Dorms	396
76	Dobbins AFB, GA	Add to Heating Fuel Storage	177
77	Minn-St Paul IAP, MN	Parachute Dinghy Repair Shop	365
77	Minn-St Paul IAP, MN	Security Police Operations	299
77	March AFB, CA	Reserve Force Operational Tng Fac	1,144
77	March AFB, CA	Squadron Operations	728

Military Construction/Retention

Question: Aside from the contribution that new facilities make to mission performance, have they a positive effect of the recruitment of non-prior-service personnel and/or retention? Is there a quantitative or statistical method of demonstrating this?

Answer: New facilities and adequate work environments are an important factor in recruiting and retention of personnel be they prior or non-prior service. The Air Force Reserve is placing heavy emphasis on upgrading of facilities for the same reason. Although there is no quantitative or statistical proof of the effect of this emphasis, personnel working in these upgraded work centers have demonstrated pride and esprit de corps that is ample evidence of their enthusiasm and dedication to mission requirements.

Military Construction/Mission Constraints

Question: The Guard and Reserve in recent years have been increasingly tasked to perform support missions traditionally the responsibility of Active forces. Would you briefly comment on some of these?

Are you of the opinion that any of these responsibility transfers might not be effectively executed because of construction shortages?

Answer: The Air Force Reserve has assumed responsibility for numerous prior Active force missions and performance to date has received very high praise. These include (1) our newest, the KC-135 strategic support mission

that stands daily alert alongside their Active counterparts; (2) Air Force Reserve Associate C-141/C-5 squadrons providing support to MAC airlift requirements; (3) participation in and support of joint, other Service and Air Force exercises; (4) special mission airlift support of Active unit deployment; (5) Airborne early warning radar capability for ADCOM; (6) provides joint services qualification training for A-37, C-130A and C-7 aircrews and (7) other special missions such as aerial spray missions, joint airborne training and weather reconnaissance missions.

Involvement in these missions has certainly highlighted the available capabilities of the Reserves and increased the Reserve role in the Total Force concept. The Reserve welcomes these new responsibilities. All of the responsibility transfers were effectively executed without limiting factors resulting from construction shortages. Joint-use of facilities as well as use of existing facilities has been emphasized to reduce new construction requirements when new missions have been accepted.

Unfunded Requirements

What do you consider to be the most critical unfunded projects in FY 1978 for the Guard and Reserves? Why do you consider it necessary that they be accomplished in FY 1978, assuming all can be accomplished from a practical standpoint? This pertains to both the Guard and Reserves.

The following listing contains the critical ANG unfunded projects which should be accomplished in FY 1978:

PROPOSED FY 78 MCP ADD-ON

<u>Base</u>	<u>Amt(\$000)</u>
<u>FRESNO ANG BASE CA</u>	
Support Equipment Shop	345
<u>BUCKLEY ANG BASE CO</u>	
Fuel Cell Maintenance Dock	530
Communications-Electronics Training Facility	800
<u>GREATER WILMINGTON APRT DE</u>	
Auto Maintenance/Refueling Vehicle Shop	405
<u>DOBBINS AFB GA</u>	
Rocket Storage Facility	160
<u>RENO MAP NV</u>	
Base Engineering Facility	401

<u>Base</u>	<u>Amt(\$000)</u>
<u>MANSFIELD-LAHM APRT OH</u>	
Base Engineering Facility	490
<u>RICKENBACKER AFB OH</u>	
Auto Maintenance Facility	705
<u>ZANESVILLE AGS OH</u>	
Auto Maintenance/Support Equipment Facility	360
<u>WILL ROGERS WORLD APRT OK</u>	
Base Engineering Facility	330
Dispensary	412
<u>PORTLAND IAP OR</u>	
Composite Squadron Operations Facility	725
ENERGY	<u>1,000</u>
	<u>\$6,663</u>

These projects are urgently required to assure adequate mission support and to replace deteriorated, uneconomical, existing facilities. These projects will also contribute to personnel recruiting and retention efforts by improving the working and training environment.

Unnecessary Construction

In June 1976, the GAO issued a report that Guard and Reserve facilities could be obtained faster and cheaper by making greater use of existing or joint-use facilities. The report was particularly critical of the requirements-determination process, especially at the state level. Would you please give us your position of the findings and recommendations of this report.

OSD and the National Guard Bureau did not concur with the GAO findings and recommendations. It should be noted that twenty-two of the twenty-six projects involving the ANG were located at Hayward MAP CA. GAO recommended that the unit be relocated to Hamilton AFB. OSD advised GAO that Hamilton AFB had previously been surveyed for possible use by the Hayward unit but was rejected by both the ANG and Air Force due to excessive operating costs. A study was underway at the time of the GAO report to relocate the unit to NAS Moffett. This study was subsequently completed and the relocation to Moffett was approved. Projects to effect this relocation are contained in the FY 77 and 78 MCP.

The Air National Guard feels that current programming procedures provide necessary construction in the most cost effective manner and that joint-use facilities are considered and used where possible. The current program contains two examples of joint-use; both the Dining Hall and Reserve Forces Operations and Training Facility at Chicago O'Hare will be jointly utilized by the Air National Guard and the Air Force Reserve.

Mission Constraints

The Guard and Reserve in recent years have been increasingly tasked to perform support missions traditionally the responsibility of active forces. Would you briefly comment on some of these?

Are you of the opinion that any of these responsibility transfers might not be effectively executed because of construction shortages?

We consider our support mission role to be a vital part of our training and hope that role continues to increase. We also anticipate receiving more modern aircraft and integrated ANG/USAF missions such as the Air Refueling mission which is being partially transferred from SAC to the ANG and Air Force Reserve. We plan to have 128 KC-135 aircraft in the Reserve Forces (104 ANG-24 AFRES) inventory by end FY 78. Also the Air National Guard provides a large percentage of the Air Defense Interceptor Aircraft and contributes significantly in the area of military airlift missions. We welcome the opportunities and challenges associated with these heretofore active Air Force missions.

We do not foresee any delays in transfers of responsibility due to construction shortages. The lump sum authorization provides the ANG the flexibility that is necessary to respond quickly to mission changes and immediate facility requirements. The ANG would have considerable difficulty in providing facilities needed for short or no-notice aircraft conversions without the lump sum authorization.

Retention

Aside from the contribution that new facilities make to mission performance, have they a positive effect of the recruitment of non-prior-service personnel and/or retention? Is there a quantitative or statistical method of demonstrating this?

Adequate facilities that are designed to provide functional and aesthetically pleasing working environments are recognized by many behavioral consultants as key-factors in employee productivity and job satisfaction. It becomes even more important to the Reserve Forces to present attractive facilities to potential recruits, and once recruited, to maintain the proper working environment. The Air National Guard has greatly benefited from the many new facilities provided by the Congress in the recent past, but we still have a large percentage that were constructed in the 1940's and 1950's which are temporary, wood frame facilities. Maintenance and operation cost of these facilities are increasing, particularly in the utilities areas. There is no known quantitative or statistical way of demonstrating the effect facilities have on recruiting and retention.

Program Changes

For the record, would you please compare the FY 1976 and FY 1977 project listings submitted to the Congress with the projects that were actually accomplished or are now planned. This is for both the Air Guard and Air Force Reserve.

