Senate Hearings

Before the Committee on Appropriations

KSU LIBRARIES
A11900 471720
D MENTS
4 10
F L BRARY
E UNIVERSITY

Military Construction Appropriations

Fiscal Year 1980

96*th* CONGRESS, FIRST SESSION

H.R. 4391

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

ON

H.R. 4391

AN ACT MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1980, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

41-638 O WASHINGTON : 1979

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON MILITARY CONSTRUCTION

WALTER D. HUDDLESTON, Kentucky, *Chairman*

J. BENNETT JOHNSTON, Louisiana
DANIEL K. INOUYE, Hawaii
JIM SASSER, Tennessee

PAUL LAXALT, Nevada
TED STEVENS, Alaska

JAMES A. FELLENBAUM, *Clerk*
RICHARD A. PIERCE, *Minority Staff Member*

CONTENTS

MONDAY, FEBRUARY 26, 1979

Page

Department of Defense:
Installations and housing 1

MONDAY, MARCH 5, 1979

Department of Defense:
Office of the Secretary of Defense 71
Department of the Army 79
Department of the Navy 89
Department of the Air Force 103
U.S. Mission to NATO 107

FRIDAY, MARCH 9, 1979

Department of Defense:
Office of the Secretary of Defense 135
Executive session 141

WEDNESDAY, MARCH 21, 1979

Department of Defense:
National Guard and Reserve Forces:
National Guard Bureau 195
Air National Guard 199
Army Reserve 209
Naval Reserve 217
Air Force Reserve 221
Nondepartmental witnesses:
National Guard Association of the United States 235
Reserve Officers Association of the United States 246
Adjutants General Association of the United States 252

THURSDAY, MARCH 22, 1979

Department of Defense:
Department of the Navy 283
Department of the Air Force 311
Executive session 314

FRIDAY, MARCH 23, 1979

Page

Department of Defense:
Department of the Navy 343
Marine Corps 361

TUESDAY, MARCH 27, 1979

Department of Defense:
Department of the Air Force 399

THURSDAY, MARCH 29, 1979

Department of Defense:
Department of the Army:
Corps of Engineers—Chief 427
Corps of Engineers—Assistant Chief 471

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

MONDAY, FEBRUARY 26, 1979

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

The subcommittee met at 10:35 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Laxalt.

DEPARTMENT OF DEFENSE

INSTALLATIONS AND HOUSING

STATEMENT OF PERRY FLIAKAS, DEPUTY ASSISTANT SECRETARY, INSTALLATIONS AND HOUSING, OFFICE, ASSISTANT SECRETARY OF DEFENSE, MANPOWER RESERVE AFFAIRS AND LOGISTICS

ACCOMPANIED BY:

JOHN F. ROLLENCE, ACTING DIRECTOR, FACILITIES PROGRAMING

E. A. ROGNER, DIRECTOR, INSTALLATIONS MANAGEMENT AND PLANNING

JOHN P. SYLVA, CAPTAIN, CEC, USN, ACTING DIRECTOR, CONSTRUCTION OPERATIONS AND FACILITIES MANAGEMENT

MORTIMER M. MARSHALL, JR., DIRECTOR, CONSTRUCTION STANDARDS AND DESIGN

LAWRENCE W. JACKLEY, COLONEL, USA, SPECIAL ASSISTANT, PANAMA CANAL TREATY AFFAIRS

DENNIS H. TROSCH, ASSISTANT GENERAL COUNSEL (LOGISTICS)

OPENING REMARKS OF SENATOR HUDDLESTON

Senator HUDDLESTON. The subcommittee will come to order.

This is the first in a series of hearings on fiscal year 1980 budget requests for military construction and family housing programs of the Department of Defense.

Before we begin, I want to welcome Senator Laxalt from Nevada, who is the new ranking minority member of this subcommittee. We look forward to working with you, Paul, and I hope that you will find it very interesting.

Senator LAXALT. I am sure I will.

Senator HUDDLESTON. The total budget request for 1980 is slightly in excess of $3.7 billion. This represents a fairly substantial decrease from last year's level, a subject which we will be pursuing. We will also be considering program supplementals totaling $239

million, an amount which I believe is somewhat precedent-setting for these appropriations.

These hearings will provide us with a general overview of the program and its underlying assumptions. In subsequent hearings, we will deal with the individual service programs, and certain specific areas of high interest.

Our principal witness is the Honorable Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing, accompanied by various representatives of the Department of Defense.

Before proceeding with the witness, Senator Laxalt, do you have anything that you would like to comment on at this time?

Senator LAXALT. I am the new kid on the block as far as the subcommittee, and perhaps I will reserve comment until I hear what Mr. Fliakas has to say.

I would like to indicate that I am looking forward to working on the subcommittee. I have already been briefed by the staff, and I want you, gentlemen, to understand that as far as my responsibilities on the subcommittee are concerned, I take them seriously. In any matter where I can help, I will be available.

Senator HUDDLESTON. Thank you very much, Senator Laxalt.

Mr. Fliakas, you may proceed.

PREPARED STATEMENT

Mr. FLIAKAS. Mr. Chairman, with your permission, I would like to brief my statement and then submit it in its entirety, for the record.

Senator HUDDLESTON. Very well.

[The statement follows:]

STATEMENT OF PERRY J. FLIAKAS

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before your Committee today to present the Fiscal Year 1980 Military Construction Program, and to discuss some of its details and other construction related matters affecting the facility resources and needs of the Department of Defense.

The request for FY 1980 that we are presenting today has been structured through the use of the Zero Based Budgeting technique. It represents a carefully balanced approach to the twin problems of providing new facilities required by changes in weapons, advancing technologies, National Security policy, or other factors, and our continuing effort to upgrade or replace much of our substantial inventory of ageing and obsolescent facilities.

The FY 1980 program, as with past-year programs, has evolved through a series of careful, detailed reviews of each project proposed by the Military Services. In those reviews, primary concern has been to assure that the project was not only essential to meet a valid and urgent Military need, but represented the most cost effective and feasible method for achieving the objective. As a result of these reviews, the DoD FY 1980 Construction Program will enhance the military posture and readiness of the Active Forces and their Guard and Reserve Components.

The FY 1980 appropriation request for the Department of Defense Military Construction and Family Housing Program totals $3,856,625,000. In FY 1979 the Department of Defense requested $4,372,200,000. Actual enactment for FY 1979 totaled $4,000,063,000. Submitted concurrently with the FY 1980 budget is a supplemental FY 1979 request of $239,680,000, which I will insert for the record. Thus, the FY 1980 request reflects a

decrease of some $515,575,000 from the amount initially requested in FY 1979 and $143,438,000 less than the FY 1979 enacted appropriation. A large portion of previously planned military construction programs have been deferred in recognition of the need to restrain spending in those areas that do not represent an urgent near-term Defense need.

The level of military construction, while less than optimal, is adequate to support the essential missions and operations of the military departments and defense agencies. The budget reflects the decision to defer, or in some cases proceed at a reduced rate of capital investment in certain areas of contruction needs which will not immediately affect our capabilities for maintaining an overall balanced defense posture. This decision is a logical outgrowth of and is fully consistent with the Administration's overall efforts to reduce the Federal deficit and restrain the level of government spending in all areas of the Federal budget where such reductions can be achieved without adverse affect on vital services and interests.

We have exercised the greatest of care in the selection of projects to assure that they are sited at installations which are firm and will be needed for the foreseeable future. We believe, therefore, that the FY 1980 request is an austere, balanced, and meaningful program which addresses the most essential military construction needs.

Turning now to a comparison of this year's appropriation request to the total requested last year, the following is a tabular summary of the appropriation requested for the Active, Guard and Reserve Forces, the Defense Agencies, and the Family Housing Program, arranged for easy comparison with the FY 1979 program.

	($ Millions)			
	FY 1979 Request	FY 1979 Enacted	FY 1979 Suppl.	FY 1980 Request
Army	881.9	711.5	118.0	722.3
Navy	820.9	760.1	1.1	551.9
Air Force	639.1	483.3	37.6	539.7
Defense Agencies	176.3	194.9	22.7	244.3
Guard/Reserve Forces	158.9	168.9	--	100.0
Family Housing and Homeowners Assistance	1,695.1	1,681.4	51.7	1,698.4
TOTAL	4,372.2	4,000.1	231.1	3,856.6

As mentioned earlier, the program reflects a carefully structured mix of new requirements and a measured advance toward our goal of modernizing or replacing many of the older structures in the inventory. The division between these major categories is roughly 70 percent devoted to support of current missions and new requirements, and about 25 percent allocated to replacement and modernization. The remainder represents minor construction and other similar projects not clearly attributable to either of the major elements. While we would like a greater emphasis on the replacement and modernization program in FY 1980, we have to consider many competing priorities within the total matrix of requests.

At this point, I must make some mention of inflation in construction costs, which in recent years has significantly affected our efforts to modernize the inventory. As all of us are aware, inflation and the success of our efforts in coping with it play an important part in the continuing economic health of the Nation. Inflation in the construction industry over the past decade has outpaced the general trend evident in other elements of the economy, although in the year just past, construction inflation was about 1% less than general inflation. Paralleling these inflationary trends in the domestic construction industry, has been the steady erosion of the value of the dollar in international money markets which has severely impacted construction projects overseas.

Despite these influences on our plans, the program has moved forward steadily and with the support of Congress we have been able over the past five years to secure some $2.9 billion of replacement and modernization projects.

The current total backlog of facility requirements is estimated at $31.8 billion for the three Military Departments. About $15.2 billion of that represents replacement and modernization projects to eliminate inadequate and over-age facilities. Future progress in overcoming this substantial deficit will continue to depend primarily on both an abatement in inflationary trends in construction costs as well as future increases in the amount of military construction budgets which we can devote to these needs.

Within the total appropriation requested, some $3.9 billion, about $1.4 billion are allocated to construction within the United States, $225 million for general support activities, and about $540 million to overseas construction. The overseas total includes $150 million as our cost share contribution to NATO Infrastructure. The remainder, $1.7 billion, are the military family housing appropriation necessary to finance operations and maintenance, leasing, and similar activities for support of family housing worldwide.

Normally at this point in my statement, and in conjunction with my comments regarding the construction overseas, I would review the major elements of the overseas program. This year however, and in view of the great interest manifested by Congress concerning construction in Europe I will address that portion of our program in detail in a special statement which I will present at a separate special hearing.

Now I would like to address several important segments of this year's request which in the past have been a matter of interest to the

Congress, and which we consider to be essential elements affecting our total program. The first of these will be the effect of construction inflation which I previously mentioned.

Effect of Inflation on Construction

Inflation in the construction industry, fueled principally by materials price increases, continues to decrease the value of our construction dollar. The Engineering News Record published by the McGraw-Hill Company, a generally accepted authority on construction costs shows an increase of between 7.5% and 8.0% for the period December 1977 to December 1978. The higher figure is for projects which are materials sensitive and the lower for those which are labor intensive. Materials in general were up about 11% in that time period, whereas labor was up a little less than 7% with unskilled labor increasing at a faster rate than skilled labor. Some other indices such as those of the Commerce Department and the Bureau of Reclamation show increases of about the same amount, averaging around 8%.

What we try to do in pricing the projects in our program is to predict costs about 2 years in advance. This is particularly difficult right now. Basic items such as asphalt which is a petroleum by-product and portland cement which requires a large amount of energy for its production are highly dependent on the cost of oil which is, to a large degree, beyond our control. Imported steel also represents a high percentage of the steel used in the construction industry. In the past this steel has been cheaper than domestic steel and has tended to hold down the price of domestic steel. However, the decline in the dollar exchange value for the currencies of large steel producing countries such as Japan would appear to indicate higher costs of imported steel in the future which may lead to higher prices of domestic steel. The

decline in the exchange value of the dollar against the yen and the mark has also had a severe impact on overseas construction projects.

Another factor is that the civilian construction industry is in a period of high activity. Higher costs have not yet caused a slow-down. We have seen this particularly in the fewer number of bids received for military construction projects. Costs are higher than a year ago. Most predictions indicate that housing construction will decline over the next year but that other construction activity will continue at a high level.

We have based our pricing on the assumption that costs will rise 7% in fiscal 1979, 6.5% in fiscal year 1980 and 6% per annum after that. The estimates in this program reflect this projection as do our requests for increases in the statutory cost limitation for unaccompanied personnel housing. While we recognize the risk of this pricing policy we believe it preferable to over-estimating at a time when inflation and budget control are vital issues to all of us.

CONSTRUCTION EXECUTION

The Department of Defense has achieved further improvement in the early execution of the Military Construction Program. By the end of September 1978, 90% of the FY 1978 Military Construction Program was under contract award. This compares to 77% in FY 1976 and 89% in FY 1977. The Military Departments have been commended for this sustained improvement.

The focus of our attention has now shifted to the earlier design of projects. Our goal is to have 90% of the FY 1980 program ready for advertisement by the end of March 1980 and 100% by the end of June 1980. The combination of early design and early awards will enable us to

furnish the required facilities to the users in a more timely and cost-effective manner by taking advantage of more favorable bidding conditions early in the fiscal year.

Planning and Design

Planning and design funds for the active forces (under the continuing authorization of 31 USC 723) are requested in the amount of $172.2 million of which $158.2 million is for the Military Departments and $14 million is for the Defense Agencies. In addition, planning and design funds in the amount of $12.0 million are requested for the Guard and Reserve.

These funds will be used principally for design of projects that will be submitted for your consideration in the FY 1981 and 1982 annual programs. Funds have already been committed to the design of most FY 1980 projects in response to the Congress' desire that design of projects be at about the 35% completion stage when construction funding is requested. This permits firm cost estimates and assures that the project can be advertised for construction in the budget year. The Military Departments will identify projects and the specific requirements of each project at an earlier stage in order to meet the design goals. The Departments will be ready to describe these efforts to you in detail in subsequent hearings.

I would like to emphasize again, as I have in the past, that the best assurance we have of building economical, efficient, energy saving facilities is to obtain good, early design. Considering the costs of construction and life cycle operation and maintenance of the facility, this is the single most critical and yet cheapest element of the entire process. We are pleased that the Committees of Congress have endorsed this concept.

Energy Conservation Investment Program (ECIP)

This is the fifth year of this essential program to reduce energy consumption in all of our existing buildings and utilities systems. The program is designed to accomplish retrofit work in older facilities on a cost-effective basis to lower energy use levels and to achieve a significant savings in utility costs.

During the hearings on the FY 1979 MILCON program, questions were raised as to the validity of the calculated savings of the ECIP effort. For this reason we requested the Defense Audit Service (DAS) to conduct a review of the FY 76 through FY 78 ECIP. Copies of this review will be made available to the committee. The DAS report indicates some problem areas primarily with the first two years of the Program. Our initial guidance was based on the best dollar return from energy conservation projects. While the objective was to conserve energy, the project criterion was the shortest amortization period. This resulted in a program with a high dollar return but a lessor energy benefit. This point was recognized and on October 21, 1977, I issued new guidance which included a number of improved procedures including project evaluation based on maximum energy savings per $1000 of investment. Consequently we believe that beginning with the FY 1979 program a number of the early problems will have been eliminated. The DAS review indicates that a number of ECIP projects have been cancelled or reduced in scope for various reasons. Accordingly, the energy savings are less than that originally calculated. At this time we are issuing additional direction to the military departments to strengthen the ECIP and to eliminate the basic problems identified by the DAS. As part of this effort the military departments will prepare a complete report on total ECIP efforts to date. We expect to have revised data on energy savings by mid-summer and will provide this information to the committee as soon as it is available.

As noted last year, Executive Order 12003 (July 20, 1977) which mandates a 20 percent decrease in energy use in existing facilities by 1985 (as compared to 1975), resulted in a need to extend the Energy Conservation Investment Program to FY 1984 at a total cost of about $1.5 billion. We believe this total program cost is still valid. In the past four years Congress has authorized and appropriated $530 million for this work. This year, an appropriation of $116 million is requested for this important program. As retrofit solutions become more complex, we expect requirements to increase to a peak of about $200 million by FY 1983. The average amortization period to date is about 5 years and the 1980 program pay-back is estimated at less than 6 years.