1. The following projects were originally included among the 48 projects listed in the FY 77 MCP, but were deferred due to shifts in priorities to more critical requirements or to delays in delivery of equipment to be installed in the proposed facility:

<u>BASE/STATE/PROJECT</u>	<u>SCOPE</u>	<u>PRGM AMT \$000</u>
Fresno CA Aerospace Ground Equipment Fac	7,200 SF	320
Wilmington DE Automotive Maintenance/Refuel Vehicle Shop	8,162 SF	402
Peoria IL Compos Squadron Ops Fac	19,635 SF	850
McConnell AFB KS Aircraft Engine Inspection & Repair Shop	8,000 SF	350
Toledo OH Addn/Alteration Avionics Shop	10,500 SF	370
Tulsa OK Avionics/Wpns Release/Non-Destructive Inspection Shop	21,950 SF	900
Portland OR Combined Operational Training/Dining Hall Facility	24,680 SF	1,200
McEntire SC Flight Simulator Facility	4,678 SF	550
Various Locations Instrument Landing Systems (ILS)	LS	640

2. The following ANG project was cancelled since the FAA funded the entire cost:

Joe Foss Fld SD Strengthen Runway	203,000 SY	456
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3. The following projects were added to the FY 77 MCP due to their critical need in lieu of those listed above:

Forbes Field KS Convert Hangar 665 to Fuel System Maintenance Dock	28,991 SF	240
Forbes Field KS Base Engineer Maintenance Facility	10,000 SF	550
Forbes Field KS Convert Hangar 662 to Composite Facility	100,913 SF	2,500
Dallas NAS TX Support Equipment Shop	6,240 SF	400
Dallas NAS TX Auto Maintenance Shop	6,630 SF	450

<u>BASE/STATE/PROJECT</u>	<u>SCOPE</u>	<u>PRGM AMT</u> <u>\$000</u>
Salt Lake City UT	A/C Engine I&R Shop	10,000 SF 475
Byrd Field VA	Composite Squadron Operations Facility	16,334 SF 700
General Mitchell Field WI	Addn to A/C Engine I&R Shop	4,000 SF 300
General Mitchell Field WI	Add/Alter Maint Docks for General Purpose Shops	17,051 SF 300

Of the 54 projects originally listed in the FY 76 MCP data submitted to the Congress, six projects were deferred to later programs; four projects were accelerated to FY 75 using savings resulting from a favorable bidding climate, and additional projects were added to replace those listed above and to use savings resulting from an extremely favorable bidding climate.

SUBCOMMITTEE RECESS

Thank you very much, gentlemen, for a good hearing.
[Whereupon, at 11:10 a.m., Thursday, March 10, the subcommittee was recessed, to reconvene at the call of the Chair.]

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the findings and the conclusions drawn from the study.

MILITARY CONSTRUCTION APROPRIATIONS FOR FISCAL YEAR 1978

THURSDAY, APRIL 7, 1977

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

The subcommittee met at 10 a.m. in room S-146, the Capitol, Hon.
James R. Sasser presiding.
Present: Senator Sasser.

DEPARTMENT OF DEFENSE

U.S. MISSION TO NATO

STATEMENT OF T. J. LOVELAND, DIRECTOR OF THE INFRASTRUC-
TURE AND LOGISTICS DIVISION, U.S. MISSION TO NATO

OPENING REMARKS OF PRESIDING OFFICER

Senator SASSER. The hearing will please come to order.

This morning the subcommittee will receive testimony regarding fiscal year 1978 funding requested for various classified projects of the military services, and the NATO infrastructure program.

This year we specifically deferred consideration of classified segments of individual budget requests in order to permit open public hearings to the maximum extent possible. Instead, a consolidated hearing, in closed session, was scheduled for today so that we might receive classified data necessary for complete evaluation of the budget. A declassified version of today's proceedings will, of course, be included in the subcommittee's public hearing record.

Under paragraph 7(b) of the XXV of the Standing Rules of the Senate, a hearing may be closed to the public by majority vote if it is determined that the matters to be discussed should be kept secret in the interests of national defense. Since discussion of such matters is the expressed intent of today's meeting, I believe the hearings should be closed and a motion to do so is in order. I will make that motion, myself. In view of the fact that I am the only member here I will vote in that regard. So we can now consider the hearing closed.

Our first order of business will be to hear initial testimony on the fiscal year 1978 request for \$85 million, as the U.S. share of NATO infrastructure construction costs. In addition to Infrastructure cost, there are also certain other programs which directly or indirectly support NATO, such as the aircraft shelter and prepositioning facilities

addressed in President Carter's budget amendment. The first witness will be Mr. T. J. Loveland, Director of the Infrastructure and Logistics Division of the U.S. Mission to NATO.

Mr. LOVELAND. Thank you, sir.

PREPARED STATEMENT

I have a rather longer statement which I propose to put in the record and summarize it.

Senator SASSER. That will be fine.

[The statement follows:]

PREPARED STATEMENT OF T. J. LOVELAND

FY 1978 INFRASTRUCTURE HEARINGS

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before your Committee to support the proposals of the Department of Defense for an authorization of \$85 million, a TOA of \$85 million and an appropriation of \$81 million for Fiscal Year 1978 as the US share of the common funded NATO Infrastructure Program. Since FY 1968, the US contribution to the NATO Infrastructure Program has been funded under Authorizations and Appropriations for Military Construction Army. The Infrastructure Program provides the facilities that are necessary to support NATO military forces and which are intended for common use or have a high degree of common interest. The term covers such varied items as airfields, air defense facilities, communications, missile sites, war headquarters, nuclear storage sites, pipelines, and POL depots. It does not normally cover general purpose depots, troop billets, and other logistics support facilities closely related to national standards and practices, although a one-time exception was made to fund such facilities from this program as reimbursement for certain of the US costs for relocation from France. Another such exception is currently in effect for the US Special Program which is a device by which the US cost share has been reduced. I will discuss these items in more detail later.

The NATO commonly funded Infrastructure Program was inaugurated by the North Atlantic Council in 1951 as a follow-on to a similar program begun in 1950 by the Western European Union countries. The NATO Infrastructure Program has been a most successful common endeavor, and has been credited with fostering a large part of the cohesion among the Allies. Essential military facilities costing about \$5.0 billion are under construction or completed, and facilities worth another \$1.4 billion are programmed. The program has given NATO a network of modern airfields, an efficient system of POL distribution and storage, common communications without which the NATO command structure could not function,

essential air defense warning installations, and air and naval navigational aids. By jointly financing these and other types of facilities designed to enhance the effectiveness of NATO forces, NATO nations have demonstrated in a most realistic way their determination to provide for the common defense.

After the program had provided most of the basic facilities required in the common defense, its character has gradually changed. The requirement for major air and naval installations gave way to the new requirement for modernization and expansion of existing basic facilities. Airfields must be improved so that they can support today's more complex aircraft. The POL system should be modified to ensure its ability to function in an emergency independently of that part of the system located in France. Progress in communications technology has resulted in dramatic changes. The NATO Satellite Communications System (SATCOM) is based on the US interim defense communication satellite system. Replacement satellites (SATCOM Phase III) were programmed and the first one was launched in 1976. Another example is the semi-automation and integration of NATO's early warning system to provide a control and reporting system for the air defense of Allied Command Europe. Finally, in order to make the program fully responsive to the needs of the NATO "flexible response" strategy and associated force planning, we are providing facilities to support reinforcement on the flanks, improved air defense, weapons storage security improvement, and conventional capabilities for NATO air forces.

The new orientation of the program is providing a large proportion of the facilities needed by US forces. In particular, it supports controlled humidity storage which maintains in good condition equipment of our dual-based forces. The program also includes aircraft survival measures which were implemented by the US Air Force, with the approval of Congress, on a "pre-financed" basis in order to ensure early construction. Current emphasis is on such items as command and control facilities, forward storage, security improvements, etc.

In addition, the previously ineligible category of logistics facilities is receiving more attention in the framework of NATO's new emphasis on cooperative logistics efforts.

We have previously announced that we had made great strides in maximizing US benefits from the program. A major benefit has come from our success in persuading our Allies to share \$100 million of our costs in relocating our forces from France. In effect, the Defense Planning Committee (the North Atlantic Council less France) agreed in 1969 to cost-share, under certain conditions, up to that amount if our military services could provide and justify sufficient fund requests. As reported to you previously, NATO later agreed to continue the agreement through the end of CY 1973, and to provide funds "a priori". This permitted us to use NATO money directly to finance construction rather than spend US funds which have to be recouped after projects are completed. NATO's final installment was made available in Slice XXIII and US services are using this money as expeditiously as possible, with the final \$8 million now being used for construction of the MR LOGAREUR facilities.

The agreement with NATO stipulated that NATO's payments for US relocation constituted purchase of a part of the US claim against France for loss of use of US bases in France. Thus, any eventual payment by France against the claim would be divided between NATO and the US in the proportion that NATO's payments bore to the entire US cost of relocation (estimated at about 36%). In 1975, the Secretary of Defense informed you that the United States and France had agreed to settle the claim for \$100 million to be paid in equal installments over a five-year period. In June 1975, France made the first payment of \$20 million and the US deposited NATO's share of some \$7.2 million to a NATO account in Brussels. This procedure was again followed in 1976 and is expected to be repeated each June through 1979. NATO will use its share to augment its limited infrastructure funds and thus partially offset inflation.

In response to US requirements, NATO has agreed to automatic deletion procedures to reduce or avoid future backlogs of infrastructure projects. These procedures apply to Slice XXI, approved in 1971, and subsequent annual slice programs. We have told you that similar procedures are being developed for application to Slices XX and prior. In fact, we have now virtually closed out all slice programs prior to Slice XXI. There is some urgency in these efforts because inflation in Europe has rendered available

infrastructure funds insufficient to pay for all of the projects programmed in early years. Our Allies have endorsed the US position that new funds will not be added to old Infrastructure slice programs. Thus, projects must compete for available programmed funds within each slice, or drop out of the program when funds allocated for that slice are gone.

In 1970, the NATO Defense Planning Committee approved the financing of a five-year Infrastructure Program for the years 1970-1974 (Slices XXI through XXV), and agreed that the ceiling be set at \$700 million (though the US and some other countries believed it should be \$840 million). The agreement provided that NATO Military Commanders would program those urgent military requirements which could be accomplished within the ceiling and report back the financial condition after programming of Slice XXIV in 1973. The ceiling of \$700 million included relocation costs from France for US and Canadian forces. The cost sharing formula (US share 29.7%) remained unchanged, but devaluations of the dollar resulted in a higher US dollar cost. As a result of inflation, an insufficient initial allocation of money, the need for more sophisticated equipments, and various delays in production and construction, none of the funds approved in February 1970 for the 1970-1974 period remained for Slice XXV (1974). To prevent a hiatus in the Infrastructure Program, additional funds (estimated at \$186 million, of which the US share was 29.67% or \$55 million) were required for Slice XXV. The NATO Defense Ministers agreed at their December 1973 meeting to provide the required funds and Slice XXV was subsequently approved.

There are two factors which serve to reduce our share of the total amount of money used in the Infrastructure Program. First, in 1970, the Euro-Group (NATO less France, Portugal, US, Iceland, and Canada) pledged an additional \$420 million (closer to \$500 million in devalued dollars) over a five-year period to the Infrastructure Program, as part of the European Defense Improvement Program (EDIP), to permit urgent implementation of the NATO aircraft shelter program. This permitted early recoupment of US prefinancing funds spent on this program and relieved the pressure on programmed Infrastructure money to allow funding of additional NATO Integrated

Communications System (NICS) projects. When the EDIP contribution is considered, the effective US share is reduced to approximately 20%.

The second factor is that host nations provide the land, access roads, and utility connections for each NATO Infrastructure project. These host nation contributions are estimated to average about 13% of costs paid by NATO common funding. If these costs were added to the total, the US contribution would drop another three to four percent.

In this connection, the US continues to act as host nation for NATO Infrastructure projects in Iceland, Bermuda and the US. In the past, the few projects constructed for US Forces at these locations have been on US military reservations, and so there has been no significant additional costs for access roads, land, or utility connections. In 1978, work will commence on a NATO satellite ground terminal at Keflavik, Iceland. Pursuant to our host nation responsibility (Iceland has no military forces, nor does it contribute financially to NATO Infrastructure), we will provide from within the FY 1978 Infrastructure funds utility and access roads to the project site at an estimated cost of slightly less than \$1 million.

We have also taken steps to maximize US industrial participation in the Infrastructure Program. During our negotiations concerning the NATO Integrated Communications System (NICS), when our Allies insisted on a sharing of the production, we insisted on modifying the NATO rule which allowed host nations to include taxes and customs in their comparison of bids (even though NATO did not have to pay these levies), thus favoring local or regional firms. The final agreement gave us satisfaction on the taxes and customs issues and guaranteed that 38% of the production would be carried out by US contractors, with a possibility of as much as 58%, depending on the competitive strength of US industry. Past dollar devaluations have helped maximize US industry's participation. In effect, three of the first four large NICS contracts have been awarded to US contractors — we did not compete in the fourth contract. The DPC has now agreed that the new policy on bid comparison will be extended to the remainder of the Infrastructure Program as part of the agreement covering the 1975-1979 period.

We continue to enjoy a greater benefit from this NATO program than could be expected from the size of our contribution. If we exclude facilities which are used in common by all nations -- facilities which would in any case have required common funding -- we have had significant success in convincing NATO that US projects are worthwhile. In 1968, we informed you that Slice XVIII included US projects in the amount of 40% of all projects for use by national forces. In Slice XIX, this percentage rose to 47%; for Slice XX to 55%. In the five annual programs of the last slice group (XXI-XXV), some 53% of all national user projects were programmed for benefit of US forces, but our formal contribution remained at 29.7% of the entire program, and our "de facto" share was only 20%. It is apparent, therefore, that we have a distinct financial interest in the continuing success of the NATO Infrastructure Program. As long as we can fit our national programs into the available common funds, the US will benefit directly from this NATO effort. In addition, we now have a new Special Program of Infrastructure projects in support of "stationed forces". We are monitoring actions by the US military authorities to take advantage of this new category. We aim to include in it many of the items such as warehouses and other logistic support facilities which are now ineligible for NATO funds.

Negotiation of the size and cost shares for the Infrastructure Slices XXVI-XXX (1975-1979) was closely related to our NATO efforts concerning burdensharing and satisfaction of the requirements of the Jackson-Nunn Amendment. The US position at the start of negotiations was that the NATO military requirements of some \$3 billion for the five-year period could be safely pared to \$2 billion. In addition, and in consonance with a request by the Joint House/Senate Appropriations Committees, the US Mission asked that the official US share be reduced to 20%. While it proved impossible to reduce the official US share below 27.23% (because to do so would have left Germany as the largest official contributor), our Allies agreed to include a special program (of about \$100 million) in support of US forces which by their calculations reduces the effective US share to 20%. As the Secretary of Defense informed you in January 1975,

a correct calculation shows the new effective share to be 21.56%, but we believe that to be a good result and the best we could achieve under current economic conditions. We have now programmed the first two increments (totalling \$60 million) of the special program in Slice XXVI and XXVII and expect to program \$20 million increments in each of the following two slices. Our screening of candidate projects has been very thorough in order to remain faithful to our commitment to Congress to include only projects which are not normally eligible for NATO funding. Thus, all of the Special Program funds will legitimately constitute an effective reduction in the US share of the normal Infrastructure Program. We have reported to this Committee the content of the first two increments and intend to do so for the remainder of the program.

The cost ceiling of Slices XXVI-XXX was fixed at only \$1.35 billion because of the financial straits of two of our Allies. Because of this and the funds earmarked for the US Special Program, NATO was left with less than two-thirds of the funds which the US considered essential to maintain NATO's defensive posture. As in the previous five-year period, these funds are being programmed at a rate which will exhaust them before the fifth year.

Last summer the NATO military authorities confirmed that fact and requested that NATO Ministers increase the available funds by \$820 million (which with addition of contingency funds and the US Special Program amounts to about \$975 million) to allow programming of their most urgent requirements within the period through calendar year 1979. The US has supported the requirement (which would allow us to recoup funds expended for aircraft shelters and weapons security improvements) and would hope that agreement could be reached within the NATO nations to an increase of at least \$650 million -- thus bringing total fund availability in the 1975-1979 period to the \$2 billion which we originally supported. All countries except Italy have indicated approval of some increase in funds for the program and we are working with their representatives to achieve a reasonable result. Italy's current financial problems are troublesome but we hope to convince the Italian authorities to join the consensus in favor of the increase.

I should like now to describe briefly, first, the NATO system for processing Infrastructure projects, and second, how the United States arrives at its estimate for US obligations for Infrastructure.

Each year the Major NATO Commanders draw up a list of construction or modernization projects which they consider essential for the support of their forces. These projects are reviewed by all participating nations within the NATO Military Committee, the NATO Infrastructure Committee, and finally within the Defense Planning Committee (which is the North Atlantic Council without France). The projects finally selected make up the yearly Infrastructure Program or Slice. In the US, each proposed annual slice is reviewed thoroughly within the Executive Branch, starting with the interested US subordinate military commands and continuing through the US Commander-in-Chief, Europe, and the Commander-in-Chief, Atlantic, to the Joint Chiefs of Staff and the Military Departments, the Department of State, and all interested offices within the Office of the Secretary of Defense.