Pollution Abatement

The correction of air and water pollution problems continues to receive strong emphasis and careful attention. The FY 1980 request contains $39.9 million for air pollution abatement and $213.9 million for water pollution abatement.

We believe a good job has been done in improving the quality of the environment overall at military installations. In the past 11 years, funding from all sources for this work has exceeded $2.2 billion. The Military Departments place a high priority on pollution abatement and have striven to be good neighbors. Emphasis has been placed on obtaining solutions which are economically effective and timely. At times the program has been difficult and continues to have problems. In the past 11 years, we have seen numerous regulation changes and modifications by the many Federal, state, regional and local authorities influencing the various military installations. This has put us in the position of trying to hit a moving target. In some cases this has caused a redesign or a follow-on project to correct the original problem. In a few cases, it has been found that a solution successful at one location may not be

acceptable in a second location even with very similar circumstances. There have been technical design problems, especially for industrial facilities such as munitions plants.

The situation has changed little from last year when I stated that we are unable to predict the end of our pollution abatement effort; it will probably continue into FY 1984. Federal guidelines to meet the large requirement calling for best available waste water treatment by July 1, 1983, should be available to permit initial programming in FY 1981.

Real Property Maintenance

Last year, the Committee expressed concern over the need for additional emphasis on decreasing the backlog of maintenance and repair (BMAR), but was not in agreement with the House approach towards stimulating maintenance of Defense facilities by denying required construction. We, too, share the concern that the backlog is excessive. The current BMAR at end FY 78 is almost $2.2 billion for the Active Services.

Austerity in funding for base operations of which real property maintenance is a significant part, overseas currency reevaluations and effects of inflation are major deterrents to accomplishing needed maintenance and repair work. Also contributing to the backlog increases are the Services' continuing aggressive efforts to identify and estimate facility deficiencies, especially those below ground or underwater. We anticipate no improvement in these situations over the next few years.

The real property maintenance floor constrains reprograming of funds from this area into other operational activities. The Congressionally-imposed maintenance floor, which we fully support, is established at 90

percent of program value and ensures that funds requested and supported for real property maintenance will be so utilized. There is very little evidence of the Services' reprogramming such funds. In reality, the Services have been funding such work in excess of this floor each year. We will continue our management emphasis to improve funding for maintenance and repair and to ensure a creditable and valid reporting of BMAR.

Panama Treaty-Related Construction

The Panama Canal Treaty requires military construction in the Canal Zone for two reasons. First, the Treaty requires release of specified portions of active U.S. military installations to The Republic of Panama over the life of the Treaty, with the majority occurring with its entry into force by October 1, 1979, and within its first five years. These releases require the relocation of military units and activities to U.S. military installations which will be retained for the life of the Treaty. Second, the Treaty states that the Canal Zone Government and Panama Canal Company cannot operate in Panama beyond October 1,1979, and provides for the substitution of a Panama Canal Commission for the latter. In the process, various U.S. governmental retail and community support services, heretofore provided to DoD, will have to be assumed by the Military Services. Their related facilities, for the most part, will also be assumed by the Services.

To accommodate the military relocations and functional assumptions required by October 1, 1979, FY79 funding in the amount of $40.6 million is required. Of this amount, $10.9 million was authorized by the Deputy Secretary of Defense in early November, using the authority in Section 402 of the Defense Agencies title of the annual Military Construction

Authorization Act. The balance is being requested in the FY79 Supplemental Budget. Other construction requirements, totalling $6.0 million, are included in the FY80 Budget.

Through a visit to Panama in late January, I have concluded that accelerated actions taken to date to commence construction have been fully warranted; that other construction requirements before this Congress have been well thought out and are completely justified and that out-year requirements must be expeditiously identified for the early notification of the Congress. The $10.9 million already funded will permit the essential functional transfers to be assumed by the Services, but will permit only the initiation of construction incident to military relocations deemed vital to the security of the United States to be accomplished. The FY 1979 supplemental funding would complete the rehabilitation of facilities required to complete the military relocations essential to satisfying Treaty-day requirements. The $6.0 million requested in the FY80 program will permit a modest expansion of personnel support at Howard AFB and relocation of certain military activities required in the immediate post Treaty-day period. Treaty-related construction requirements in the out-year are currently undergoing definition and will be validated by a recently commenced regional complex master plan which will ensure optimum utilization of existing plant commensurate with our remaining planned tenure in Panama.

NATO Infrastructure

For this year, $150 million in authorization and funding is required to finance the United States share of the common funded NATO Infrastructure Program. This represents a substantial increase from the $90 million requested in FY 1979 and, indeed, is larger than the $90 million funding and $120 million in authorization granted last year. One of the major reasons for this increase stems from the necessity to adjust the

total cost of prior years unliquidated obligations which were originally obligated when the IAU (Infrastructure Accounting Unit) rate to the U.S. dollar was at a much lower and more favorable rate. The IAU is an agreed bookkeeping unit which is used as a common value denomination in adjusting payments and balances between the various NATO nations, and is subject to semi-annual review and revaluation.

Each rise in the value of the IAU to the dollar requires an upward adjustment of the dollar obligations to reflect the actual current U.S. obligation to pay.

The U.S. is actively pursuing the use of this program to the maximum in order to satisfy U.S. European construction requirements. It is expected therefore that demands on Infrastructure funding will increase subtantially and this too will impact on the FY 1980 request. We have included in the FY 1979 supplemental a request for an appropriation of $46.2 million for this purpose.

Another factor of some significance in this year's increased request is the greater rate of execution by the various host-nations in accomplishing approved infrastructure projects. The rate of such completions has increased with a concomitant increase in the U.S. responsibility to pay its share of such completed projects.

In consonance with the NATO Long Term Defense Program and other alliance initiatives, the Major NATO commanders have identified an Infrastructure program requirement that is considerably larger than the current slice group in order to meet the growing threat of the Warsaw Pact. Many of the items included represent U.S. initiatives to fund more projects under the Alliance, rather than in the DoD military construction program, if it is economically beneficial to do so. The $150 million reflects the U.S. committment to this five year slice group.

I will cover this topic in greater detail in my separate statement on construction in Europe.

Family Housing

For FY 1980, the Department of Defense Family Housing Program requires an appropriation of about $1.7 billion, the same level as our request for FY 1979. The FY 1979 level was maintained because this program includes only operation, maintenance, leasing, debt payment and other minor support costs. It does, however, constitute the largest single element in the military construction request.

As I have indicated to you in the past, the Department of Defense no longer has a large family housing deficit. Rather, deficits are effected when mission changes bring personnel strength increases. Because of this, and the decision to defer capital investment where possible, new construction has been omitted from this year's request. Similarly, we do not plan any improvement program for the existing inventory with FY 1980 funds.

The FY 1980 request recognizes a continuing increase in utility and other operational costs, coupled with the new units coming into the inventory. We are continuing the program initiated last year to reduce the maintenance deficiency to a manageable level by the end of FY 1982.

Last year, Congress directed the Department of Defense to test the feasibility of metering the utilities consumed by occupants of military family housing units and a billing system to charge such occupants for use above a "norm". Certain delays in developing the systems to be used in the test, and in installing the meters, have caused us to miss some

of the earlier milestone dates. Although all of the event dates in the milestone schedule delineated in the Armed Services Committee Conference Report cannot be met, we are moving ahead with the test and fully expect to be able to provide the final report on feasibility to the concerned Committees by March 1, 1980. I advised the committees of this situation in my letter of December 20, 1978.

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 real estate markets are depressed by base closures and realignments. The Army, as the Department of Defense executive agency, provides assistance to a homeowner in one of two forms, namely; (1) reimbursement for loss resulting from private sale or mortgage foreclosures; or, (2) government purchase of the home.

There will be sufficient unobligated funds carried over at the end of FY 1979, plus anticipated receipts during the year to finance the actions taken to date. The probability of additional realignments from studies currently being conducted dictates the $5 million request in FY 1980 to preclude the potential of funding shortfalls.

Unaccompanied Personnel Housing and Community Facilities

The troop housing program for FY 1980, which covers new construction and modernization, requires appropriation of $188.9 million. This is about $13 million greater than the request for FY 1979. The emphasis on the housing programs is in keeping with the Department of Defense goal of assuring that all members of the Armed Services are provided adequate housing. This year's request will provide 9,716 spaces through new construction of unaccompanied personnel enlisted quarters and

8,536 spaces through modernization of existing quarters; additionally, the program will permit construction of 96 unaccompanied personnel officer quarters and modernization of 60 spaces. Combined with new or modernized dining facilities totaling some $21 million and other personnel and administrative support facilities, good progress is being made in providing support facilities required by the Military Departments. The total request for troop housing and community facilities is $283.2 million; including $7.1 million for facilities associated with Korea relocation activities.

Base Realignments

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

On April 26, 1978, the Department of Defense announced candidate realignment studies and actions at 85 military installations and activities in the U.S. The proposals, if implemented upon completion of the necessary studies, could reduce annual Defense costs by more than $337 million and eliminate 14,600 military and 8,600 civilian positions. The objective of these prudent management actions is to reduce non-essential Defense expenditures so that the savings can be used for higher priority needs, including increased combat effectiveness and readiness. A number of minor realignment actions are already being implemented, and we expect that all decisions resulting from outstanding major realignment studies initiated in 1976 and 1978 will be announced in the next few months. Continuing Congressional interest, as reflected in numerous references in hearings, conference reports, etc., indicated the desire of the Congress that DoD continue action to reduce its activities in the National Capital Region (NCR). As a result, in December 1977, the Deputy Secretary of Defense established new five year goals for the Military

Departments and Defense Agencies to reduce their presence and vacate approximately two million square feet of administrative space in the NCR. The objectives are to:

1. decentralize Defense activities from the NCR,

2. reduce payments for non-DoD controlled administrative space in the NCR, and

3. increase the utilization of existing installations outside the NCR.

As part of this program, the Military Departments have publicly announced the studies of a number of proposed relocations of activities from the NCR, which, if implemented upon completion of the necessary studies, could affect about 5,500 military and civilian personnel and vacate over one million square feet of building space.

Outer Continental Shelf Oil and Gas Lease Sales

As we advised you in earlier years, the increase in the oil and gas lease sales program on the Outer Continental Shelf creates a corresponding increase in potential conflicts with DoD activities in these coastal waters. The Department of the Interior's leasing schedule requires a continuing dialogue with them to assure the operational integrity of those missions most essential to national security. The initial discussions began in early 1973 because of the heavy oil industry interest in the Gulf of Mexico immediately south of the Eglin/Tyndall Air Force Bases' complex. Negotiations with Interior lead to the exclusion from the lease sale of those tracts which could have otherwise adversely affected the operational integrity of the Navy's Underseas Laboratory at Panama City, Florida, and those of Eglin and Tyndall. In negotiations

on a later sale, we were able to have excluded from the offering a 70-mile wide corridor in the Gulf upon which the Armament Development and Test Center at Eglin Air Force Base is totally dependent.

Similar problems were encountered in the Outer Continental Shelf offshore Southern California involving areas used extensively by the Pacific Missile Test Center and elements of the Pacific Fleet. As in the previous situation, we were able to persuade Interior to eliminate tracts in the central core of the Range from the final tract selection. We are now faced with a new sale in the area offshore Southern California that could conceivably restrict further our testing and fleet operating areas. It the sale is successful, relocation of shore facilities is likely.

The most important development to date, however, is the renewed intense interest of the Departments of Energy and the Interior in offering for lease tracts in the previously considered excluded 70-mile wide corridor in the Gulf of Mexico west of 86° 20' West longitude. The 1974 leases on tracts in the area east of 86° 20'W have now expired without petro-carbons being found. While Interior feels that the Air Force could now shift its Armament Development and Test Center activities to the east, the leasing by Interior of two new tracts in this otherwise free area in 1978 blocks out most of the more important Eglin Air Force Base missions. Nevertheless, we have agreed with Interior to study the mission impacts, hazards and costs in depth to determine whether or not it is feasible to shift the test missions to enable exploration and exploitation of the tracts west of 86° 20' West.

Guard and Reserve Components

The facilities appropriation request for the Guard and Reserve Components of the Army, Navy, Marine Corps and Air Force is $100 million

for FY 1980. Although lower than in FY 1979, the FY 1980 request should not be interpreted as a lack of support of the Guard and Reserve Forces programs, but rather, a proportionate share of an austere military construction request.

The Guard and Reserve Components now constitute about 30 percent of our total fighting force. Guard and Reserve units are continuing to receive modern aircraft and equipment, and it is essential that they be provided the necessary facilities to operate and support them as well as to attract, recruit and retain the personnel needed. The FY 1980 program has been thoroughly analyzed to insure that each project is absolutely necessary to support assigned missions at locations that have demonstrated a capability and willingness to accept the challenges of the various Guard and Reserve programs. Included in this request are facilities for inactive duty and annual training, maintenance and operations facilities, energy conservation and pollution abatement projects, and administrative and personnel support facilities. In essence, we are providing those facilities which will make the greatest contribution to readiness and which are essential for the proper development, training, operation, support and maintenance of the Guard and Reserve Components to meet mobilization requirements.

Defense Agencies

The total Appropriation request for the Defense Agencies is $244.3 million, which is somewhat larger than what was requested and enacted last year. The prime reason for this larger program, is the incorporation of multi-service facility requirements, such as the NATO Infrastructure, and DoD Dependents Schools programs in the Defense Agencies Request as directed by this Committee. For details see page 40 to of the addendum to this statement.

Conclusion

In conclusion, I am appreciative of this opportunity to appear before you today to present the Department of Defense FY 1980 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 readiness of the Total Forces. We would like 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

FY 1980 MILITARY CONSTRUCTION APPROPRIATION PROGRAM
($ Million)

Active Forces, Military Departments Facility Class	Army	Navy	Air Force	Total
Operational and Training	57.8	69.0	153.9	280.7
Maintenance and Production	109.5	59.4	42.8	211.7
Research and Development	20.3	10.3	103.1	133.7
Supply	38.9	23.4	16.5	78.8
Hospital and Medical	26.2	9.2	31.0	66.4
Administrative	0.7	28.8	7.3	36.8
Housing and Community	129.2	76.2	77.8	283.2
Utilities and Ground Improvements	238.1	183.5	43.5	465.1
Real Estate	19.9	10.0	2.8	32.7
General Support Activities	81.7	82.1	61.0	224.8
Total Direct Program (Budget Authority and Appropriation)	722.3	551.9	539.7	1,813.9
Defense Agencies (Direct Program, Budget Authority & Appropriation)				244.3
Guard/Reserve Forces (Direct Program, Budget Authority & Appropriation				100.0
Family Housing				
Direct Program				1,586.4
Less Financing Adjustments				16.4
Budget Authority				1,570.0
Plus Appropriation applied to Debt Reduction				123.4
Appropriation				1,693.4
Homeowners Assistance				
Direct Program				11.2
Less Financing Adjustments and Reimbursements				6.2
Budget Authority (and Appropriation)				5.0

SUMMARY

	Direct Program	Budget Authority	Appropriation
Active Forces			
Military Departments	1,813.9	1,813.9	1,813.9
Defense Agencies	244.3	244.3	244.3
Guard/Reserve Forces	100.0	100.0	100.0
Family Housing	1,586.4	1,570.0	1,693.4
Homeowners Assistance	11.2	5.0	5.0
Grand Total	3,755.8	3,733.2	3,856.6

Enclosure 1

Enclosure 2

Proposed Construction in Major Categories of Facilities Active Forces (Title I, II, III, IV)

The Active Forces portion of the Military Construction Appropriation Program for Fiscal Year 1980 totals $1.814 billion for the three Military Departments and $244.3 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 $280.7 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.

Army	-	$57.8 million
Navy	-	$69.0 million
Air Force	-	$153.9 million

Items included in the Army request for operational facilities include 20 projects at 14 locations in the sum of $29.4 million, the most significant of which is the South Wharf Renovation in the amount of

$11.2 million at Sunny Point, North Carolina. Training facilities total $28.4 million for 13 projects at six locations and include $5.8 million for XM1 Facilities in Germany.

Of the $69.0 million included in this category for Navy, $45.5 million is for operational facilities and $23.5 million for training facilities. Of the $45.5 million for operational facilities, $3.3 million will provide airfield facilities at two installations; $5.4 million for communication facilities at seven installations; $9.6 million for operational facilities at seven installations; and $27.2 million for waterfront facilities at six installations. Training facilities total $23.5 million at seven installations.

The Air Force program for operational and training facilities totals $153.9 million, of which $133.9 million is for operational facilities and $20.0 million is for training facilities. Significant items within the operational facilities portion include $12.5 million for airfield protective facilities at two installations; $13.0 million for minimum essential aircraft operational facilities at collocated operating bases; $3.7 million for aircraft instrument landing/navigational facilities at 13 installations; $17.7 million for airfield pavement and lighting improvements at nine installations; $4.4 million for communications related facilities; $5.3 million for chemical warfare collective protection at various overseas locations; $23.0 million for four regional operations control facilities; $11.1 million for special operations space track and joint surveillance system facilities at various installations; $11.8 million for additions to an Air Freight Terminal and a Log Air Freight Processing Facility; $5.5 million for a combat operations center; $4.4 million for three flight operations facilities; $7.9 millions for various operational facilities; $3.3 million for aircraft support facilities; $6.0 million for a quick turn facility; $3.2 million for technical site facilities; and $1.2 million for an aircraft munitions storage/load facility. In addition, training facilities

totaling $20.0 million will provide 11 flight simulator facilities, and one security training facility.

Maintenance and Production Facilities $211.7 million

The 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	-	$109.5 million
Navy	-	$ 59.4 million
Air Force	-	$ 42.8 million

Items in the Army request include 27 projects at 16 locations and include a $15 million Consolidated Maintenance Facility at Fort Riley, Kansas; tactical equipment shops for $23.6 million at Forts Polk and Stewart and $23.4 million for facility modifications in Germany.

Significant items in the Navy request for maintenance and production facilities include $12.6 million related to aircraft maintenance at four installations; $28.9 million for ships maintenance facilities at six installations; $10.5 million for automotive maintenance facilities at two installations; and $7.4 million for other maintenance facilities at four installations.

The construction requested by the Air Force in this category will provide $18.0 million for aircraft maintenance facilities at 11 locations; $14.2 million for air-launched cruise missile facilities; $3.3 million for three avionics maintenance facilities; $2.2 million for aircraft fuel system maintenance facilities at two installations; $2.2 million for a munitions maintenance storage facility; and $2.9 million for

five individual facilities including a refueler vehicle maintenance shop, a nondestructive inspection shop, a support equipment facility, an addition to an electronic counter measures complex, and a precision measurement equipment laboratory.

Research and Development Facilities $133.7 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	-	$20.3 million
Navy	-	$10.3 million
Air Force	-	$103.1 million

The Army's request includes 13 projects at eight locations, the most signiticant of which is $5.7 million for the Human Factors Engineering Laboratory at Aberdeen Proving Ground, Maryland.

The Navy's request under this category includes $10.3 million for six projects at five installations and includes $8.8 million for an ocean surveillance facility.

The Air Force Program for RDT&E facilities contains a total of nine projects five of which provide $78.2 million for space shuttle facilities. In addition, the program provides $9.8 million for a flight control development laboratory; $8.6 million for a systems management/engineering facility; $5.4 million for the alteration of MX rocket motor test facilities; and $1.1 million for a systems generated electromagnetic pulse test facility.

Supply Facilities $78.8 million

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

Army	-	$38.9 million
Navy	-	$ 23.4 million
Air Force	-	$ 16.5 million

The Army's request includes 22 projects at ten locations, the most significant of which are the $5.4 million Transfer Area Expansion at Sunny Point, North Carolina; and the $5.1 million Ammunition Upload project in Germany.

The Navy's request includes $4.3 million for missile magazines; $9.1 million for a general warehouse at San Diego; and $10.0 million for other storage facilities at four installations.

The $16.5 million requested for supply facilities for the Air Force will provide $12.4 million for munitions storage facilities; $2.6 million for an addition to a cryptologic depot vault; $1.0 million for munitions facilities at one location; and $0.5 million for a repairable assets control center.

Hospital and Medical $66.4 million

Replacement and improvement of our outmoded and obsolescent medical plant continues as one of our urgent priorities. A great portion of the DoD 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 1980, 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	-	$ 26.2 million
Navy	-	$ 9.2 million
Air Force	-	$ 31.0 million

Army's request for hospital and medical facilities includes 12 projects at nine locations, including $12.2 million for renovation of the Fort Bliss, Texas hospital.

Navy's request for hospital and medical facilities includes $3.3 million for a medical and dental clinic at Kings Bay, GA, and $5.9 million for a medical clinic at San Diego, CA.

Within the Department of the Air Force request, $28.3 million is for the modification of two composite medical facilities; and $2.7 million will provide an aeromedical staging facility at an overseas location.

Administrative Facilities $36.8 million

This category includes various administrative facilities such as headquarters, squadron operations, and similar facilities. The totals of the Services' requests for such facilities are:

Army	-	$ 0.7 million
Navy	-	$28.8 million
Air Force	-	$ 7.3 million

Army's request provides two administrative facilities at two locations.

The Navy's request includes $10.0 million for an engineering and management building at Norfolk; $5.5 million for an automated data system facility at Quantico; $3.2 million for other administrative facilities at two installations; and $10.0 million for TRIDENT community impact assistance at Bangor.

The Air Force request for administrative facilities will provide $0.8 million for an aircraft maintenance control facility; $1.1 million for alteration of a major command headquarters; and $5.4 million for a data processing facility.

Housing and Community Facilities $283.2 million

Unaccompanied personnel housing is one of the most important and vital requirements in our construction program. We recognize the importance of this item in the career retention of trained and qualified personnel in the military service, and believe implicitly that improved housing will provide both immediate and long-range benefits through

increased reenlistment, heightened morale, and reduced recruitment costs. The Services' programs in Fiscal Year 1980 are:

Army	-	$129.2 million
Navy	-	$ 76.2 million
Air Force	-	$ 77.8 million

The unaccompanied personnel housing and community facilities projects in each of the Department programs are summarized as follows:

Unaccompanied Personnel Housing

	New Construction		Modernization	
	Spaces	Millions	Spaces	Millions
Officer Housing				
Army	--	$ --	60	$ 0.4
Air Force	96	$ 2.6	--	$ --
Total	96	$ 2.6	60	$ 0.4
Enlisted Housing				
Army	4,862	$65.4	881	$ 4.8
Navy	3,567	42.0	423	15.4
Air Force	1,287	$13.1	7,232	$45.2
Total	9,716	120.5	8,536	65.4

Related Facilities

Army

Korea Realignment	$ 7.1 million
14 Administrative Projects	$22.0 million

Dining Facilities

	No. of Projects	Millions
Army	6	$ 9.1
Navy	3	$ 8.0
Air Force	3	$ 3.9
Total	12	$21.0

Community Support Facilities

	No. of Projects	Millions
Army	8	$20.4
Navy	5	$10.8
Air Force	17	$11.1
Total	30	$42.3

For community facilities, the Army's program includes an athletic facility in the amount of $12.2 million at the Military Academy.

Included within the Navy's program for community facilities is $10.6 million for community facilities at Kings Bay and $0.2 million for asbestos removal at one installation.

The Air Force request includes $6.3 million for additions and alterations for 13 fire stations; $1.7 million for the addition and alteration of recreational facilties; $1.5 million for a gymnasium; $0.9 million for modification of a chapel center; and $0.7 million for a security police operations facility.

Utilities and Grounds Improvements $465.1 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	-	$238.1 million
Navy	-	$183.5 million
Air Force	-	$ 43.5 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 $253.8 million for 108 pollution abatement projects as a continuation of the program begun eleven 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:

POLLUTION ABATEMENT PROGRAM

	Air Pollution Abatement			Water Pollution Abatement		
	$Mil.	Projects	Installations	$Mil.	Projects	Installations
Army	34.4	14	11	116.6	50	45
Navy	4.8	4	4	81.8	34	31
Air Force	0.7	1	1	15.5	5	5
Total	39.9	19	16	213.9	89	81

As part of the Department of Defense's energy conservation program, a multiyear energy conservation investment program has been established. The FY 1980 Military Construction Program includes the fifth year of this conservation investment program. Projects in this program are self-amortizing, averaging less than five 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:

	Energy Conservation Program		
	$Millions	Projects	Installations
Army	45.0	39	29
Navy	46.7	44	31
Air Force	23.8	36	36
Total	115.5	119	96

The Army's request includes $151.0 million for pollution abatement; $45.0 million for energy conservation projects; and $42.1 million for 33 utility projects world-wide.

Significant items included in the Navy's request for utilities include $86.6 million for pollution abatement; $46.7 million for energy conservation projects; $20.3 million for electricial facilities at six installations; $19.4 million for heating facilities at two installations; $1.1 million for sewage facilities at Kings Bay; $3.0 million for water facilities at four installations; $1.0 million for roads at Kings Bay; and $5.4 million for other utility projects.

This portion of the Air Force FY 1980 Military Construction Program consists of $16.2 million for air and water pollution abatement; $23.8 million for energy conservation projects; and $3.5 million for two utility projects involving the alteration of an electrical distribution system and an aircraft security system.

Real Estate $32.7 million

This portion of the program provides for real estate acquisitions. The Departments' requests in this category are as follows:

Army	-	$19.9 million
Navy	-	$10.0 million
Air Force	-	$ 2.8 million

Army's request includes five projects, the most significant of which is $14 million for land acquisition at Fort Bliss, Texas.

The Navy's request provides $10.0 million for the acquisition of restrictive use easements at NAS Oceana and ALF Fentress, Virginia.

The Air Force request provides $2.8 million for the acquisition of 1,452 acres of land at four installations for: (1) an expanded clear zone at one installation; (2) a weapons storage area buffer zone; (3) continued range operations in Idaho; and (4) a communications systems equipment site.

General Support Activities $224.8 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)

	Planning	Exigent Minor Construction	Defense Access Roads	Totals
Army	53.7	26.0	2.0	81.7
Navy	57.5	20.0	4.6	82.1
Air Force	47.0	14.0	--	61.0
Totals	158.2	60.0	6.6	224.8

The requests for general support are relatively modest and similar to last year's requests. The requests for exigent 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 projects which inevitably evidence themselves during the fiscal year. We strongly urge the Committee to approve them in total.

DEFENSE AGENCIES (TITLE IV) $244.3 million

The request for activities of the Defense Agencies is $244.3 million for new construction, which includes $5.3 million for minor construction and $20.0 million for the the Secretary of Defense Contingency Fund.

Defense Investigative Service $0.3 million

The $0.3 million will correct heating deficiencies at the Defense Investigative Service offices at Fort Holabird, Maryland.

Defense Logistic Agency $16.6

The $16.6 million will provide for 5 construction projects to acquire and improve storage facilities at 5 locations for the Defense Logistics Agency.

Defense Mapping Agency $3.4 million

The Defense Mapping Agency is requesting $3.4 million for an alteration project in the Panama Canal Zone and a fire protection project at their headquarters in Bethesda, Maryland.

National Security Agency $0.5 million

The $0.5 million requested by the National Security Agency will provide for a communications modernization project at a classified location outside the United States.

Office of the Secretary of Defense $185.3 million

Included under the Office of the Secretary of Defense request, is an alteration project at Fort Belvoir, Virginia for $2.8 million; $150.0 million for financing the U.S. share of the NATO Infrastructure Program and $7.3 million deficiency funding for the High Energy Laser Facility authorized and funded in FY 1978. Also being requested is $25.2 million for the Office of Dependents Schools which will permit construction of 13 projects at 13 locations outside the U.S.

Contingency Fund $20.0 million

The Department of Defense is requesting $20.0 million for emergency construction authorization and funding for the Secretary of Defense to provide for construction deemed vital to the security of the United States.

General Support Activities

This portion of the budget request includes $14.0 million for planning and design and $4.2 million for funding exigent construction projects authorized under standing legislation contained in 10 USC 2674.

Enclosure 3

FAMILY HOUSING, DEFENSE

AUTHORIZATION FOR APPROPRIATION REQUESTED FOR FY 1980 ($000):
FAMILY HOUSING, DEFENSE $1,693,425;
HOMEOWNERS ASSISTANCE FUND, DEFENSE $5,000

FUNDING PROGRAM ($000)		FY 1980
MINOR CONSTRUCTION		$ 3,000
PLANNING		900
APPROPRIATION REQUEST, CONSTRUCTION		$ 3,900
OPERATION AND MAINTENANCE		1,444,659
OPERATING EXPENSES	$728,443	
MAINTENANCE	716,216	
LEASING		104,941
DEBT PAYMENT		156,325
PRINCIPAL	$123,425	
INTEREST AND OTHER EXPENSE	29,744	
MIP - CAPEHART AND WHERRY	1,062	
SERVICEMEN'S MORTGAGE INSURANCE PREMIUMS	2,094	
TOTAL O&M AND DEBT PAYMENT		$1,705,925
LESS: RESOURCES APPLIED		-16,400
APPROPRIATION REQUEST, O&M AND DEBT PAYMENT		$1,689,525
FAMILY HOUSING, DEFENSE, APPROPRIATION REQUEST		$1,693,425
HOMEOWNERS ASSISTANCE PROGRAM		$ 11,200
LESS: RESOURCES APPLIED		-6,200
HOMEOWNERS ASSISTANCE FUND, DEFENSE, APPROPRIATION REQUEST		$ 5,000
TOTAL APPROPRIATION REQUEST		$1,698,425

BUDGET REQUEST

Mr. FLIAKAS. Mr. Chairman, and members of the subcommittee, I am happy to have the opportunity to present the fiscal year 1980 military construction program and to discuss some of its details, and other construction related matters, such as facilities, resources and needs of the Department of Defense.

The fiscal year 1980 appropriations request for military construction and family housing programs totals $3.8 billion. In fiscal year 1979, the Department of Defense requested $4.372 billion. Submitted concurrently with the budget, the 1979 request for $239.7 million, which I will insert for the record. Thus, the 1980 request reflects a decrease of $515 million from the amount originally requested in 1979, and $143.4 million less than the enactment.

A large portion of previously planned military construction programs have been deferred in recognition of the need to restrain spending in thoses areas that do not represent an urgent near-term defense need.

Our military construction, while less than optimal, is adequate to support the essential missions and operations of the military departments and the defense agencies. The budget reflects the decision to defer, or in some cases proceed at a reduced rate of capital investment in certain areas of construction needs, which will not immediately affect our capabilities for maintaining an overall balanced defense posture.

We have exercised the greatest of care in the selection of projects to assure that they are sited at installations which are firm and will be needed for the foreseeable future. We believe, therefore, that the Fiscal Year 1980 request is an austere, balanced, and meaningful program which addresses the most essential military construction needs.

Near the beginning of my statement is a tabulation of the appropriations requested for the various defense components. The program reflects a carefully structured mix of new requirements and a major advance in our goal of modernizing or replacing many of the older structures in the inventory.

The division between these major categories is roughly 70 percent devoted to support of current missions and new requirements, and about 25 percent allocated to replacement and modernization.

Within the total appropriation requested, some $3.9 billion, about $1.4 billion are allocated to construction within the United States, $225 million for general support activities, and about $540 million to overseas construction. The overseas total includes $150 million as our cost share contribution to NATO infrastructures.

The remainder, $1.7 billion, are the military family housing appropriation necessary to finance operations and maintenance, leasing and similar activities for support of family housing worldwide.

Now I would like to address several important segments of this year's request which in the past have been a matter of interest to the Congress, and which we consider to be essential elements affecting our total program.

INFLATION

Inflation in the construction industry, fueled principally by materials price increases, continues to decrease the value of our construction dollar. The Engineering News Record published by the McGraw-Hill Co., a generally accepted authority on construction costs, shows an increase of between 7.5 and 8 percent for the period December 1977 to December 1978.

Materials in general were up about 11 percent in that time period, whereas labor was up a little less than 7 percent, with unskilled labor increasing at a faster rate than skilled labor.