The final NATO slice is really an approved list of military construction requirements and nothing more. After slice approval, the host country in which a project is to be built takes full responsibility for the work. It must obtain the necessary land (at its own expense), plan utilities connections and access roads (which it later builds at its own expense), prepare engineering plans and specifications, and develop cost estimates. When all is ready, the host country submits the project with all supporting data to the NATO Payments and Progress Committee for construction authorization and fund commitment. Before agreeing, the Payments and Progress (P&P) Committee satisfies itself that the project still represents a valid military requirement, conforms to NATO criteria, is reasonable in cost, and is in other respects eligible under NATO Infrastructure rules.

When the P&P Committee authorizes construction of an Infrastructure project, the US obligates funds from its annual appropriation for its share of that project. Let me explain briefly how we estimate our costs for FY 1978. The estimate is developed largely by the USNATO staff in

Brussels because it has daily contact with our Allies on Infrastructure matters. This staff is the US agency closest to the plans and progress of the various "host" countries.

Last September, USNATO made a careful review of the NATO Infrastructure project backlog - that is, of all projects included in previously approved annual slices which had not yet been authorized by the P&P Committee for actual construction. The basic records - that is, the host country semi-annual reports - were checked. Information was collated for all locations by project category and by cost sharing agreement, on the amount of money already authorized by the P&P Committee and on the amount of money remaining to be authorized. This initial step thus provided a firm base from which to start. To this project backlog USNATO then added its estimate of the contents of the subsequent slices which would require funding during FY 1978. For example, Slice XXVII approval was delayed by a Turkish reservation which was resolved in December 1976 and Slice XXVIII is scheduled for approval this summer. From this total of project backlog, plus planned projects for FY 1978, USNATO then subtracted the amount of those projects which it estimated would be given funding authorization by the P&P Committee before the beginning of FY 1978, that is, before 1 October 1977. This may be shown in tabular form as follows:

- | | |
|---|------------------------|
| (1) As of 30 September 1976, value of projects in Slices II through XXVI, yet to be authorized by the NATO P&P Committee totalled | <u>\$397.7 million</u> |
| (2) Deduct estimated P&P Committee authorizations during FY 1977 | <u>\$315.7 million</u> |
| (3) Total value of work to be funded as of 1 October 1977 | <u>\$ 82.0 million</u> |
| (4) To this, we must add Slices XXVII (approved) and XXVIII (estimated), scheduled for approval by the summer of 1977 | <u>\$738.1 million</u> |
| (5) Total, Items (3) and (4) above | <u>\$820.1 million</u> |

USNATO then applied country planning factors such as economic conditions, availability of contractor effort and pace at which Ministry

of Defense construction personnel are expected to process fund requests. From this calculus, we estimate the fund requests to be approved within NATO in FY78 of \$304.2 million.

In defense of our request, I should like to recount the recent financial history of the Infrastructure Program. In FY 72, DOD requested only \$20 million of both authorization and NOA to satisfy an estimated requirement for \$55 million of US obligations to the NATO Infrastructure Program. This action took account of a substantial carryover in both authorization and appropriation from FY 71. Congress further cut these figures to \$15 million in authorization and \$14 million in appropriation. We lived precariously within those figures only because we were able to slip some \$30 million of US obligations into FY 73. This slippage, however, required additional funding against FY 73 allocations which required us to seek a special additional authorization. In addition, as a result of the February 1973 devaluation of the dollar, another \$23 million were required to be added to our unliquidated obligations in FY 73. The two separate devaluations in December 1971 and February 1973 increased our FY 73-74 requirements by some \$63 million. The problem was compounded by the increasing cost of construction in Europe, surpassing even the 8-10% annual increase in the US. We took steps to utilize authorizations contained in earlier Military Construction Acts and to reprogram available Military Construction, Army funds to meet these increased NATO Infrastructure requirements in FY 73 and 74. We finished FY 74 with a small carryover in both funds and authorization, the latter of which proved barely adequate to carry us through until passage of the FY 1975 MCA authorization. In FY 75 our obligations were lower than estimated and we finished with a carryover of some \$32 million, \$13 million of which was delayed by actions of other nations and finally obligated in the first week of FY 76. We finished FY 76 with a carryover of \$36 million but certain obligations delayed into FY 77 decreased that carryover to only \$13 million for FY 77. We expect that our obligations will continue at about the same rate in FY 77. For the future we estimate the fund requirement to approximate the rate of programming by

NATO or an average of some \$90 million annually (increased by the inflation rate). For FY 78, we have requested \$85 million in authorization and TOA and \$81 million in NOA.

BIOGRAPHICAL SKETCH

MR. T. J. LOVELAND

Mr. Loveland was born on 30 April 1922 in Detroit, Michigan. He holds a Bachelor of Science degree in Electrical Engineering from the University of Michigan, Class of 1949.

From 1949 until 1955 he designed and supervised construction work for an assortment of architect/engineer firms.

Mr. Loveland worked for the Joint Construction Agency (later U.S. Engineer Construction Agency) in Paris from 1955 to 1961. From 1961 to 1965 he worked at USEUCOM Headquarters as technical advisor to the U.S. Mission to NATO.

Mr. Loveland joined the U.S. Mission to NATO staff in 1966 as the U.S. Representative to the NATO Infrastructure Committee. Since 1967 he has been the Director of the Infrastructure and Logistics Division of the U.S. Mission to NATO.

NATO INFRASTRUCTURE PROGRAM

Mr. LOVELAND. Mr. Chairman, I am pleased to have the opportunity to appear before your committee to support the proposals of the Department of Defense for an authorization and a TOA of \$85 million and an appropriation of \$81 million for fiscal year 1978 as the U.S. share of the NATO infrastructure program.

The line item in the "Military construction, Army" program covers the U.S. share of the NATO infrastructure program, which provides commonly funded facilities necessary to support U.S. and other forces committed to the defense of NATO. Much of the program provides facilities and systems for common use by some or all NATO forces which must be funded collectively—for example, the NATO pipeline system, early warning and air defense networks and the NATO satellite communications system. The remainder, while of sufficient common interest to warrant infrastructure funding, is intended for use by forces of single nation, or two or more nations. In this category, the U.S. has been very successful in recent years in securing a large proportion of projects for support of U.S. forces. Recent annual programs, or "slices," have provided, on the average, over \$5 worth of facilities for U.S. Forces for every \$3 of U.S. contribution to single and joint user projects. We have reason to expect this favorable ratio to continue.

In addition, our NATO Allies have cost-shared \$100 million for our normally ineligible relocation expenses stemming from the move out of France. Because of fund limitations on the infrastructure program—from which the reimbursements must be taken—the payments to the United States were stretched over 5 years and were completed in calendar year 1973.

NATO PAYMENTS TO THE UNITED STATES

The NATO payments to the United States were conditioned on repayment to NATO of a portion of any eventual French payment on the United States claim for loss of use of United States facilities in France. We agreed in 1975 to a \$100-million settlement of the claim over a 5-year period. NATO's share is about 36 percent. The second payment was made to NATO in June 1976.

In 1970 the Euro-Group—NATO less France, Canada, Iceland, United States and, at that time, Portugal completed implementation of its pledge of an additional \$420 million—closer to \$500 million in devalued dollars—to the infrastructure program as part of the European defense improvement program—EDIP. Among other benefits, this has allowed us a faster recoupment of the U.S. funds spent to prefinance aircraft shelters. In addition, the EDIP allowed NATO to complete its aircraft protection program without depleting regular infrastructure funds, and contributed to the implementation of the NATO integrated communications systems—NICS—which was so urgently required.

As we have informed you in the past, we are progressing with modernization of the rules governing the NATO infrastructure program. We have reached agreement on limiting to about 2½ years the period between programming of a project and its implementation. While this new agreement covers work in slice XXI, 1970, and for-

ward, we have also made significant progress toward closing out old slices. This purging process will reduce our official share of future contributions for current programs from as high as 43.7 percent in the oldest slice to 27.3 percent.