The decline in the exchange value of the dollar against the yen and the mark has also had a severe impact on overseas construction projects. Another factor is that the civilian construction industry is in a period of high activity. Higher costs have not yet caused a slowdown. We have seen this particularly in the fewer number of bids received for military construction projects. Costs are higher than a year ago.

We have based our pricing on the assumption that costs will rise 7 percent in fiscal year 1979, 6.5 percent in fiscal year 1980, and 6 percent per annum after that. While we recognize the risk of this pricing policy, we believe it preferable to overestimating at a time when inflation and budget control are vital issues to all of us.

Senator LAXALT. May I ask a question, please.

Mr. Fliakas, what effect, if any, does the Davis-Bacon Act have in this pricing structure?

Mr. FLIAKAS. We have at times, sir, estimated through analyses of studies that have been made principally by such institutions as the University of Pennsylvania, for example, that the impact of Davis-Bacon, or the influence of Davis-Bacon on military construction is anywhere from 5.0 percent to 15 percent of our cost.

We have participated in an interagency meeting of a group that was actually established by the White House to review inflationary statutes, and cost of doing business. We have raised amendment, or revision of Davis-Bacon as a possibility, of being in order. The Labor Department is also represented on the study group, and they also have input to it. At the moment there has been no indication of any change coming from administration.

Senator LAXALT. What do the 5 and 15 percent represent?

Mr. FLIAKAS. This is a range of costs attributed to Davis-Bacon, sir. If Federal projects were not constrained to apply Davis-Bacon, it would not have to be budgeted.

Senator LAXALT. Does that vary by area?

Mr. FLIAKAS. Yes, and also it varies by those areas, for example, where there are more open shop competitors or construction companies as opposed to union shops.

Senator LAXALT. Are you getting better bids from open shop construction companies as opposed to union shops?

Senator FLIAKAS. Over the past few years there have been increasingly more bids from open shop contractors, yes, sir. As to whether they are better or not, they are still subject, of course, to the payment of Davis-Bacon rates as determined by the Department of Labor.

Senator LAXALT. Where do you find that the Davis-Bacon impacts most severely, what geographical area—the Northeast?

Mr. FLIAKAS. Yes. I would say principally the Northeast.

Senator LAXALT. What about the Sun Belt?

Mr. FLIAKAS. Not as much. There are more open shop contractors in the Sun Belt.

Senator LAXALT. Apart from this study group, there have not been any recommendations of what, if anything, we should do with Davis Bacon?

Mr. FLIAKAS. There have been, sir discussions about revision rather than out and out elimination. It is an old act, as you know, dating back to 1932. We believe that there are certain parts of it that might be subject to revision, or amendment or interpretations, for example, with regard to prevailing rates and geographical area as opposed to the manner in which the Department of Labor now sets its rates. But nothing as yet has come out of that.

When I say, nothing, nothing has been submitted, to my knowledge, as an Administration position.

Senator LAXALT. Since this, obviously, has a tremendous impact, you are talking about a lot of money. I wonder if the information is available now, or if and when it becomes available, if you would provide us with your recommendations, for possibly modifying Davis-Bacon. As you know, we are going to be very involved in the subject for the next couple of years around here.

Mr. FLIAKAS. Yes, sir, we would be very happy to provide to this committee the views of this Department. However, of course, we would be, in the final submission, dependent on the Office of Management and Budget and the White House to establish a policy for the administration, because we have taken the position that in the Department of Defense we would, of course, not want to be out-front, or be exempt, or have revisions applicable only to defense contracts. We believe that all amendments should affect all firm construction.

Senator LAXALT. I have no problem with that, and I understand your policy problems. All I would like from your people would be any time period you want, with Davis-Bacon, or without Davis-Bacon.

You don't have to characterize anything. I would like your best estimate of what effect Davis-Bacon has in this field.

Mr. FLIAKAS. All right, sir.

CONSTRUCTION EXECUTION

The Department of Defense has achieved further improvement in the early execution of the military construction program. By the end of September 1978, 90 percent of the fiscal year 1978 military construction program was under contract award. This compares to 77 percent in fiscal year 1976, and 89 percent in fiscal year 1977. The military departments have done an excellent job, and we have commended the Departments for this sustained improvement.

Planning and design funds for the Active Forces are requested in the amount of $172.2 million. These funds will be used principally for design of projects that will be submitted for your consideration in the fiscal year 1981 and 1982 annual programs.

Funds have already been committed to the design of most fiscal year 1980 projects in response to the Congress desire that design of projects be at about 35 percent completion stage when construction funding is requested. This permits firm cost estimates and assures that the project can be advertised for construction in the budget year.

ENERGY CONSERVATION

This is the fifth year of this essential program to reduce energy consumption in all of our existing buildings and utilities systems. The program is designed to accomplish retrofit work in older facilities on a cost-effective basis to lower energy use levels and to achieve a significant savings in utility costs.

We have requested the Defense Audit Service to conduct a review of the 1976 through 1978 energy conservation investment program. Copies of this review will be made available to the committee. The DAS report indicates some problem areas, primarily with the first 2 years of the program. This point was recognized, and I issued new guidance which included a number of improved procedures including project evaluation based on maximum energy savings per $1,000 of investment.

Consequently, we believe that beginning with the fiscal year 1979 program, a number of the early problems will have been eliminated.

Executive Order No. 12003, which mandates a 20-percent decrease in energy use in existing facilities by 1985 resulted in a need to extend the energy conservation investment program to fiscal year 1984 at a total cost of about $1.5 billion. In the past 4 years, Congress has authorized and appropriated $530 million for this work. This year, an appropriation of $116 million is requested for this important program.

POLLUTION ABATEMENT

The correction of air and water pollution problems continues to receive strong emphasis and careful attention. The fiscal year 1980 request contains $39.9 million for air pollution abatement and $213.9 million for water pollution abatement.

In the past 11 years, funding from all sources for this work has exceeded $2.2 billion. We are unable to predict at this time the end of our pollution abatement effort. It will probably continue into 1984.

Federal guidelines to meet the large requirement calling for best available waste water treatment by July 1, 1983, should be available next year.

Senator LAXALT. May I ask a question, Mr. Chairman, in the area of pollution?

Senator HUDDLESTON. Certainly.

Senator LAXALT. Have you had any local pressure to spend this kind of money around the country?

Mr. FLIAKAS. Indeed, sir. There are many instances where we must tie in with municipal or State systems, and we are guided by both EPA and the Congress in meeting statutory requirements.

Senator LAXALT. I understand that. But in spending this kind of money, have the pressures generally come from EPA and the Feds, as opposed to the locals?

Mr. FLIAKAS. I will ask Mr. Marshall to answer that.

Mr. MARSHALL. Yes, Senator. The legislation that is on the books governing both air and water pollution, requires us to meet certain conditions at certain times. We are now getting pressure from EPA all the time to meet these requirements, more so than we are from the local jurisdictions.

Senator LAXALT. This experience on arms with problems we have here particularly I gather that in the West, with all the pressure coming from here. This has been the experience of DOD as well?

Mr. MARSHALL. Yes.

Senator LAXALT. Having lived with the standards that have been imposed by EPA, at this point have you arrived at a conclusion in your own head as to whether or not the standards that are imposed are realistic for this money?

Mr. MARSHALL. We find that for the water pollution, the standards are realistic. We are able to meet them. One of the things that has delayed us in the past is joining municipalities and regional treatment plants. We may have the money ready to invest in this part of the regional plan, but the local municipality, the State or the region, may not have gotten their money to be a contributor. So sometimes that has delayed us. When that happens, of course, EPA still gives us pressure because we are not meeting the requirements. At the same time, I am sure that they are giving the regional or the local municipality a problem.

In air pollution, of course, one of the things that continues to plague us is, for example, some of our coal fired power plants, where the new pollution standards have to be met. The equipment to meet some of these is so expensive. In some cases, even after we have made this large investment, the equipment does not perform to meet that standard, so they have to come back.

Senator LAXALT. Is there any consensus within your agency as to whether or not this kind of requirement as imposed for that kind of money is actually needed, or do you consider that to be any of your business?

Mr. MARSHALL. Well, we are for the improvement of the environment.

Senator LAXALT. We all are.

Mr. MARSHALL. We know that to do this, both for water treatment and the air pollution, is going to cost a lot of money. I think that we would have to say that we generally support the legislation.

Senator LAXALT. I have no problem with the legislation. What about the standard?

Mr. MARSHALL. We would say that we support the standard.

Senator LAXALT. Do you find it generally to be realistic?

Mr. MARSHALL. Yes.

PANAMA TREATY-RELATED CONSTRUCTION

Mr. FLIAKAS. The Panama Canal Treaty requires military construction in the Canal Zone for two reasons. First, the treaty requires release of specified portions of active U.S. military installations to The Republic of Panama over the life of the treaty, with the majority occurring with its entry into force by October 1, 1979, and within its first 5 years. These releases require the relocation of military units and activities to U.S. military installations which will be retained for the life of the treaty.

Second, the treaty states that the Canal Zone Government and Panama Canal Company cannot operate in Panama beyond October 1, 1979, and provides for the substitution of a Panama Canal Commission for the latter.

In the process, various U.S. governmental retail and community support services, heretofore provided to the Department of Defense, will have to be assumed by the military services.

To accommodate the military relocations and functional assumptions required by October 1, 1979, fiscal year 1979 funding in the amount of $40.6 million is required. Of this amount, $10.9 million was authorized by the Deputy Secretary of Defense in early November last year, using the authority in section 402 of the Defense agencies title of the annual Military Construction Authorization Act.

The balance is being requested in the fiscal year 1979 supplemental budget. Other construction requirements, totaling $6 million, are included in the fiscal year 1980 budget.

NATO INFRASTRUCTURE

For this year, $150 million in authorization and funding is required to finance the United States' share of the common funded NATO infrastructure program. This represents a substantial increase from the $90 million requested in fiscal year 1979. One of the major reasons stems from the necessity to adjust the total cost of prior years' unliquidated obligations which were originally obligated when the IAU, or the infrastructure accounting unit rate to the U.S. dollar was at a much lower and more favorable rate.

The United States is actively pursuing the use of this program to the maximum in order to satisfy U.S. European construction requirements. It is expected therefore that demands on infrastructure funding will increase substantially and this, too, will impact the fiscal year 1980 request. We have included in the fiscal year 1979 supplemental a request for an appropriation of $46.2 million for this purpose.

I will cover this topic in greater detail in my separate statement on construction in Europe next Monday, sir, when we meet again.

FAMILY HOUSING

For fiscal year 1980, the Department of Defense family housing program requires an appropriation of about $1.7 billion, the same level as our request for fiscal year 1979. The fiscal year 1979 level was maintained because this program includes only operation, maintenance, leasing, debt payment and other minor support costs.

New construction has been eliminated from this year's request. Similarly, we do not plan any improvement program for the existing inventory with fiscal year 1980 funds.

The fiscal year 1980 request recognizes a continuing increase in utility and other operational costs, coupled with the new units coming into the inventory. We are continuing the program initiated last year to reduce the maintenance deficiency to a manageable level by the end of fiscal year 1982.

Last year, Congress directed the Department of Defense to test the feasibility of metering the utilities consumed by occupants of military family housing units and a billing system to charge such occupants for use above a "norm." Certain delays in developing the systems to be used in the test, and in installing the meters, have caused us to miss some of the earlier milestone dates.

We are moving along with the test, and fully expect to be able to provide the final report on feasibility to the concerned committee by March 1, 1980.

HOMEOWNERS ASSISTANCE PROGRAM

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

The probability of additional realinements from studies currently being conducted dictates the $5 million request in fiscal year 1980 to preclude the potential of funding shortfalls.

BASE REALINEMENTS

On April 26, 1978, the Department of Defense announced candidate realinement studies and actions at 85 military installations and activities in the United States. The proposals, if implemented upon completion of the necessary studies, could reduce annual defense costs by more than $337 million and eliminate 14,600 military and 8,600 civilian positions.

We expect that all decisions resulting from outstanding major realinement studies initiated in 1976 and 1978 will be announced in the next few months.

OUTER CONTINENTAL SHELF OIL AND GAS LEASE SALES

As we advised you in earlier years, the increase in the oil and gas lease sales program on the Outer Continental Shelf creates a corresponding increase in potential conflicts with Department of Defense activities in these coastal waters.

The Department of the Interior's leasing schedule requires a continuing dialog with them to assure the operational integrity of those missions most essential to the national security. Heavy oil industry interests in the Gulf of Mexico immediately south of Eglin and Tyndall Air Force Bases, the Outer Continental Shelf offshore of California involving areas used extensively by the Pacific Missile Test Center, and elements of the Pacific Fleet are involved. If sales are successful in these areas, relocation of off-shore facilities could be likely.

DEFENSE AGENCIES

The total appropriation request for the defense agencies is $244.3 million. The prime reason for this larger program, is the incorporation of multiservice facility requirements, such as the NATO infrastructure, and Department of Defense dependent schools programs in the defense agencies' request as directed by this committee. For details on this program, I have an addendum to my statement on page 40 that provides the requirements by agency.

SUMMARY

In conclusion, Mr. Chairman, I am appreciative of this opportunity to appear before you today to present the Department of Defense fiscal year 1980 military construction program, and to discuss subjects in the construction, housing and installation areas which are of interest to this committee.

I have with me various members of my staff, and together we will be able to answer any questions you may have.

Thank you.

Senator HUDDLESTON. Thank you.

First of all, we are dealing with a budget that is substantially below last year's budget. Last year's was somewhat over the previous year, but those previous years had been at an austere rate, bringing about the deferral of a good many necessary projects.

I recognize, of course, the need for fiscal austerity. It is obvious throughout this budget that this has been a major objective of yours.

It does not indicate that the construction needs have actually decreased any, does it?

Mr. FLIAKAS. It does not.

BACKLOG OF CONSTRUCTION

Senator HUDDLESTON. You are again deferring the modernization of facilities that really needs to be done.

Mr. FLIAKAS. That is correct, Mr. Chairman.

Our backlog of construction is high, at over $32 billion. We have figures for all military departments, for not only new requirements, but correction of deficiencies of those facilities in existence now, to take care of our requirements, plus the modernization or replacement of deteriorating and obsolescent facilities. So it does remain high.

Senator HUDDLESTON. The $32 billion, is that based on the replacement or modernization at today's prices?

Mr. FLIAKAS. Yes, it is.

Senator HUDDLESTON. You are not projecting into the future?

Mr. FLIAKAS. No, sir. We do recalculate every year.

Senator HUDDLESTON. So actually it is much higher, because there is no way that you can get it all done in a year, even if you had the money?

Mr. FLIAKAS. That is correct, yes, sir.

Senator HUDDLESTON. On the basis of this budget, would it increase or decrease in the next fiscal year?

Mr. FLIAKAS. As I indicated in my statement, Mr. Chairman, we are presenting a constrained program, decisions to defer what may be considered valid projects, but do not in the judgment of the Department contribute this year to the immediate short-term needs of the Department of Defense. It was with that guidance, actually, that this program was put together.

To answer your question, there is about 25 percent of this year's program in the CONUS allocated to modernization, which is not bad, compared to previous years where we have had perhaps as much as 29 percent, in some cases 33 and 34 percent of the programs.

Senator HUDDLESTON. Is that sufficient to keep up with the backlog?

Mr. FLIAKAS. The escalation rate alone, plus the obsolescence rate will probably add to that estimate of $32 billion backlog.

Essentially, what this program does is to take care of our higher priority requirements, such as to maintain a high state of readiness, plus contributing to national programs such as energy conservation and pollution abatement. These are essentially the highest priorities that were established.

Senator HUDDLESTON. There are some quite significant tradeoffs here, aren't there?

It seems to me that it could be more than just the dollar amount that you are talking about. It seems to me that the capability of an army depends on having the facilities that are necessary and, second, having the housing needed to maintain personnel.

You have to wrestle with the problem of whether or not modernization of the barracks might contribute more toward keeping a good force than some of these other expenditures, such as energy conservation, or pollution.

Mr. FLIAKAS. Yes, sir, indeed, we have.

I would guess that most of the 25-percent estimate that I indicated for modernization is primarily for barracks space. There are included in this budget new construction and modernization of barracks.

Senator HUDDLESTON. But not nearly enough to keep up.

Mr. FLIAKAS. We still have a substantial requirement, yes, sir, but we believe that for the highest priority installations, as submitted by the military departments, we have at least placed the emphasis on those. For example, we are providing some 9,700 spaces through new construction for enlisted quarters, and about 8,500 spaces, again in enlisted quarters, through modernization.

You are right; it is not our total requirement.

Senator HUDDLESTON. I have been traveling around, talking to commanders at various bases, and they place a very high priority on facilities, modern facilities, to keep up the morale of the troops, possibly extending enlistments, and that type of thing.

It seems to me that it has a direct impact on our capability.

Mr. FLIAKAS. There is no question that this is correct, and we believe that it is a very important part of career motivation to provide a decent place to live and work. Our requirements reflect our concern for our people.

Senator HUDDLESTON. What, mostly, is in this $32 billion backlog?

41-638 O - 79 - 4

Mr. FLIAKAS. I will submit a complete statement for the record, but very briefly I am reading total figures for the Department of Defense, but I can provide a breakdown by services for the committee.

We estimate a total program deficiency, as I indicated of $32 billion, of that $8.8 billion is in support of new missions, $7.8 billion is deficiencies in our facilities to meet our present missions, or current mission for each installation; and over $15 billion is for replacement and upgrading for a total of about $31.8 or $32 billion.

[The information follows:]

A complete category breakdown of the $32 billion backlog of the military departments is provided in the following table which reflects requirements based on current construction criteria, designed missions, and force structure. In addition this table contains the facility backlogs for family housing and the Guard and Reserve Forces.

[In millions of dollars]

Facility category	Army	Navy	Air Force	Total
Operational	893	1,346	3,980	6,219
Training	808	319	180	1,307
Maintenance/production	2,473	2,547	660	5,680
Research and development	414	248	550	1,212
Supply	1,695	573	400	2,668
Medical	835	583	670	2,088
Administrative	836	325	290	1,451
Troop housing	1,046	735	730	2,511
Community	1,441	356	340	2,137
Site preparation, utilities, pollution abatement, energy	2,126	992	1,450	4,568
Land	54	357	70	481
Minor construction/design	450	575	440	1,465
Subtotal (military departments)	13,071	8,956	9,760	31,787
Family housing (18,369 units)	215	516	285	1,016
Guard/Reserve Forces facilities	1,387	206	530	2,123
Grand total	14,673	9,678	10,575	34,926

Senator HUDDLESTON. What level of annual financing would reduce, or substantially reduce that amount, forgetting the fiscal restraints?

Mr. FLIAKAS. I would say, reasonably, sir, that about $5 billion a year would be appropriate to retire the backlog.

ZERO BASE BUDGET

Senator Huddleston. You mention that this budget was based on zero-base techniques. How did you proceed with mission and function considerations from the zero base?

Mr. FLIAKAS. Each project submitted by the military department was put through a very intensive review, starting with the installation, and then submitted through channels to the major command, and through the department—Army, Navy, Air Force—subsequently to my office, where it received again a critical review in conjunction with our comptroller, and with the Office of Management and Budget.

Throughout all of these reviews, a very critical review was made of whether or not the requirements could be handled in another manner, that is by other facilities, or other installations, or wheth-

er it is the most cost effective approach to the solution, or to the provision of that requirement for that mission or for that installation.

It is based on a review of that requirement to perform a specific mission. I will be happy to provide for the committee not a critique, but a review procedure that is used to weigh and rate those projects on an individual basis. We reviewed perhaps 1,500 to 2,000 individuals projects throughout the budget year.

IMPACT OF INFLATION

Senator HUDDLESTON. Your inflation assumptions are 7.0 percent for 1979, and 6.5 percent for 1980. The 1979 rate it appears will be more than 7 percent, and perhaps the other years will be above what you are projecting, too.

Can you judge the extent of the shortfall which will likely be carried forward from the present 1979 budget?

Mr. FLIAKAS. Only to this extent, as this time, Mr. Chairman. We have had some early experience in this fiscal year and already had about 20 percent of our bids that had to be rejected because of high bid proposals, and submissions. We are analyzing those and evaluating them to see whether they should be either rebid or redesigned, reduced in scope, or what the alternative might be.

In the past, for example, the last 4 fiscal years, we obligated the program at about 96 percent of the program authorized amount. I don't know whether we will do that well this year, and judging from the 20 percent of projects already submitted with excessive bids, I would have to guess that it will be touch and go throughout the year. But in estimating our cost for 1980, of course, we play a guessing game.

We do not want to inflate our costs, again, because of the constrained program, it behooves us to get as many projects in within the amount as we can. If we overestimate, then we are just providing a questionable reason. If we underestimate, of course, we either have to cut projects, cut scope, or reprogram at a later date.

So as an old comptroller type, I recall the action that we used, you don't budget for inflation unless you get it. We, of course, were given guidance by the Office of Management and Budget. We think that we can live with it. We hope that we will be able to live with it.

Senator HUDDLESTON. What impact are you feeling on overseas construction where you have both inflation and the devaluation of the dollar?

Mr. FLIAKAS. It has been very rough, sir. Hence the submission of a substantial requirement in the supplemental that was submitted by the President with the 1980 submission for some $95 million for both construction and for family housing costs, as well as $46 million for NATO infrastructure.

Primarily, I can illustrate it this way. When we developed and submitted the 1979 program, our construction costs in the FRG in Germany were predicated upon a 2.4 deutsche mark to the dollar. As you know now, sir, we are down under 1.90, or 1.85. We have similar, although not to a large extent in the order of magnitude,

problems in Japan where the yen has also dipped below 190. I think that it is 190, but below 200 yen to the dollar.

So our supplemental request is based on that devaluation. Therefore, if we do not obtain relief, again we may have to defer already approved and authorized appropriated projects.

NATO INFRASTRUCTURE

Senator HUDDLESTON. We, of course, will go more into NATO in subsequent hearings, but the request is for $150 million for fiscal year 1980 Infrastructure, to finance the U.S. share. What facilities are we contributing through the infrastructure?

Mr. FLIAKAS. The infrastructures that are available for funding are those that are mostly operational and training. These are projects that should be commonsense through alliance and benefit either two or more nations. In the case of the United States, it would benefit those forces that are committed to the alliance, the NATO alliance.

Because there have been considerable concerns expressed by the Congress in previous years, we have increased our attempts to expand the eligibility criteria to provide more facilities under this blanket funding. It is completely to our advantage to put everything in there because it could result in an economic liability to us if all nations, for example, were to press for infrastructure funding for their forces, which are much greater than ours.

So since our percentage of infrastructure funding is, by negotiations with the alliance——

Senator Huddleston. What is it now?

Mr. FLIAKAS. It is a percentage, and at this moment it is about 27 percent. But when we take the U.S. special program into account, it decreases to about 21 percent.

Now, as you know, sir, we have a U.S. delegation and a U.S. mission has made a concerted effort to increase the next 5-year program for infrastructure at the summit conference last May. The President, when he committed a 3-percent increase in the budget to NATO, also agreed with the other alliance members on a series of what was called long-term defense program objectives. Now, if we are to meet those objectives, we feel that at least a three-fold increase in the next 5-year program is necessary.

If that happens, of course, our contribution through the NATO infrastructure program will also increase. So we have done a number of things. We have tried to get more stability. For example, in the last few years, when we were prefinancing such things as aircraft shelters, we are now prodded somewhat by the committee, as well as our own objectives, to rely exclusively on the infrastructure programing for those kinds of things.

Senator HUDDLESTON. Would you supply the committee with a list of the construction that the United States is prefunding directly related to NATO?

Mr. FLIAKAS. Yes, sir. We will cover this in more detail next week, but I am pleased to be able to report, and I think that the committee will be pleased to note that in this year's program only about 19 percent of our construction requirements in Europe, re-

flected in this year's program, are prefinanced as opposed to more than 70 percent last year.

In effect, sir, we got your message, and we think that we have turned our programs and our objectives around sufficiently to reflect that. Although we urge an acceptance of the concept that some prefinancing will still be necessary.

Senator HUDDLESTON. Are there projects that we finance unilaterally, or are they projects that relate to supplying our own forces, accommodating our presence there?

Mr. FLIAKAS. Yes, sir. Logistics and community-type housing, and that type of project are usually considered as a unilateral responsibility.

Senator HUDDLESTON. To what extent are we providing on-base housing for our troops in NATO?

Mr. FLIAKAS. Principally, Mr. Chairman, through a leasing program. As you know, as of last year or the year before, we received authorization to enter into a 10-year lease period as opposed to the previous authorization of only 5 years. We feel that this will help us in some select areas, where our tenure is considered to be secure, in the United Kingdom, for example, and the FRG, to enable entrepreneurs and sponsors to provide leased housing for us as opposed to new construction.

We have not determined it prudent to request appropriated funds for new construction. We feel that the leasing route is preferable, and this budget does reflect an increase for leasing.

Senator HUDDLESTON. Do you have figures on how many troops are living onbase and offbase?

Mr. FLIAKAS. We can provide that, Mr. Chairman.

[The information follows:]

Excluding the United States and Canada, our housing records as of March 31, 1978, indicate that we have 60,659 military families living in military controlled onbase or leased units in the community, and 70,088 military families living offbase under private arrangements in NATO countries.

PANAMA CANAL ZONE—RELATED CONSTRUCTION

Senator HUDDLESTON. In the Panama Canal Zone, you have just obligated $10 million for emergency construction. What specifically is that money for?

Mr. FLIAKAS. Specifically, Mr. Chairman, it was to take care of those facilities that would be required to accommodate the relocated forces that are treaty driven. For example, the 470th Military Intelligence Group, which is now located at Fort Amador is being relocated to Fort Clayton.

Senator HUDDLESTON. This is a requirement of the treaty?

Mr. FLIAKAS. As a result of the treaty, we are giving to the Republic of Panama certain areas, and Fort Amador and Albrook Air Force Station.

Senator HUDDLESTON. What is that term "given"? [Laughter.]

Mr. FLIAKAS. I felt that it was wrong as soon as I said it They are reverting, if I may, to the Republic of Panama. From the standpoint of the Department of Defense, the headquarters of the 193rd Brigade now housed at Fort Amador is being moved, and one of the largest requirements that necessitated the construction contingen-

cy requirement last fall is the move of the helicopters of the 210th Aviation Battalion from Albrook to the other side of the canal, to the west side at Howard Air Force Base.

Now, the $10.9 million was determined to do a number of things. First it was to take advantage of the dry season that started in December of last year, and which is expected, hopefully to last until about the latter part of April or May.

We have to build a taxiway for the fixed-wing aircraft. Also, helicopter tiedowns and pads are being constructed for this move. But this is just the initial startup cost, and the minimum essential that we felt we had to undertake last fall. Hence, the determination by the Secretary and the President that we should proceed.

Senator HUDDLESTON. As you know, the 1979 military construction report made a point that the administration should come back to Congress for approval before emergency construction funds were used.

Did this expenditure of the funds violate the letter and spirit of that conference agreement?

Mr. FLIAKAS. It certainly was not intended to violate the intent, Mr. Chairman. I think it was indicated that some emergency construction may be necessary. Now, had we had our choice, and actually we did, we prepared a 1979 amendment that was ready for submission to the Congress last summer, in July.

For a number of reasons that was not formally submitted to the Congress. When it became apparent that one, it would not be submitted to the Congress, and that the Congress would not act on it in whatever order it was, the Secretary, then, saw no choice but to proceed with the contingency authorization.

Now, we did notify the committee, as is required, and the President certified the urgency of that requirement. We did keep the committees advised throughout the process.

Senator HUDDLESTON. Have these funds been used for any purpose other than the Panama Canal construction?

Mr. FLIAKAS. No, they have not.

Excuse me, are you asking me if any other funds were used out of the contingency fund for other purposes last year?

Senator HUDDLESTON. Yes.

Mr. FLIAKAS. I will have to supply that. The $10.9 million was based on what we consider a minimum essential level of effort that will be used in Panama. Now we had available to us last year, as a result of carryover from previous years and the new appropriations, about $25 million in the contingency fund, which is available, as you know, sir, to meet those needs that are determined to be in the vital security interest of the United States.

I don't recall now any other use of that contingency fund, but I will provide it.

[The information follows:]

Projects authorized in fiscal year 1978

[In thousands of dollars]

National Security Agency: Installation of emergency powerplant, air-conditioning and modifications to operations building at a classified location	1,800
Office of the Secretary of Defense: Electronic test station for a classified activity	466
Navy: Rehabilitate POL facilities, Japan (Second cost adjustment on project initially authorized in fiscal year 1972 at $6.775)	940
Air Force:	
Initial facilities to support the early deployment of the A-10 weapon system in Europe	2,530
Upgrading of airfield facilities at Tonopah Test Range, Nev	6,050
Subtotal, Air Force	8,580
Total authorized in fiscal year 1978	11,786

Projects authorized in fiscal year 1979 (to date)

Army: Construction required in the Panama Canal Zone to permit relocation of military functions required under terms of the Panama Canal Treaty	10,900
Total authorized in fiscal year 1979 (to date)	10,900

Senator HUDDLESTON. Do you know how much remains?

Mr. ROLLENCE. $14.4 million.

Senator HUDDLESTON. Is all the $10.9 million under contract?

Mr. FLIAKAS. No, sir. Let me ask Captain Sylva to answer on that.

Captain SYLVA. Mr. Chairman, in view of the need to initiate this type of work on very short notice, the Army, as the defense construction agent, issued a letter contract to J. A. Jones in the amount of $6 million just to get the work underway. This is the type of contract vehicle that is utilized when you must start early, and you don't have plans and specs completed.

The Army is in the final stage of completing the final specs, and they expect to complete the negotiations of the contract sometime in April.

Senator HUDDLESTON. When did work begin?

Captain SYLVA. Some of the work began in late November, but the actual work at Howard Air Force Base, which involved earth moving, had to be done in the dry season, and that portion started early in December.

Mr. FLIAKAS. I visited there last month, Mr. Chairman, and they are well underway.

Senator HUDDLESTON. You are requesting a further $29.7 million in the 1979 supplemental for Panama Canal construction. I assume that this still has to be authorized?

Mr. FLIAKAS. Yes, sir.

Senator HUDDLESTON. What specifically will these funds be used for?

Captain SYLVA. Of the total amount of some $40.6 million that is required in 1979, $1 million is required for some of these functions that are going to be assumed by the services from the Panama Canal Company and the Canal Zone Government. For example, the Air Force will take on the responsibility for postal service, and

they have to convert a small hangar into a bulk distribution center, and expand two other buildings as postal facilities. They will also undertake trash collection, and specific types of responsibilities.

The remainder of the money, over $39 million, is to support the military units and activities that are forced to relocate.

Senator HUDDLESTON. Generally, then, it is to support our own forces.

Captain SYLVA. Yes, sir.

Senator HUDDLESTON. And provide the defense that we are obligated to provide?

Mr. FLIAKAS. I might add that the installations that are determined to be under the United States control through the life of the treaty——

Senator HUDDLESTON. None of these expenditures will be for facilities that are to be turned over to Panama before the year 2000?

Mr. FLIAKAS. That is correct.

Senator HUDDLESTON. We will have 20 years of usage out of them?

Mr. FLIAKAS. Yes.

Senator HUDDLESTON. I guess the question arises as to why these funds are being requested in the 1979 supplemental rather than the fiscal year 1980 budget.

Mr. FLIAKAS. As I indicated, it would have been preferable had we amended the 1979 budget last year. The reason it is in the supplemental is to permit us to mobilize the contractor to order materials, and to get started.

Senator HUDDLESTON. For the continuity of the project?

Mr. FLIAKAS. Yes, sir.

Senator HUDDLESTON. You have a further $6 million request for fiscal year 1980. What will these funds be used for?

Mr. FLIAKAS. Captain Sylva?

Captain SYLVA. These moneys are necessary to support some additional relocations that are required by treaty as well as certain recreation facilities at Howard Air Force Base. As Mr. Fliakas mentioned, over the first 5 years of the treaty, there will be various scheduled relocations required. The fiscal year 1980 covers the need to relocate the Air Forces Curundu Antenna farm, and the Defense Mapping Agency at Albrook must be relocated to other facilities.