In 1975, the NATO ministers agreed to the prolongation of the program in the 1975-79 period. In response to the U.S. position favoring an infrastructure program of about \$2 billion and requiring a U.S. share no larger than 20 percent—as requested by the Joint Senate/House Appropriations Committees—our allies offered a program of \$1.35 billion, a small reduction in our official share—to 27.3 percent—and a special program in support of U.S. Forces. Secretary Schlesinger informed you in January 1975, that the effective U.S. share in this package is 21.56 percent, and we have accepted this as the best offer available under current circumstances.

NATO PROGRAMING

NATO programing at the rate experienced in slices XXVI, XXVII, and XXVIII will exhaust available funds before 1979. The NATO military authorities have, therefore, asked for an increase of \$820 million for programing urgent military projects in the period through 1979. This amount increased to some \$975 million through addition of 10 percent contingency funds and the U.S. special program required to maintain the U.S. contribution at 21.56 percent. We hope to achieve agreement in the near future on about half of the requested increase.

In support of the NATO infrastructure program, which we view as being of continuing financial, political, and military benefit to the United States, we estimate a requirement in fiscal year 1978 of \$85 million in new authorization. Through the use of recoupments of approximately \$4 million from prefinanced projects, we believe that we can meet U.S. commitments in fiscal year 1978 with \$81 million of new obligation authority.

In defense of our entire request, I should like to submit the following facts: In 1972, we reported that there was considerable risk that previous cuts in authorization for the NATO infrastructure program, and slippages in the program which had enabled us to live within the reduced authorizations, might catch up with us in fiscal year 1973. This proved to be correct.

In addition, we were faced with a \$63 million additional requirement in fiscal years 1973 and 1974 resulting from two devaluations of the dollar in a period of 14 months—December 1971 and February 1973. This caused us to take exceptional measures including authorization transfers and reprograming from Army MILCON funds to permit continuation of this multinational program through the fiscal year 1973-74 period and into fiscal year 1975 until Congress passed the fiscal year 1975 Military Construction Act. The transitions into both fiscal years 1976 and 1977 were more orderly and we believe that we now have a reasonable financial basis for continued participation in this important international program. While I cannot guarantee obligation of all available funds in fiscal year 1977, they are required in order to reduce the backlog. In the future we foresee a requirement to match NATO's rate of programing at about \$90 million annually—increased by the inflation rate—in authorization and TOA.

U.S. LIABILITY

Senator SASSER. Mr. Loveland, it appears that the annual appropriation-authorization request is simply the amount stated to be obligated in a given year and doesn't reflect our total liability for the total annual program. Assuming execution as approved what is the current outstanding U.S. liability for its share of slice II through XXVI which have yet to be executed and what would be our total liability for slice XXVI on the same basis?

Mr. LOVELAND. I would like to explain the liability as not as yet entered into until the actual stage of fund release. There are three stages of commitment, if you will. There is a 5-year commitment to a slice of a program. There is an annual programming action for the slice. But we do not obligate funds until the final fund authorization.

You are absolutely correct that the funds that I am asking for are those required for the fund request which we expect to grant this year. Now our backlog of projects in currently approved annual slices plus those in the two slices that we expect to be approved before fiscal 1978 starts is something like \$820 million. That is a NATO backlog with a U.S. share of a little over \$200 million. We do not take a fund obligation any earlier than the fund release stage.

IMPACT OF CONGRESSIONAL REFUSAL TO AUTHORIZE

Senator SASSER. Since the content of the approved NATO program has been determined within NATO and the executive branch, what would be the impact if Congress refused authorization or appropriation of the amounts estimated to be obligated in a given year? I guess the corollary to that question is, does the United States actually have that discretion?

Mr. LOVELAND. Do we have the discretion to refuse funding?

Senator SASSER. That is right.

Mr. LOVELAND. The executive branch approval of a specific ceiling for a 5-year period is taken with full knowledge of the appropriate Senate and House Committees, the chairmen of which are informed of the ongoing U.S. position as well as the resulting agreement. All agreements are made on the specific understanding that they are subject to the authorization and appropriation of funds by Congress. Failure to provide the funds would, however, be regarded by our allies as withdrawal of U.S. support for this visible NATO program of cooperation and allied cohesion. Refusal by the United States to fund the program would predictably sound its death knell.

Senator SASSER. Why do you not request annual authorization for the total estimated value of a slice as opposed to authorization for only the amount which will be obligated?

Mr. LOVELAND. Sir, our inclination is to secure an appropriation at the latest possible date to avoid carrying a large backlog of unliquidated obligations. The GAO has ruled that the latest date on which we can provide those funds is the date of fund request.

Senator SASSER. We are talking about authorization now, Mr. Loveland, not appropriation.

Mr. LOVELAND. I am equally tied by appropriation and authorization. I cannot obligate funds without an authorization to do so any

more than I can without the funds. So, we do obligate at the latest possible date according to a GAO ruling.

U.S. CONTRIBUTION

Senator SASSER. The current U.S. share of NATO infrastructure costs is slightly in excess of 27 percent. In the past Congress had requested that effort be made to reduce this to 20 percent. You state that this effort was unsuccessful because it would have left Germany as the largest official contributor. Why is this a constraint? Is not the United States now the largest single official contributor?

Mr. LOVELAND. Yes, sir. We are currently the largest single contributor. [Deleted.]

Senator SASSER. [Deleted.]

Mr. LOVELAND. Yes, sir. [Deleted.]

General BOWMAN. Could I make one comment on that, Mr. Chairman?

[Deleted.]

Senator SASSER. [Deleted.]

With regard to the U.S. special program, please elaborate on the special U.S. program. Is this \$100 million specifically for U.S. projects which might not officially qualify for infrastructure funds. What type of projects have been or will be funded?

Mr. LOVELAND. In order to use this U.S. special program as an offset against our contribution, obviously its content had to be the type of project for which Congress would have had to appropriate funds had NATO not paid for them. We have a very strict program of review, both at the DOD level and in the mission to make sure none of these projects is eligible for normal NATO funding.

To date the types of projects which have been funded are those similar to normal infrastructure projects but above the criteria which were allowed for infrastructure funding.

An example is the NATO criteria that only [deleted] percent of aircraft can be sheltered. We have used this money in some cases to fund the other [deleted] percent which our Air Force requires. We have also used it for some portions of the station cost for Brigade 75 in the north of Germany and this type of thing. We cannot program within the personnel amenities, however, such as barracks and mess halls and housing and churches.

Senator SASSER. Candidates for shared NATO funding are those of common interest since it is highly subjective as to whom the United States-European presence benefits, what is the process by which project or category of projects is determined to qualify?

Mr. LOVELAND. The NATO criteria for various types of infrastructure projects must fit within the category of wartime use or peacetime training of NATO committed troops. This excludes the amenities, as I said before, and also is limited to what NATO considers to be the minimum military requirements for a wartime situation. Thus on an airfield all of the facilities needed for wartime operations are funded but very few of those which are simply needed for long-term peacetime station. The common interest has to do with the interest in NATO in providing facilities for certain types of stationing. For in-

stance, we had an exception when we withdrew some troops on a rotational basis and needed warehousing for the second set of equipment which was left in Europe.

NATO promptly accommodated that type of thing. Generally it is against the rules to do much in the logistics area, yet they did accommodate this particular U.S. requirement. So it is flexible, it is generally reasonable, but it is held to a minimum to protect the very short infrastructure fund.

PROJECT FUNDING

Senator SASSER. On occasion the United States will finance entirely the total cost of a construction project, due to military urgency, and then try to recoup the cost through a later NATO slice. Would you anticipate subsequent reimbursement of 73 percent of our initial expenditure, assuming the U.S. normal infrastructure share to be 27 percent?

Mr. LOVELAND. You could consider it that, sir. In effect when the project is presented for funding and to the extent that it is eligible for NATO funding, we also make our commitment, our 27-percent commitment to that project from the funds which I am asking for now, and we recoup 100 percent which in turn goes back into U.S. share of infrastructure through reprogramming action.

Senator SASSER. How long would it normally take before the project is incorporated in a future slice and reimbursement made?