Senator HUDDLESTON. Again, this is for our own forces?

Captain SYLVA. Yes, sir.

Senator HUDDLESTON. Will this complete the necessary construction called for by the treaty?

Mr. FLIAKAS. We have not established any out-year requirements beyond 1980. We have talked to the U.S. Southern Command about the necessity to establish a regional complex or master plan for all of the requirements, and to submit them to us for consideration early, for the 1981 and 1982 programs.

As we indicated some of these relocations will take place over a span of 5 years. But in my judgment it will not be prudent to wait until 1985 or 1990 to meet those requirements. If we are going to require them, I would like to front-load them as much as possible, and indicate to the committee what our requirements are. There

will be some final requirements, but we hope to keep them to a minimum.

Senator HUDDLESTON. What facilities do we turn over to the Panama Canal on October 1?

Mr. FLIAKAS. Portions of Fort Amador. We do retain most of the family housing units at Fort Amador, but essentially it will be just a bedroom community for us. We will move the battalion headquarters and the intelligence group out. We also turn over portions of Albrook East, as it is called, to the Republic of Panama.

Senator HUDDLESTON. Do we know what use they will make of those facilities?

Mr. FLIAKAS. Of course, they do have a force, the Guardia Nacionale, which has no particular combat capability in terms of military use now. They do have, perhaps, 2,000 of these that are rather isolated and scattered in units, and possibly could be assigned to a military type activity.

It is expected that they will occupy, with those elements, those areas, particularly Fort Amador.

Senator HUDDLESTON. They will be there to assist in the defense of the Canal?

Mr. FLIAKAS. As I understand the provisions of the treaty the United States does have the principal responsibility for defense of the canal through the life of the treaty, or December 1999.

It is intended, however, that we assist in training and developing that force from the Guardia Nacionale consistent with our ability to develop it. As you know, they are economically depressed. It is intended that a loan or credit will be established to permit them to purchase modern equipment, and with some joint training over the years, it is hoped and expected that they will be able to join in the defense of the canal.

Senator HUDDLESTON. Are we discontinuing our Jungle Training School there?

Mr. FLIAKAS. No, we are maintaining it.

Senator HUDDLESTON. We will maintain those facilities as well?

Mr. FLIAKAS. Yes, sir.

Senator HUDDLESTON. Do you have a dollar value for the facilities that will be turned over on October 1?

Captain SYLVA. No, sir, we do not. We could provide that for the record.

[The information follows:]

ESTIMATED VALUE OF RELEASED DOD FACILITIES

Records reflect that the acquisition cost of the buildings at Fort Amador, Albrook Air Station and Coco Solo being transferred to Panama is $7 million and that the estimated costs of associated utilities systems, parking areas and roads is an additional $8 million. Some of these facilities date back to 1915. Based on the various initial construction dates and conditions of repair and utility, and in the absence of any formal property appraisals, the present value of these facilities can only be estimated. An approximation of their present value would presumably be of the order of about $50 million. This amount equates to half of the cost to build replacement in-kind facilities to today's standards. However, since the construction of these facilities, force levels and requirements have changed considerably. Some of these older facilities are excess to requirements and would otherwise be demolished if funds were available. Therefore, their actual value should be further discounted.

Senator Huddleston. Do you have any additional questions, Senator Laxalt?

Senator LAXALT. No, not for the moment. You are doing a good job, Mr. Chairman.

BASE REALINEMENTS

Senator HUDDLESTON. You mention base realignments. Can you be more specific as to that; can we expect those in March or April?

Mr. FLIAKAS. I would like to advance my estimate actually and indicate that the goal of the Secretary or the Deputy Secretary is to make a general announcement with regard to those decisions in the pipeline within the next 30 days, hopefully around the middle of March. But I cannot anticipate exactly when that might be.

Senator HUDDLESTON. Have the estimates in the budget been based on these realignments?

Mr. FLIAKAS. As a result of studies that we are taking, of course, we do not program any construction at those installations that might be caught or held, until a decision is made. As a matter of fact, we have also taken steps to hold in abeyance, or defer construction that has been authorized at some places like Fort Dix, for example, and even at Fort Benning, where a barracks was authorized, but until the decision is made on whether it should be a training type facility, or another type of facility, which, of course, does reflect on the criteria to be used, we have held that in abeyance.

So I would say, Mr. Chairman, that I am at least 99.9 percent confident that this budget will not be affected by those base realignments.

GUARD AND RESERVE PROGRAM

Senator HUDDLESTON. The Guard and Reserve components have been concerned for some time with the amount of appropriations made available to them. They have been cut 40 percent in this submission that is before us right now.

In your statement, you indicated that this is not a lack of support for the Guard and Reserve, but their portion or their share of an austere military construction request. How did you determine what those proportions were?

Mr. FLIAKAS. It was a very carefully worded statement, Mr. Chairman.

Senator HUDDLESTON. I thought it sounded that way.

Mr. FLIAKAS. It does reflect, perhaps, about $68 million decrease from last year's program, which was at about $168 million, down to $100 million this year.

I can only answer, sir, that each component was looked at very carefully. We want to support especially those units and those locations that have promise of maintaining their strength. As you know there have been some recruiting problems, and some retention problems in the Reserves. Of course, it is like a catch-22, because if you don't provide them with the facilities and the equipment——

Senator HUDDLESTON. That is precisely my point. If you are going to defer a unit that is down a little bit, how are they ever going to catch up?

Mr. FLIAKAS. This was looked at on a unit per unit basis, and we attempted to program those facilities commensurate with equip-

ment, deliveries and needs on a high priority basis. It is simply that some requirements, of necessity, are deferred.

Senator HUDDLESTON. It is viewed on the basis of total readiness capability of our Armed Forces, including the National Guard and Reserves?

Mr. FLIAKAS. It remains, of course, a very pivotal part of our policy for our total force to include the Reserve and Guard units as they round out and support the active forces. Yes, sir, very much so.

POLLUTION ABATEMENT

Senator HUDDLESTON. On pollution abatement, Senator Laxalt asked you about this a few moments ago. Lots of moneys have been spent on pollution abatement that has been mandated by Federal regulation.

According to our records, over the last 11 years you have spent about $2.2 billion in air and water pollution abatement at military installations, and have requested $254 million more in fiscal year 1980. Do you feel that this will bring all of our installations into compliance with standards as we see them today?

Mr. FLIAKAS. I will ask Mr. Marshall to answer that.

I know, sir, that we are expecting new Federal guidelines on waste water treatment that require what is called best available technology that will be very, very considerable.

Mr. MARSHALL. I don't have it handy. We can submit it, for the record.

[The information follows:]

The DOD program for compliance with environmental requirements in the next 5 years is estimated at $500 to $600 million. Because of the magnitude of the problem, it is probable that funding requests for correction measures for present violations will extend to the fiscal year 1982 MCP. The program will not end with fiscal year 1982 because there are many future deadline requirements that are currently clearly defined. In addition there are future requirements as yet undefined.

An example of a known requirement is the future deadline (1984) for provision of advanced wastewater treatment as specified in the fiscal year 1977 amendments to the Clean Water Act (Public Law 95-217). EPA guidelines on these requirements may be available within the next year. A further example of known future requirements are those resulting from new and amended state implementation plans for air pollution abatement.

Examples of less clearly defined future requirements are impending EPA regulations resulting from the Resource Conservation and Recovery Act (Public Law 94-580) in the areas of hazardous waste management, transportation, storage and treatment, and the disposal of all other "normal" solid wastes.

The major thrust of new environmental legislation concerns toxic substances in air, water and land. As more research is accomplished on the effects of such substances on humans and the environment, we must expect more stringent limitations on more substances which will require further pollution abatement expenditures.

Regulations recently proposed by EPA would ultimately make many presently acceptable solid waste landfills unacceptable. Alternate disposal means will have to be funded. Certainly solid waste disposal costs will increase over the next 5 years.

Senator HUDDLESTON. That brings up the question of how much of that $2.2 billion has gone down the drain because of the changing regulations, or whatever, which would require us to do it again. Is that s substantial figure, or is most of that still effective?

Mr. MARSHALL. I think that the problem is not so much with the change of the standard, but the inability, for example, to meet the standards with current day equipment. Now the problem has been that the equipment has been designed based on the standard, and

of course it is purchased and bought to meet that standard. Once it is on line, you may find that it does not meet that standard.

This is particularly true in the air area. In the water area, we are not having any particular problems, we are not having any particular problems of that nature. The problem we are having, as I mentioned earlier, of course, is when we have to tie into a regional treatment system, and things don't seem to meet at the right time. We have had to take measures in some places in order to keep from being in violation, or file for an extension of time.

The law, of course, we are in violation of the law right now in many places, but so far we have not been taken to court except once or twice. One was in California on some jet engine test cells, and we have resolved that problem now, or it is in the process of being resolved.

Senator LAXALT. Were those citizen suits, or EPA?

Mr. MARSHALL. The one in California was a State of California suit because their law is more stringent, really, than the EPA regulations.

ENERGY CONSERVATION

Senator HUDDLESTON. On energy conservation, you refer to new procedures that have been devised and some problems that occurred.

Mr. FLIAKAS. Yes, we have an internal audit of the early years of our energy conservation program. Early on, because we recognized the vast inventory of space that we had that was really constructed in a cheap energy era, we recognized that we had to make our buildings more energy efficient, and the drive at that time was more to identify quick fast amortization type projects that not only saved energy, but saved money as well.

We found that while this was OK for early identification of the problem, that as the energy crisis—Also I would like to point out that we, in the Department of Defense, are leaders in this.

As we learned from our experience, and as we shifted our gears toward providing more energy intensive conservation projects, we revised our guidance to reflect primarily energy savers, rather than costsavers, although I can report that still this year's program was amortized in a period of 6 years or less.

Senator HUDDLESTON. The question now is not as much the amortization schedule as the saving of energy?

Mr. FLIAKAS. Yes, sir.

Senator HUDDLESTON. Last year you presented us with some very convincing figures on amortization. You are continuing with the program?

Mr. FLIAKAS. Yes.

Mr. Marshall, would you expand on that?

Mr. MARSHALL. The new criteria that Mr. Fliakas addressed relates energy savings per $1,000 of investment, and we did this for two reasons. Since the beginning of our program, we have been trying to make a quick fix, get things done quickly, easy projects, since we started the program in the middle of the year, really.

Since that time, of course, we have had the Executive order that we are required to save 20 percent of our energy in existing facilities, and 45 percent in new facilities.

Senator HUDDLESTON. That did not contain any restrictions on the cost of it? That was strictly energy savings?

Mr. MARSHALL. That was strictly the energy saving aspect. So what we tried to do was to look at the retrofit area, what portion of that 20 percent energy saving was realistic to try to achieve through retrofit of the building itself, and the building systems.

Now, it appears that we probably can get 12 percent using that methodology, the balance, the other 8 percent, will have to come through improved administrative procedures, turning down thermostats, teaching people how to operate the equipment better, and then replacing outmoded equipment with more durable and efficient equipment. This is the approach that we have taken.

Looking at it, we tried to look at what, in order to meet the 1985 deadline, how we should structure this energy saving per $1,000, and we started with a large number, some 55 mega Btu per $1,000 invested, and as the years go on, of course, because we will have retrofitted more projects, and easier projects to retrofit and get energy savings, that number is going to have to drop as we get down toward 1985.

That is what the new criteria does, and we believe that we can meet 20 percent DOD-wide on an average basis.

SOLAR ENERGY

Senator HUDDLESTON. What are you going to do in the area of solar energy?

Mr. MARSHALL. We have done several things. You may recall that in 1976 we testified before you on the 1976 legislation. We were involved at that time in a joint effort with DOE, a demonstration program for family housing, which was very unsuccessful from our standpoint. The project came in too high, and we were very unsuccessful.

For the 1977 time frame, we got involved with DOE again in another project, which we were successful in doing at Fort Polk, La., 40 houses, and that one came in above the cost that we would like to see, but there was a major reduction in cost from the previous year.

For 1979 military construction authorization legislation, there is a requirement in section 804 that we analyze 25 percent of our military construction projects, other than family housing, beginning 90 days after enactment, and analyzing the 1979 housing program, excluding those projects which had not been completed by DIA, where the analysis had not been completed, 10 of the projects in that program will have solar energy.

Now we are asking in 1980, in the authorization legislation that there be some minor changes to the way that law is written, primarily because they gave us a definition of cost effectiveness which we don't think is the proper definition. The definition indicates that to determine the cost effectiveness of solar energy, if you recoup the initial investment, with the fuel savings over the life of the structure, it ignores the maintenance cost of the system, and the replacement cost that will be necessary, I am sure, during the 25 year life of the house. That is why we have so many of these projects in 1979 that are cost effective.

I would like for it to be put on the life-cycle cost basis, like we do everything else, when we are looking at equipment for buildings.

In addition to that, the law said that 25 percent of the dollar value of military construction program, other than family housing would be analyzed. If you look at 25 percent of some of our programs, we don't have that many projects that are susceptible to analysis. So we will end up doing an analysis on 100 percent of our projects.

Mr. FLIAKAS. We have access roads, bridges, and so on.

Senator HUDDLESTON. But basically, the 1980 budget reflects this guidance?

Mr. MARSHALL. The authorization request reflects the change in some of this legislation, but since we have no new family housing, that part is not impacted. The other military construction, it does not really reflect that law, because that law became effective for all military construction 90 days after its enactment and our designs had begun before enactment.

So this has begun to be negotiated—the contracts began to be negotiated in December. Therefore, fiscal year 1981 is going to be the major impact.

PLANNING AND DESIGN

Senator HUDDLESTON. I remember last year that there was a good deal of discussion about the procedures used in planning and design. What is the status of the competitive test program that Congress directed last year?

Mr. FLIAKAS. As you know, sir, it was directed in the conference report. We, in connection with the Corps of Engineers, did design tests which we felt would meet the intent of the report requirements.

Since that time, however, there is some indication that it may be challenged in terms of our legal ability to get on with that test as it was designed. The general counsel, for example, has made an opinion that it would not be in conformance with current statutes. So we may have to redesign the test. It is our intent to try to comply with the conference report, within the constraints, of course, of the law.

Mort, can you add to that?

Mr. MARSHALL. Well, sir, I don't know if I can add anything to that or not. You pretty well covered it.

Senator HUDDLESTON. How much money is appropriated for that purpose?

Mr. FLIAKAS. $5 million was set aside for that purpose. It was not appropriated specifically for that purpose.

Senator HUDDLESTON. Has it been expended?

Mr. FLIAKAS. No, sir. We have identified the test procedures, which we felt would be very good in meeting the intent, that is to have some projects designed solely on a competitive cost basis. Others would use the GSA type procedures. I guess I will have to report at this time that we are sort of in limbo until such time as we get the approval to proceed, or redesign the rest, to be in conformance with what is described in the statute or the traditional way of selecting an architect-engineer.

Senator HUDDLESTON. Senator Laxalt, do you have any questions?

Senator LAXALT. I think that you covered that very well. There may be some questions that will occur to me later, and I can direct my questions at that time.

Senator HUDDLESTON. That may very well be the case, and we can direct more specific questions when these various groups come up. There may be some questions that the committee may want to submit for written reply.

Gentlemen, thank you very much for appearing.

CORRESPONDENCE AND QUESTIONS AND ANSWERS

[CLERK'S NOTE.—The following correspondence, together with related questions and answers, pertaining to a project under the Defense Agencies budget request, was received subsequent to the hearing and will be inserted at this point in the record.]

LETTER FROM HENRY G. BEAUREGARD

April 23, 1979

Senator Walter D. Huddleston
Chairman
Military Construction Subcommittee
of the Senate Appropriations Committee
1239 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Huddleston:

On behalf of Holly Corporation, I respectfully request that the enclosed written statement be considered for inclusion in the record concerning the Defense Logistics Agency's FY 1980 Military Construction Program budget request for funds to purchase the Ozol, California and Escanaba, Michigan fuel terminals.

Holly Corporation owns the Ozol and Escanaba terminals and is opposed to selling them to the Government for the reasons set forth in the written statement.