Mr. LOVELAND. There is a highly flexible response to that because in most cases we prefinance because a category of projects is either not eligible at that time for NATO funds or because the NATO priority won't allow us to reach that particular project. Therefore, it depends on negotiations to make the project eligible and it depends on availability of funds. Our average for projects which are eligible at the time of their prefinancing—we are simply talking about recoument of funds—is perhaps 2 or 3 years.

Senator SASSER. Mr. Loveland, thank you very much.

DEPARTMENT OF THE ARMY

STATEMENT OF MAJ. GEN. W. R. WRAY, ASSISTANT CHIEF OF
ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS

ACCOMPANIED BY:

MAJ. GEN. R. COLLINS, J-5, HQS EUROPEAN COMMAND

MAJ. GEN. R. C. BOWMAN, DIRECTOR, EUROPEAN DIVISION,
OSD USA

MAINTENANCE FACILITIES

Senator SASSER. We are going to move on now and address the questions to the Army. I assume, General Wray, you are representing the Army today.

General WRAY. With my worthy assistant from the Air Force and SHAPE Headquarters, General Collins, and from the Office, Secretary of Defense, General Bowman.

Senator SASSER. I did not think the Army needs the assistance of the Air Force.

General WRAY. I will turn that around and say the Army is providing assistance by carrying certain Department of Defense programs in the Army program. I say Department of Defense—joint program, shall we say.

Senator SASSER. Let me ask you some questions for the record, General Wray, and I assume that General Collins and General Bowman may want to respond to some of these questions also if necessary.

President Carter's amendment to the fiscal year 1978 budget included \$50 million for facilities for performance of prepositioning of materials configured to unit sets, maintenance [deleted]. Is this the total amount of the budget for this purpose?

General WRAY. No, sir, I might explain first that the \$50 million that was added by the new administration was a definite signal on their part to emphasize the need for increased readiness in Europe. The amount was [deleted]. It was recognized, however, that our most immediate needs were to provide additional POMCUS maintenance facilities to complement materiel storage already existing and to increase the amount of money we were spending on prepositioned ammunition storage.

So, the \$50 million actually was split about half towards increasing our ammunition storage capacity and half toward adding about six POMCUS maintenance facilities to go along with the two that the Army already had programmed. There are a total of \$76 million programmed for ammunition storage and a total of a little over \$33 million for POMCUS maintenance facilities.

SITES IN EUROPEAN THEATER

Senator SASSER. How many sites do we have in the European theater?

General WRAY. Sir, there are eight POMCUS storage sites. We do have some maintenance facilities which support them but they are very poor and inadequate facilities.

Senator SASSER. What is the alternative to prepositioning this ammunition and other materials? Don't we have sufficient airlift capability to insure rapid replenishment of stocks in the event of hostilities?

General WRAY. No, sir, of course, when we speak of POMCUS facilities, materiel, we think most immediately of tanks and armored personnel carriers, trucks and artillery pieces, things which demand an awful lot of air resources to transport. It is much easier to transport just the personnel.

Another alternative is to ship all by sea but of course this would not permit us to get the troops and the materiel over in sufficient time if a war broke out in that area.

Senator SASSER. I guess if we did not preposition them the Air Force would be using the C-5?

General WRAY. I think the Army would want the Air Force to be requesting it; otherwise we would have no way to get the people and the equipment there in time.

Senator SASSER. Don't we have a greater problem of getting troops there than then prepositioning material?

General WRAY. No, sir, it is much simpler to fly the troops and their individual equipment there. There materiel is a very demanding thing. It just eats up aircraft space very, very rapidly.

AMMUNITION STORAGE FACILITIES

Senator SASSER. With regard to ammunition storage facilities, almost \$76 million is requested for ammunition storage facilities at various German locations. A reference is made to the inadequate facilities due to "latest strategies." Could you please elaborate on the latest strategies and any future requirements associated with that?

General WRAY. Yes, sir, the inadequacies are primarily quantitative. Over past years we have estimated the amount of ammunition we would need based on historical rates of expenditure in Korea, World War II, other conflicts of that nature. In recent years, with the increases in the lethality of weapons, the range of weapons, the rate of fire and with such experience behind us as the Mideast war, we have gone back and taken a look and found that the rates of ammunition expenditure that we should expect in a future war are much, much higher. This requires, of course, particularly for the early days of a conflict, before you can ship additional ammunition over, that you have a very large amount stored in the area where the troops would be fighting.

Whereas we now have something less than [deleted] of storage capability we have calculated that we need something like [deleted] or more than [deleted] the capacity we have now. So, the effort then is to increase our storage capacity by building additional igloos over a number of years.

This year's request will permit us to build something on the order of [deleted]. I would add one other comment and that is that in addition to the question of quantity of storage one must be concerned

about the location of the storage. I am sure that the committee is familiar with some of the aspects of the so-called Hollingsworth report which indicated that the ammunition stored in Europe is not stored far enough forward.

The combat units have to go too far back to get the ammunition. So there is an effort also to increase the amount of storage capacity we have in forward areas.

AMMUNITION USE

Senator SASSER. You made reference to the fact that the Mideast war, and I assume the Vietnam war also, indicated that we consumed much more ammunition than we did in Korea and World War II. Is this primarily small arms ammunition?

General WRAY. No, sir, a great deal of it is artillery ammunition. For example, some artillery rates of fire have increased by a factor of [deleted]. Tank ammunition is another. Of course these are types of ammunition that take up more space and more weight. The small arms ammunition would be increased too, but the larger calibers add significantly to the total amount we are speaking of.

Senator SASSER. Why are we expending more ammunition? It is a faster rate of fire of the weapons themselves or more artillery pieces?

General WRAY. To some extent, sir, but part of it also is related to the increased range of weapons, the increased ability to acquire targets at longer ranges, so you engage the enemy at longer ranges, too. All of these things combine to increase the rate and the total quantities.

NUCLEAR WEAPON SECURITY

Senator SASSER. With regard to nuclear weapon security you are requesting \$7.8 million in Conus and \$6.8 million overseas for nuclear weapon security upgrade. What is the total amount yet anticipated to insure that all of our storage sites are adequately protected?

General WRAY. Sir, the total amount that is anticipated is about \$75 million in MCA and \$10 million in other procurement. We procure sensors with a different type of appropriation. That is the \$10 million. I should hasten to add that the \$75 million is needed if we retain all of the sites that are in existence now. There is a question about how many of those sites might be retained. For example, there are studies regarding the possible [deleted]. Until such time as those are completed we really won't know. Another factor which will enter into whether we require more money in the fiscal year 1979 program is the fact that we might be able to get direct financing by NATO for those additional sites.

As it is, the work that we are doing is prefinanced and we expect to request recoupment. If we could get NATO infrastructure money in advance for the additional sites, we would like to do that.

CHEMICAL WEAPONS STORAGE

Senator SASSER. What is the status of our security program for facilities which store chemical weapons or biological weapons. How many areas do we have for storage of these weapons?

General WRAY. First, I should like to stress that we have no biological weapons. Those have been destroyed at the direction of the President in a previous administration.

Second, with respect to the chemical stocks, we believe that they should be stored with essentially the same protection as our nuclear weapons because of the consequences of weapons being stolen.

Our security is [deleted], however, and the Army has recently made a study of the work needed to upgrade it. We store all of the chemical stocks for the Air Force, the Army, and the Navy.

We made an investigation of the security of those areas and feel that a great deal of work must be done. We initially requested \$45 million or more this year to upgrade seven sites in the United States. We now have chemicals stored at more sites but we are consolidating them to [deleted] permanent sites. The money we requested was cut out of the budget when a rather large cut was made in projects in the United States by the previous administration.

Because of that cut we have endeavored to make all of the interim improvements we could with the urgent minor construction authority that we have. We are asking for reprogramming of approximately \$7 million of prior year MCA money to proceed as quickly as we can. This still leaves about \$41 million that we would have liked to have had in this year's program but which is no longer in the program.

BRIGADE STATIONING IN GARLSTEDT, GERMANY

Senator SASSER. Let me direct some questions, General Wray, to brigade stationing in Germany. Various projects totaling \$10 million, planned for Garlstedt, Germany, presumably to accommodate new brigade stationing. Will you please elaborate on the reason for such stationing and where is the brigade presently stationed?

General WRAY. Yes, sir, I will say first that the brigade is presently stationed in our major training areas in Europe and is there on a temporary duty status. That brigade actually was put in Europe as part of the compliance with the Nunn amendment where the Army has decreased its logistical activities in Europe in favor of increasing combat power. [Deleted.]

In doing that, the Federal Republic of Germany has agreed to build the barracks, the dining facilities, the operational facilities required for the brigade to the tune of approximately \$68 million. They have those facilities under construction at the present time.

The U.S. funding is essentially for those items which are peculiar to our needs, mainly community support facilities, libraries, gyms, schools. There are actually about \$12½ million in this particular request for those types of facilities.

Senator SASSER. [Deleted.]

General WRAY. Sir, there is a [deleted]. These matters are under advisement in Washington. The Joint Chiefs of Staff have addressed the question. They endorsed the concept of the [deleted].

However, they have also indicated that whatever is done there should be a NATO solution. This is something that we would not expect to do all by ourselves. Therefore, the matter of the [deleted] and

such other support as may be needed is something that is expected to be discussed at the NATO Spring Ministerial Conference.

General Bowman might want to elaborate on that. Is there anything else you might want to add?

General BOWMAN. No; I don't think so.

Senator SASSER. At least all the [deleted] will be out of there?

General WRAY. That is a question yet to be answered.

In arriving at a NATO solution there could be [deleted].

General BOWMAN. I might talk to that one. [Deleted.] We are cognizant of the other things that they are doing.

[Deleted.]

So it is a matter of planning it, organizing it, exercising it so that we can mobilize those people on the scene to handle the supplies, handle the medical, all of the tasks that have to be done in support.

Senator SASSER. What are the factors under consideration that make it desirable or necessary to [deleted].

General WRAY. Again it is mainly a matter of the relative weakness of strength in that area and at the same time the strength of the Soviets and the Soviet bloc and their ability to attack [deleted] we think.

Senator SASSER. In this particular area?

General WRAY. [Deleted.]

General BOWMAN. Could I comment on that too, Mr. Chairman? The positions in Germany resulted largely from the way World War II ended. We took up positions where we happened to be. The British were in the north, the United States was in the south, and of course the Dutch and Belgian forces at the close of the war naturally fell in the areas opposite their countries and it all made sense. The only trouble was that we wound up there with some [deleted].

With the Soviets increasing their numbers of tanks and divisions, increasing the BMT vehicle which is designed for a breakthrough type action, the Allies must strengthen [deleted].

It is a question of how much more they can do. It seems, since the U.S. is the principal reinforcement, we have most of our forces on this side of the ocean, and yet we are a major part of the alliance. The trick is going to be to get U.S. forces quickly to supplement our Allies and get them in the right place.

[Deleted.]

Senator SASSER. Why is it necessary to station the brigade at Garlstedt, requiring additional troop support facilities rather than at a location where we now have such facilities such as Bremerhaven?

General WRAY. Yes. We do have a casern in Bremerhaven but it is not sufficiently large to accommodate the brigade. The Germans have furnished the real estate for the area where we are having the new facilities constructed. We believe there is much convenient support that is available in Bremerhaven. I would say that in addition the area will result in one of the best troop installations that we have in all of Germany. In the previous years we have generally taken old German caserns and have moved our people into them.

They are generally rather crowded, they are largely in built-up areas, we don't have as much room for training as we would like. This installation is being built anew in an open area and we will have a

very fine arrangement of ranges and other support activities. At the same time we are close enough to Bremerhaven to take advantage of the hospital, the commissary and the school that is already there and really will not have to duplicate support facilities. The ones that we are building are the minimum required to supplement what are available in Bremerhaven.

TOTAL MILCON COSTS OF NEW STATIONING

Senator SASSER. What is the total anticipated military construction costs associated with the new stationing and when will the funds be required?

General WRAY. Sir, there are only \$25 million in U.S. military construction funds. About half of those are already committed as part of the Secretary of Defense's contingency funds. We are asking for about \$12.7 million in this particular appropriation. In addition to that \$25 million, as I pointed out, the Germans are building facilities costing about \$68 million. There are other minor amounts of construction, including some NATO, some that is NATO funded. All of this adds up to about \$105 million roughly.

In addition to that there is one other major expense and that is in family housing. We have enough excess family housing to accommodate a portion of the dependents in the area but we will need about 1,000 or 1,100 additional units. What we do in Germany for family housing is to negotiate a lease, generally a 5-year lease, with a builder. He then builds and leases to American families. The cost of the initial 5-year lease is about \$26 million. So, we are talking about an expenditure of upward of \$130 million, close to \$140 million in one-time cost to provide for the brigade moving in.

Senator SASSER. [Deleted.]

General WRAY. No, sir. I said a while ago that Brigade 1975, is the one that will move to Garlstedt when the facilities are ready. It is there on a temporary duty status now. That is because we have no permanent facilities to put them in, therefore we can't accommodate the families with them. When they move to Garlstedt they will be placed on a permanent change of status and the families will join them. The other brigade that is already in Europe, Brigade 1976, moved directly into permanent facilities at Wiesbaden. This was the result of an exchange of facilities with the Air Force.

IMPACT OF PROJECT DISAPPROVAL

Senator SASSER. You highlight the criticality of timing on these construction projects, even intending to divert fiscal 1977 funds if necessary. Would a disapproval of these projects materially impact your plans and/or schedule for relocating the brigade?

General WRAY. Sir, the facilities that are absolutely essential are being built by the Germans, using their funds. Those facilities will be ready about the summer of next year or September of next year. That is when we propose to move the people. The main effect of not going ahead with the projects that we have requested is that it would be one of penalizing our soldiers by not providing the community support ac-

tivities that we need to provide. We could move but the morale, the welfare-type facilities would not be provided. We certainly would not want to subject them to that kind of move.

Senator SASSER. I want to address some questions now to Air Force programs and specifically aircraft shelters.

General WRAY. Are you through with the Army?

Senator SASSER. Yes, sir.

General WRAY. You have no questions with regard to the EUCOM headquarters [deleted].

Senator SASSER. There will be additional questions submitted in writing for the record.

General WRAY. General Collins was here specifically for that. I wanted to make sure before he got away from you that you had all the information you needed.

Senator SASSER. Thank you very much.

DEPARTMENT OF THE AIR FORCE

STATEMENT OF MAJ. GEN. W. D. GILBERT, DEPUTY DIRECTOR OF
ENGINEERING AND SERVICES

ACCOMPANIED BY:

HARRY P. RIETMAN, ASSOCIATE DIRECTOR OF ENGINEERING
AND SERVICES

COL. HARRY E. AULD, DIRECTORATE OF ENGINEERING AND
SERVICES

RALPH C. WANLASS AND JAMES R. PENNINO, DIRECTORATE
OF ENGINEERING AND SERVICES

MAJ. PHILLIP T. O'NEILL, JR., DIRECTORATE OF PROGRAMS

RALPH AXTELL, DIRECTORATE OF BUDGET

MAJ. GEN. R. C. BOWMAN, DIRECTOR, EUROPEAN DIVISION,
OSD (ISA)

AIRCRAFT SHELTER PROGRAM

Senator SASSER. Good morning, gentlemen. I am glad to have you here this morning. I want to just ask a few questions about the aircraft shelter program for the record.

A total of \$60,400,000 is requested for fiscal year 1978 as the fourth phase of a program for hardening aircraft shelters. This has cost \$145 million to date. If the fiscal year 1978 program is not the last phase, what will be the ultimate cost of the program?

General GILBERT. Our goal is to provide a shelter for every aircraft that is committed to NATO. That is, as it stands now, a total of [deleted] aircraft; therefore, [deleted] aircraft shelters. That would be the aircraft that we have committed to NATO now on [deleted.]

As we see it now, essential to complete this program is somewhere around \$900 million additional.

Senator SASSER. That is a lot of money.

General GILBERT. Yes, sir.

AIRCRAFT HARDENING AGAINST ATTACK

Senator SASSER. What degree of hardening is provided by this program? That is, are our aircraft hardened against nuclear attack or conventional attack?

General GILBERT. They are hardened against conventional attack, Mr. Chairman. We see that as the most cost effective way to provide protection. We also see it as of course being a targetting problem for any potential adversary forcing him to come at us 1 on 1 rather than have aircraft parked on a mass apron where in a flyover the enemy could destroy many in a cluster.