Sincerely,

Henry G. Beauregard

Henry G. Beauregard
Attorney for Holly Corporation

STATEMENT OF HOLLY CORPORATION

BY HENRY G. BEAUREGARD

WHY GOVERNMENT PURCHASE OF THE OZOL AND ESCANABA FUEL TERMINALS WOULD WASTE TAXPAYERS' MONEY

The Defense Logistics Agency (DLA) has submitted in the Military Authorization and Appropriation Acts for FY 1980 a request for $4.25 million to purchase the fuel terminals owned by the Holly Corporation at Martinez, California (the Ozol Terminal), and at Escanaba, Michigan.

Holly is a corporation, headquartered in Dallas, Texas, and engaged in petroleum refining, exploration, and production. Its fuel terminal operations are managed by its subsidiary, the Navajo Refining Company, located in Artesia, New Mexico.

Under twenty-year contracts with Holly, made in 1960, the Government has options to purchase the two terminals and take possession in early 1980. The DLA has stated it will seek a contractor to operate each terminal thereafter.

This is Unnecessary, Costly, and Wasteful

Holly, which has provided and managed both terminals for the past 19 years, believes that these purchases are unjustified, unnecessary, and a waste of public funds. Further, Holly believes that the ultimate costs to the Government of purchasing the facilities are much higher than the budget estimates portray.

The Request Is Not Justified

In justifying the request, the DLA alleges that unless the options are exercised, Holly will charge $2.4 million more per year to provide these facilities than it or any other contractor would charge to operate them after they are owned by the Government. This suggests that Holly would have to raise its charges from a current total of $500,000 for both terminals to future charges of approximately $3,000,000. This is sheer unjustified speculation. It is not based on any proposal made by Holly. In fact, the DLA has never inquired what Holly's terms would be.

Holly is prepared to negotiate a contract right now for a reasonable term of years at a price which would be more than competitive with any price the Government would have to pay a contractor to operate Ozol and Escanaba terminals. Such a contract would prove that it is completely unnecessary to spend tax dollars to purchase either terminal.

The Request is Understated, Inaccurate, and Misleading

The DLA's budget estimates allege that future annual operating costs at the Ozol facility will be $274,000 (equivalent to 27.4 cents per barrel). This estimate is based on what DLA is presently paying Holly, but in testimony before the House Appropriations Military Construction Appropriations Subcommittee, the DLA witness acknowledged that Holly is presently losing money at the 27.4 cents per barrel price. In fact, the DLA witness stated that current costs of contractor operations at Government-owned facilities are running $1.50 per barrel. This means that the budget estimate understates the future annual operating costs by a factor of almost six.

Other DLA estimates are also seriously inaccurate and misleading. $125,000 is budgeted for acquisition of exclusive use of the Ozol dock and 6.21 acres of adjoining dry land owned by Holly. These 6.21 acres are specifically excluded from the scope of the Government's option, and the Government has never asked Holly for a sales price. In fact, Holly has formally advised DLA that it has no intention of selling the 6.21 acres or its future rights to use the Ozol dock. Furthermore, the $125,000 figure is clearly suspect when $355,000 is budgeted to acquire 8 acres of state-owned tidewater land which is below water.

The Government Would Pay More and Lose Its Flexibility

Moreover, the budget estimate includes no funds for the maintenance of the Ozol dock. But under its contract with Holly, if the Government exercises the option to purchase the Ozol facility from Holly, Holly will be entitled to use the Ozol dock for twenty-five years and to require the Government to maintain it for Holly's use for the same twenty-five years. Holly has advised DLA that if the Government acquires the Ozol facility, Holly will develop the 6.21 acres for commercial fuel terminal purposes and exercise its full rights to require the Government to maintain the dock for Holly's use for twenty-five years.

It should be noted that Holly will obtain these rights only if the Government exercises the option to purchase. If the Government does not do so, but instead negotiates a new contract with Holly, it retains the flexibility to terminate that contract at any time and would not be locked in for twenty-five years. The Government would also have the benefit of Holly's experience, care and interest in managing its own property and would not be exposed to whatever turbulence, turnover, and extra costs are associated with contractor operation of Government-owned facilities.

What Should Be Done

holly desires to continue to provide and operate both the Ozol and Escanaba facilities for the Government on reasonable and competitive terms. There is no justification for the Government to acquire Holly's property. The Government will not save money, but will only incur higher costs and also adversely affect the local

communities. In fact, formal resolutions opposing the DLA requests have been passed and forwarded to Congress by those affected in Martinez, California. Government purchase here is inconsistent with the Government's general policy to obtain its needs where possible from the private sector.

Before authorizing or appropriating funds for this purchase, the Congress should require DLA to provide accurate and complete estimates, based upon the results of a full and fair negotiation with Holly for the future operation of both the Ozol and Escanaba fuel terminals. Holly believes that the results of the negotiation will be favorable to the Government so that it would be unnecessary to seek or to expend funds to purchase the terminals.

IN THE BOARD OF SUPERVISORS
OF
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

In the Matter of Proposed U. S. Government Acquisition of Ozol Terminal.	RESOLUTION NO. 79/361

WHEREAS, the Ozol Terminal is a privately owned fuel terminal facility located on 44.9 acres of land in an unincorporated section of Contra Costa County on the Carquinez Strait near Martinez;

WHEREAS, Contra Costa County residents including many members of the Oil, Chemical & Atomic Workers Local No. 1-5 are employed at the Ozol Terminal;

WHEREAS, Holly Corporation, owner of the Ozol Pier, has provided the Defense Logistics Agency with satisfactory service of petroleum offloading, storage and transportation at the Ozol Terminal for almost twenty years, which include times of military conflict;

WHEREAS, Holly Corporation has paid substantial property taxes to Contra Costa County with respect to its ownership of the Ozol Terminal, which taxes amounted to Sixty Four Thousand Eight Hundred Dollars ($64,800) for the fiscal year 1978-1979;

WHEREAS, the Defense Logistics Agency has requested an appropriation from the United States Congress in excess of Three Million Dollars ($3,000,000) to acquire the Ozol Terminal;

WHEREAS, the United States Government already owns substantial port facilities in Contra Costa County, including the Naval Weapons Station at Concord and the Point Molate facility

at Richmond which is specifically designed for the offloading of petroleum products;

WHEREAS, this County desires to preserve employment opportunities and private ownership of property within its boundaries;

AND WHEREAS, the acquisition of this property by the United States Government is unnecessary;

NOW, THEREFORE, the Board of Supervisors of Contra Costa County resolves that it is not in the best interests of the people of Contra Costa County or of the taxpayers of the United States for the United States Government to purchase the Ozol Terminal for the following reasons:

1. While the United States Government already owns substantial real property in Contra Costa County, the purchase of the Ozol facility would further and unnecessarily decrease this County's property tax base;

2. The employees of the Ozol Terminal will be in danger of losing their employment if the facility is owned by the United States Government, a matter of deep concern to this Board, to the Oil Chemical & Atomic Workers Local No. 1-5, to the affected employees, and to Holly Corporation;

3. Contra Costa County is anxious to further the development of private enterprise within its borders and the departure of Holly Corporation, a business of long standing repute within the community, would be contrary to that goal;

4. Numerous private facilities already exist in this County, along the Carquinez Strait, and in the San Francisco Bay Area generally which can provide petroleum offloading, storage and transportation services to the United States Government on a competitive basis, assuring the lowest possible cost to the taxpayers;

5. The United States Government already owns and operates a major petroleum dock facility in Contra Costa County located at Point Molate, which can provide offloading, storage and transportation services to the Government.

IT IS FURTHER RESOLVED that a certified copy of this resolution shall be transmitted by the Secretary of this Board to the Subcommittees on Military Construction of the appropriations Committees of the United States House of Representatives and the United States Senate.

PASSED by the Board on April 10, 1979 by the following vote:

AYES: Supervisors T. Powers, S. W. McPeak, E. H. Hasseltine.

NOES: None.

ABSENT: Supervisor R. I. Schroder.

ABSTAIN: Supervisor N. C. Fahden (for the reason that she owns stock in Holly Corporation).

cc: Subcommittees via Holly Corp.
Holly Corporation
County Counsel
County Administrator

- 3 -

CERTIFIED COPY
I certify that this is a full, true & correct copy of the original document which is on file in my office and that it was passed & adopted by the Board of Supervisors of Contra Costa County, California, on the date shown. ATTEST: J. R. OLSSON, County Clerk & ex-officio Clerk of said Board of Supervisors, by Deputy Clerk.
Mary Craig on APR 10 1979
Mary Craig

RESOLUTION NO. 79/361

JOHN SWETT UNIFIED SCHOOL DISTRICT

April 23, 1979

Chairman, Military Construction Subcommittee of the
Senate Appropriations Committee
Dirksen Senate Office Building, Room 1239
Washington, D.C. 20510

Please note the attached resolution passed by the Board of Trustees of the John Swett Unified School District.

I hope you will take this into consideration during deliberations concerning the Ozol Option before the Military Construction Subcommittee of the Senate Arms Services Committee.

Thank you.

Glenn Dufour, Jr.
District Superintendent

RESOLUTION 79-A

OF THE

JOHN SWETT UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES

CROCKETT, CALIFORNIA 94525

WHEREAS, the Ozol Terminal is a privately owned fuel terminal facility located on 44.9 acres of land in an unincorporated section of Contra Costa County on the Carquinez Strait near Martinez;

WHEREAS, Contra Costa County residents including many members of the Oil, Chemical and Atomic Workers Local No. 1-5 are employed at the Ozol Terminal;

WHEREAS, Holly Corporation, owner of the Ozol Pier, has provided the Defense Logistics Agency with satisfactory service of petroleum offloading, storage and transportation at the Ozol Terminal for almost twenty years, which include times of military conflict;

WHEREAS, Holly Corporation has paid substantial property taxes to Contra Costa County with respect to its ownership of the Ozol Terminal, which taxes amounted to Sixty Four Thousand Eight Hundred Dollars ($64,800) for the fiscal year 1978-79;

WHEREAS, the Defense Logistics Agency has requested an appropriation from the United States Congress in excess of Three Million Dollars ($3,000,000) to acquire the Ozol Terminal;

WHEREAS, the United States Government already owns substantial port facilities in Contra Costa County, including the Naval Weapons Station at Concord and the Point Molate facility at Richmond which is specifically designed for the offloading of petroleum products;

WHEREAS, this County desires to preserve employment opportunities and private ownership of property within its boundaries;

AND WHEREAS, the acquisition of this property by the United States Government is unnecessary;

NOW, THEREFORE, the Board of Trustees of the John Swett Unified School District resolves that it is not in the best interests of the people of the John Swett Unified School District or of the taxpayers of the United States for the United States Government to purchase the Ozol Terminal for the following reasons:

1. While the United States Government already owns substantial real property in Contra Costa County, the purchase of the Ozol facility would further and unnecessarily decrease this County's property tax base;

2. The employees of the Ozol Terminal will be in danger of losing their employment if the facility is owned by the United States Government, a matter of deep concern to this Board, to the Oil Chemical and Atomic Workers Local No. 1-5, to the affected employees, and to Holly Corporation;

3. John Swett Unified School District is anxious to further the development of private enterprise within its borders and the departure of Holly Corporation, a business of long standing repute within the community, would be contrary to that goal;

4. Numerous private facilities already exist in this County, along the Carquinez Strait, and in the San Francisco Bay Area generally which can provide petroleum offloading, storage and transportation services to the United States Government on a competitive basis, assuring the lowest possible cost to the taxpayers;

5. The United States Government already owns and operates a major petroleum dock facility in Contra Costa County located at Point Molate, which can provide offloading, storage and transportation services to the Government.

IT IS FURTHER RESOLVED that a certified copy of this resolution shall be transmitted by the Secretary of this Board to the Subcommittees on Military Construction of the appropriations Committees of the United States House of Representatives and the United States Senate.

JOHN SWETT UNIFIED SCHOOL DISTRICT

Glenn Dufour, Jr.
Secretary to the Governing Board

SUBMITTED QUESTIONS

DEFENSE LOGISTICS AGENCY

QUESTION: The FY 1980 budget request contains $4.3 million for procurement of bulk fuel terminals at Ozol, California ($3,650,000) and Escanaba, Michigan ($600,000). Both are currently contractor owned and operated for the U.S. government. It is proposed to exercise contract options whereby the government could purchase the facilities and continue their operation at annual sums far less than anticipated if new contracts were negotiated. The investment is anticipated to amortize in 2.5 years for Ozol and 1.2 years for Escanaba. Is cost avoidance the basic reason for the proposed purchase, or are there other benefits to Government ownership of the facilities?

ANSWER: The fuel terminals are still considered vital to the mission of the Defense Department and exercising the option to purchase under existing contracts is considered to be the most cost beneficial method of retaining these facilities.

DEFENSE LOGISTICS AGENCY

QUESTION: If the Government exercised its option to purchase, would the Defense Logistics Agency assume operation of the facilities, or would they continue to be contractor-run?

ANSWER: DLA would assume responsibility for the operation but would operate the facility under a service contract as we operate all other Government-owned fuel terminals managed by DLA.

DEFENSE LOGISTICS AGENCY

QUESTION: Central to these proposals is the contention that annual costs would be significantly higher if the contractor retained ownership and a new operating contract let. In the case of Ozol, annual leasing costs are estimated at $1.9 million more than present fees, compared to about $274 thousand if government-owned.

What is the basis for the projected $1.9 million additional cost?

The cost of GOCO operation, $274,000 annually, would appear to equate to a charge of about 27.5 cents per barrel; the Subcommittee is aware that other such arrangements usually run between $1.00 and $1.25 per barrel. What is the probability that any commercial firm would agree to operate and maintain this terminal for such a low sum?

Doesn't the $274,000 annually equate to the charges now in effect for the current contract -- which the contractor insists is a losing proposition?

ANSWER: We estimate that a prudent contractor would want to earn, at minimum, a 10 percent return on his investment. In this case, we consider the present value of the terminal facility to constitute his investment. Since the present value of the facility is estimated at $19 million, a minimum return of $1.9 million is a conservative estimate of additional cost to the Government if we fail to exercise the option to purchase. This would be in addition to the normal cost of operations which include maintenance and repair of the facilities, utilities, security systems, operating personnel and fire

and environmental protection systems. If the option to purchase is exercised, the Government would then own the terminal facility and there would be no basis for a contractor to include a return on investment rate in his service charge costs. Therefore, the annual cost to the Government would be substantially lower under a Government-owned Contractor-operated facility contract.

The $274,000 figure shown on supplemental form DD1391c is incorrect since it represents the annual cost of the current contract terms in lieu of estimated future costs. This figure was not used in determining cost effectiveness of the Government's exercising of its option to buy. In actuality, we estimate the first annual cost of operation and maintenance after we exercise the option to purchase to be approximately $1.17 million. We would rely on competition to provide us with the most favorable rate possible for terminal operation of a Government-owned Contractor-operated facility. Should we fail to exercise the option to purchase, we anticipate the annual cost to the Government could reach $3.85 million for operation of the Ozol facility, based on current known storage costs in the San Francisco Bay area.

Yes, the $274,000 figure represents the current annual contract price for the Ozol terminal operation. We are not aware that the contractor is operating at a loss at the present time.

Defense Logistics Agency

QUESTION: Another premise of the budget request is that once the current contract expires, the contractor will be free to demand exhorbitant rates under a new contract. Is he truly in such a monopolistic position, or are there other firms within the San Francisco area which might offer a competitive restraint to price?

ANSWER: If we elect not to exercise the option to purchase, Holly Corporation would obtain sole ownership of the terminal facility. The existing contract would expire and the Government would have no legal access to service through the facility. Holly would be able to charge whatever rate the market will bear and, since the facility is vital to our military requirements in the area, we would have no choice but to agree to his terms. As an alternative, Holly could elect to sell the facility to the highest bidder, thus realizing a substantial gain over his initial capital investment, which he had already amortized during the first five years. The succeeding contractor would then enjoy the same position as Holly with respect to being able to charge the highest market rate for providing our required services. This would leave the Government in an extremely vulnerable position. Conversely, if we exercise the option to purchase, experience has shown that there is ample competition available to assure us of a fair and reasonable price for terminal operations and maintenance under Government-owned Contractor-operated conditions.