Senator SASSER. What is the possibility that even if the aircraft are preserved from destruction, an attack might render the airfield and/or the supporting areas unusable?

General GILBERT. That possibility does exist and we are very conscious of it in the Air Force. We have extensive programs to quickly repair airfields and essential support facilities to launch our force in the event of an attack.

As an example, we have a program in the Air Force known as the RAPID RUNWAY REPAIR TEAMS, whereby we have organized our engineers support forces into teams, provided them quick patch materials and equipment to restore damaged areas. They train extensively on this as part of our program to repair damaged airfield facilities within 4 hours, and that assumes three craters in a runway, and have the airfield back in condition or enough of it back in condition to launch a force.

Senator SASSER. Would you please elaborate on the necessity for such shelters even for those Conus-based aircraft which might be sent to the European theater under a contingency? Would there be need for such shelters even if there were no aircraft permanently based overseas?

General GILBERT. We think certainly there would be, Mr. Chairman, for several reasons. One is that we are basing this on the fact that we will have some strategic notice. Now the estimates of number of days that we would have prior to an attack differs among intelligence groups but nonetheless we all feel that we would have some advance notice prior to being attacked. Therefore, we would begin under that notice to deploy the aircraft we have in the Conus to the European theater and therefore would need protective shelters when they arrive.

In addition to that, as I said before, it does complicate the potential adversary's targeting of our airfields and our aircraft.

I think, third, because of the relative short distance of the potential adversary in that theater that we will see an intensive air war at least in the first few days and our airfields will be subject to strike by the Warsaw Pact countries. For these reasons we believe that to provide maximum survivability for our aircraft we must park them in protective shelters.

COST OF HARDENING SHELTERS

Senator SASSER. How does our program for hardening shelters compare with those programs of the other members of NATO and are these two programs currently financed through the infrastructure?

General GILBERT. Through this fiscal year 1977 program the United States will have provided 694 aircraft shelters for U.S. airplanes. Our NATO Allies conversely have built about [deleted] shelters and they have some [deleted] additional ones planned. They, like us, for the most part are prefinancing these and expecting NATO recoupment in some future slice. So, our Allies are also protecting their aircraft.

Senator SASSER. What has been the involvement of U.S.-based firms in the construction of these shelters? What has been the dollar amount of past awards to the firms and what is the projection under the current 5-year program?

General GILBERT. U.S. firms participation as the overall general contractor on any shelter program in Europe has actually been zero. However, we have had a couple of U.S. contractors who have been suppliers to general contractors in the shelter program quite extensively.

One U.S.-based firm, Marway International, has provided shelter liners, that is the steel and the doors, for some 394 aircraft at some \$21 million. Currently they are supplying the winch and allied hardware which is now being constructed in the United States for the 1976 shelter program.

While a United Kingdom contractor is the general contractor, this portion of that program was bid separately as what the British refer to as a prime sub and a U.S. contractor was successful in getting that contract. Now that one is for about \$1.2 million. We have also had a firm in New Jersey that has provided as a supplier of the tracking systems for our shelter doors. To say what is projected for the next 5 years, Mr. Chairman, would be extremely difficult, if not impossible to do. I would say this. We as the U.S. forces in Europe make absolutely sure that prior to anything being advertised under the international bidding procedures over there, it is in fact published in our own Commerce Business Daily, so that U.S. firms interested in bidding do have a notice of when invitations are going to be issued and by whom.

LOCATION OF HARDENING SHELTERS

Senator SASSER. How many hardened shelters will be provided by the \$60 million request in 1978 and where will those be located?

General GILBERT. The program before the committee now will provide 76 additional hardened aircraft shelters and required support facilities. The locations are Lakenheath Air Base in the United Kingdom, Jever in Germany, Lahr in Germany, Sembach in Germany, Boscombe Down in the United Kingdom, Aviano in Italy, S'oesterberg in the Netherlands, Gilze-Rijen in the Netherlands, Erding in Germany, Spangdahlem in Germany.

Those are the nine locations for where this program would propose to build shelters or essential support facilities.

Senator SASSER. You propose to put all aircraft under shelter or just combat?

General GILBERT. Just our combat fighters. Those are the ones I referred to earlier, the [deleted].

Senator SASSER. Your request for \$25 million for fiscal year 1978 will provide minimal essential facilities for aircraft parking and equipment storage at nine locations. Is this the total requirement as you now perceive it?

General GILBERT. No, sir, it is not. What we have now, in order to download in the case of a war situation in Europe, we have agreements with six countries to provide us collocated operating bases. The provisions under these six agreements provide us a total of [deleted] which will in effect allow us, with a total buildup in Europe, to download our bases from [deleted] aircraft per base to around [deleted]. At the same time our Allies only have an average of about [deleted] aircraft at their bases. That would put them up to about [deleted] aircraft per base. So, we are looking at the [deleted] collocated operating bases.

This is the first phase of that program and for the most part we are able to negotiate most of the facilities requirements at these collocated operating bases. Primarily the type facilities we are providing under

our U.S. program are minimum essential storage requirements for munitions, POL and liquid oxygen.

That is about an initial [deleted] supply. So, I very frankly think that before we see the end of this program, sir, it will amount to some \$200 million in order to provide minimum essential facilities at all [deleted] locations. We are not ready yet to program at [deleted] locations. We have technical agreements for [deleted] specific locations and are actively negotiating the remainder of those.

AIRCRAFT DISPERSAL PROGRAM

Senator SASSER. Is this an aircraft dispersal program?

General GILBERT. Yes, sir, it downloads some of our main operating bases that are overloaded now and gives us dispersal as well. It also provides better distribution of our aircraft across a support area where we will support ground troops or engage in air-to-air combat, reconnaissance and so forth.

Senator SASSER. You indicate that this project is not eligible for infrastructure financing. Yet the facilities are at collocated operating bases and would be required only in the event of a NATO contingency. Since the "common interest" appears so logical and direct, why are we not making an effort to see that the program does become eligible in the next NATO program?

General GILBERT. Sir, we are making attempts to have facilities required to support our follow-on flying units made NATO-eligible. There are a couple of things that we are looking at in connection with that. One is that we have the [deleted] airplanes total that we would commit to NATO, once war broke out, or we had absolute warning that it would be. However, in a normal day-to-day operation such as we are in now, we have not committed about [deleted] aircraft, to NATO by unit.

The facilities they would require would become NATO eligible tomorrow if we were to designate the units possessing these airplanes to a specific location. The reason we have not is that it would restrict our flexibility to respond in other parts of the world should a contingency break out. That primarily is the reason why facilities for these aircraft are not NATO eligible but we are looking again at the possibility of specifically assigning the units possessing these airplanes. If we do commit the facilities needed for their support would fall under the NATO recoupment criteria.

ACCOMPLISHMENT OF TECHNICAL REQUIREMENTS

Senator SASSER. It was indicated that lack of complete technical agreements precluded accomplishment of this program in the past. Are all technical requirements now met or is the program execution contingent upon further negotiation?

General GILBERT. No, sir. We are, you might say, halfway there. We have technical agreement on [deleted] of the [deleted] collocations. But they are being actively pursued practically on a day-to-day basis now to work out the technical agreements on the remaining [deleted.]

The technical agreement for a collocated operating base covers

specific details on the facilities we can jointly use such as: ramp parking areas, engine shops, maintenance facilities, and troop accommodations. Before we collocate we know what support is going to be provided for us, should we have to go into these bases. We have about [deleted] more to go.

Mr. RIETMAN. We do have technical agreements for all the projects in this program, sir.

Senator SASSER. General Gilbert, we have some more questions which we will provide in writing and your responses will be incorporated in the record. We thank you for appearing here this morning.

General GILBERT. Thank you, sir. It is our pleasure.

Senator SASSER. General Collins, we are glad to have you here also.

We are glad to have the Navy here today. We do not need to ask any questions orally. Since you have your own man at the White House now it is not necessary.

SUBCOMMITTEE RECESS

[Whereupon, at 11:15 a.m., Thursday, April 7 the subcommittee was recessed, to reconvene at the call of the Chair.]

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THE LIFE OF

JOHN RUSKIN

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