DEFENSE LOGISTICS AGENCY

QUESTION: With respect to the Ozol purchase price, $125,000 is included for the purchase of 6.21 acres owned by the contractor.

How was this price determined, particularly when $355,000 is required for tidewater lands?

How will the Government obtain this land? It would appear that, since this parcel -- and rights to it -- are granted in contract (and recognized by the Government) that eminent domain would not be applicable.

Would the facility be useable without this 6.21 acres?

ANSWER: The appraisal of the Ozol terminal was prepared by the Sacramento District Corps of Engineers. The values were projected to FY 1980. The value of the 6.21 acre parcel was determined by a review of the sales and listings of comparable properties in the general area of the Ozol terminal. After analysis of the comparables, it was concluded that the fair market value of the 6.21 acres is $20,000 per acre. Value assigned to tidewater lands in California is beset by unknowns. There is no active market in the sale of such land since it is controlled entirely by the state. In the absence of a market value, several analyses were made to reach an order of magnitude for a reasonable value. The highest estimated cost developed through these analyses was used in recognition of the considerable unknowns existing in order to give the Government maximum latitude in negotiations. The Government will only pay what is considered to be a fair and reasonable price through active negotiations and in consideration of the annual cost now paid to the state for easement across state land.

Funds are requested for purchase of the contractor-owned 6.21 acres, and his exclusive use of dock facilities in order to provide the Government with a totally unencumbered terminal facility. In view of the fact that Holly Corporation has never exercised the exclusive use rights since the clause was incorporated in 1969, it is our intent to negotiate a fair and reasonable price for his relinquishment of such rights. The Corps of Engineers-recommended appraisal value of $20,000 per acre is considered quite reasonable compared to the $2,500 per acre that Holly Corporation reimbursed the Government for exclusive rights to the land in 1969. We would not normally consider application of eminent domain unless a situation establishing a national emergency should occur. In the event that a mutually agreeable solution cannot be reached with regard to purchase of Holly's exclusive rights, we would be able to operate satisfactorily under a joint-use situation and would honor the terms agreed upon in the 1969 modification.

The fuel terminal would be entirely usable without the 6.21 acre parcel owned by the contractor.

DEFENSE LOGISTICS AGENCY

QUESTION: Assuming that the FY 1980 Defense Budget is based on similar premises, how much is budgeted in O&M for operation of these terminals?

ANSWER: None. These fuel terminal facilities, which are operated under Title 10, U. S. Code 2388, are funded from the Defense Logistics Agency (DLA) portion of the Defense Stock Fund. For the period of FY 1980 prior to expiration of existing contracts, funds will have been obligated under those contracts. Subsequent to government purchase option, the following funds have been programed in the DLA Stock Fund budget:

Ozol, CA	-	$404,000
Escanaba, MI	-	$669,000
Newington, NH	-	$153,000

SUBCOMMITTEE RECESS

The subcommittee will be recessed until Monday, March 5, at 10 o'clock in the morning.

[Whereupon, at 12 p.m., Monday, February 26, the subcommittee was recessed, to reconvene at 10 a.m., Monday, March 5.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

MONDAY, MARCH 5, 1979

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

The subcommittee met at 3:10 p.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Paul Laxalt presiding.

Present: Senators Huddleston (chairman) and Laxalt.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

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

ACCOMPANIED BY:

LT. GEN. RICHARD H. GROVES, DEPUTY ADVISER TO SECRETARY OF DEFENSE ON NATO AFFAIRS

PREPARED STATEMENTS

Senator LAXALT. I think since the chairman has been delayed and may be for a little bit longer, if it is all right with you gentlemen, we will proceed with the hearing because we are all operating under time constraints.

Mr. Begin is scheduled to speak to us at 4 o'clock. I will cause to be placed in the record the opening remarks of the chairman as well as mine in the interest of time.

[The statements follow:]

STATEMENT OF SENATOR HUDDLESTON

The meeting will please come to order.

Our hearing this afternoon concerns the overall topic of NATO and NATO support programs. Both the amounts and mechanics of funding for NATO have been subjects of interest in the past, and will certainly remain so in the current and future budgets.

The session today has been structured on a functional basis in order to provide the Subcommittee with a clearer understanding of not only the projects which make up the budget request, but of the underlying mission assumptions which drive the budget, as well. Such a perspective is absolutely necessary, particularly in view of increasing budget equity and certain initiatives which will be discussed later.

We are pleased to again have as our principal witness the Honorable Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing. He is also accompanied by representatives of the military departments and of the U.S. Mission to NATO.

Considering that we will be dealing with areas of a highly sensitive or classified nature, it will be necessary to go into executive session at some point. It is my intention, however, to proceed in open session for as long is practical.

STATEMENT OF SENATOR LAXALT

Mr. Chairman, let me reinterate my statement of last week that I look forward to working with you on this bill and I certainly will take my responsibilities seriously.

I am looking forward to listening to today's testimony from Mr. Fliakas and the other witnesses on the NATO infrastructure and European construction programs. I understand that the NATO program has been and continues to be one of the more controversial programs in this bill. I expect we will all be better informed on this program after this hearing.

Thank you, Mr. Chairman.

1979 APPROPRIATION AND 1980 TARGET REQUEST

Senator LAXALT. Mr. Secretary, if you will proceed.

Mr. FLIAKAS. Mr. Chairman, I am pleased to appear before your committee to present the fiscal year 1980 Department of Defense request for construction in Europe. Included in the request is $435.9 million, of which $150 million is for the United States share of the NATO infrastructure program. The total is $209 million less than requested in fiscal year 1979. By major construction category, the program is comprised as follows.

[The chart follows:]

[In thousands of dollars]

Construction category	Army	Navy	Air Force	Defense agencies	NATO Infra-structure	Total
Operational/training facilities	19,649	3,000	50,670	.....	.....	73,319
Maintenance facilities	31,710	1,500	2,720	.....	.....	35,930
Supply facilities	10,900	3,800	12,000	.....	.....	26,700
Medical/administrative facilities	6,900	2,800	2,650	.....	.....	12,350
Housing/community facilities	47,450	.....	19,200	13,815	.....	80,465
Utilities	32,891	24,250	.....	.....	.....	57,141
Various	.....	.....	.....	.....	150,000	150,000
Total	149,500	35,350	87,240	13,815	150,000	435,905

MILITARY CONSTRUCTION NEEDS IN EUROPE

Mr. FLIAKAS. I have elected to address the Department of Defense military construction needs in Europe as a separate statement for three important reasons.

First, this committee as well as the other congressional committees dealing with construction have indicated a great deal of interest in this portion of our program, and methods of financing.

Second, the interrelationship of this program with NATO common infrastructure program is complex and sometimes difficult to understand without a clear and logical exposition of their linkage.

Finally, construction in Europe is essential, if we and NATO are to gain the full benefits of the defense and deterrence which our programed levels of forces and equipment and our readiness initiatives should provide. This matter has the personal attention of the Secretary of Defense who has directed a careful review and analysis to assure that the construction programs presented for congressional approval solidly support these objectives.

I have spoken to the linkage between the U.S. military construction programs and those of NATO within the NATO infrastructure

program. That program provides the military facilities required for joint use of two or more NATO countries for individual users when the facilities are essential to wartime operations or peacetime training of NATO committed forces. Construction of such facilities is jointly financed by members of the alliance on an agreed cost-sharing formula and is managed on the basis of agreed rules, procedures, and standards. The U.S. share of these costs in the coming years is expected to be approximately 25 percent.

As a general rule, logistic and personnel support type facilities have been viewed as a national responsibility of the nation concerned, and, therefore, not eligible for cost sharing under the infrastructure program. We regard this rule as generally favorable to U.S. interests inasmuch as the U.S. ground forces constitute only 10 percent of total alliance forces and similarly, the United States operates 16 percent of the total alliance tactical and reconnaissance air bases.

Considering the percentage differences between U.S. force contribution and the cost-sharing formula, we must weigh carefully our financial interests against alliance defense interests before proposing new categories of infrastructure eligibility.

Therefore, we think you will agree that we should continue U.S. funding for some of the personnel support projects as well as certain logistics facilities which we need, rather than opening up the disproportionate potential economic liability which would be incurred if we were to seek infrastructure eligibility for such projects.

BALANCE OF SERVICE, MILITARY CONSTRUCTION AND INFRASTRUCTURE FUNDED PROGRAM

At this juncture, I would like to say we recognize and endorse the concerns of Congress and especially this committee, that to the maximum extent feasible our construction needs in Europe which are in support of NATO wartime operations be met through infrastructure funding. The purpose of my statement today is to outline the approach which we will take to accomplish that objective.

In essence DOD policies, plans, and programs will balance the need for the timely acquisition of facilities required to meet military readiness objectives, with a sensible mix of funding responsibility for such objectives between NATO infrastructure and U.S. military construction.

Toward these ends we are aggressively seeking to broaden and expand the NATO eligibility criteria to cover certain classes of facilities which heretofore have not been eligible. A careful assessment of the total potential costs which we might incur if our allies should claim eligibility for similar facility needs is a major consideration.

I want to make it clear, however, that there will be some cases, where because of overriding military urgency and/or protection of U.S. defense interests or resources, we will have to seek congressional approval for minimum prefinancing of selected projects. In all such instances we will be prepared to demonstrate that such projects will be planned for programing by the United States for a future infrastructure slice as soon as eligibility or other qualifying aspects such as availability of NATO funds have been resolved. The

recoupment of such projects would be requested as soon as the essential NATO action is completed.

The results of efforts to carefully screen this type of facility and reduce the number of requests for prefinancing are obvious in the fiscal year 1980 program. The proportion of such requests in the total European program this year is only 19 percent as compared with 70 percent in fiscal year 1979. This represents a dramatic restatement and direction of our program.

There will be projects in annual programs which will be proposed for U.S. unilateral funding with no intent to seek their eligibility within infrastructure now or in the future. These will be the types of projects, mentioned earlier, which because of their category or because of potential economic liability to the United States would be neither appropriate nor in our interests to attempt to include in infrastructure.

U.S. ROLE IN NATO ALLIANCE

Before getting into a discussion of particulars of this year's program, I think it would be helpful to review the present circumstances pertaining to the NATO alliance and the role of the United States in contributing to the common defense of Europe.

The nature of the threat has led the United States to commit the most modern and effective weapons systems to the NATO alliance. Over the next few years new systems being deployed to Europe will create an operational demand for a large part of the construction required in the immediate timeframe as well as near future years.

Despite these substantial improvements, however, in a quick strike attack scenario, Pact forces could commit land force battle units especially those of armor and artillery, which would far outnumber those immediately available to the Alliance.

Similarly, their combined tactical air units would have an initial superiority in numbers. Another advantage which is potentially crucial is their close proximity to edges of the expected forward battle areas with corollary short lines of communication and supply.

Under these circumstances the Alliance defense must be structured to provide rapid reinforcement of our forces in place at the time of attack, which in turn, depends on prepositioning of vital stocks of equipment and ammunition.

With respect to our Alliance partners, their reserves of manpower and material are close at hand in country, and in most instances within a very short distance of the battle areas. In the case of the United States, however, we must look at a line of communication stretching almost 4,000 miles and involving seaborne resupply of heavy materiel with its inherent dangers and delays.

In light of these facts, it is obvious that if the United States is to take timely measures toward the defense of Europe, actions are required which will permit response quickly and decisively with reinforcing units. Just as importantly, it must be assured that upon arrival in theater, those units can be equipped from prepositioned stocks and moved quickly to the combat areas.

NATO LONG-TERM DEFENSE PROGRAM (LTDP)

A concerted approach to these two areas, rapid reinforcement and capabilities for sustained combat, is of primary concern to SACEUR. They were among the high priority items in the long term defense program (LTDP) approved by the NATO summit meeting of the heads of state which took place in Washington on May 31, 1978. That high level meeting approved a series of planned actions which could substantially improve the defense capabilities of the Alliance under an attack or threat of attack. As a result, a number of objectives have been established which involve the need for facilities construction. The mix of Slice XXXI of the NATO infrastructure program clearly illustrates this fact inasmuch as almost $625 million of the total derives from moving toward these objectives.

In recognition of the substantial amounts of construction required to implement the LTDP objectives, NATO acknowledges the need for a much larger infrastructure program for the next 5-year slice package for the years 1980 through 1984.

Subsequent to the May summit meeting I held numerous conversations with the U.S. Mission to NATO on the imperative need to press strongly in the appropriate NATO forum for a greatly expanded infrastructure program commensurate to the LTDP initiatives agreed to by the heads of state.

As a follow-on to these efforts in October of last year I headed the U.S. delegation to the annual infrastructure conference in Brussels and reiterated strong U.S. support for Alliance agreement on an expanded infrastructure effort.

As a result of the conviction by all concerned of the need for such a program, including the consistent support of the Secretary of Defense, we believe the new 5-year infrastructure ceiling starting in 1980 should be at least three times the size of the previous 5-year infrastructure program.

Assuming the United States maintains its past proportionate share of previous annual infrastructure slices, the benefit in terms of construction for U.S. forces, could be expected to average about $300 million of construction. Of course, there will be a concomitant rise in the U.S. annual contribution to the cost sharing of this increased program.

Now, having sketched an overview of where we stand with regard to NATO objectives in Europe and the U.S. role there, I would like to address the specifics of the military construction program in Europe for fiscal year 1980.

INFRASTRUCTURE SLICE XXXI

Again, as I have mentioned earlier, because of the close linkage between infrastructure and military construction I will also discuss pertinent aspects of the currently recommended calendar year 1980 [Slice XXXI] infrastructure program which represents the first year of the 5-year NATO program package.

First, with respect to Slice XXXI as presently configured, I can inform the committee that it contains some $315 million for U.S. user projects which otherwise would have to be U.S. funded. This within a total slice value of $740 million for national user projects.

Thus, in this first slice of the new package, we are securing financing for 43 percent of the dollar value of the national user projects in the entire slice. Just as important, the U.S. share contains approximately $100 million for recoupment of previously prefinanced projects which I know has been a matter of continuing concern to the committee. This is by far the largest recoupment provided to the United States in many years and reflects a substantial step toward reducing the current unrecouped balance. We will continue to emphasize a faster rate of recoupment for prefinanced projects.

We believe that we can maintain a high level of recoupment over the next 3 years. I urge therefore that the committees work with us in approving a policy which will allow us to continue prefinancing certain essential projects as required.

Further, Slice XXXI also contains $122.4 million toward provision of POMCUS facilities (prepositioning of material configured in unit sets) which is presently programed for the first U.S. division equivalent committed to reinforcement of Europe in wartime. This reflects early NATO recognition of the necessity to finance this prepositioned storage which has not heretofore been eligible. It also offers encouragement that similar classes of prepositioned ammunition and theater reserve stocks may also soon be recognized as eligible for infrastructure funding.

I think all of the foregoing is illustrative of our positive response to the concerns of Congress regarding construction in Europe, and reflects a substantial measure of success for our ongoing efforts.

FISCAL YEAR 1980 EUROPEAN MILITARY CONSTRUCTION PROGRAM

Now, I would like to address the content of the fiscal year 1980 military construction program in Europe generally and speak specifically to some large projects or classes of facilities contained in the program. The specifics of justification for such projects will be addressed in more detail by each military department representative when they present their individual programs.

In Germany, which is the centrum for the majority of the U.S. Army forces in Europe, the program provides for construction totaling $150 million. A substantial amount of the construction required would go to improve and modernize living and working facilities for troop units stationed in some of the obsolete and deteriorated Kasernes taken over at the end of World War II almost 35 years ago. Many of these are more than 80 years old and the living and working conditions deplorable. Some $54 million of the Army's request is devoted to improvement of barracks, medical and community facilities.

Other major elements of the Army's request are directed toward modernizing tactical equipment maintenance facilities and hardstands for aircraft, tanks and other motorized equipment, provision of operations and modern training facilities, and for facilities required to permit uploading combat vehicles with ammunition.

For the Air Force in Europe the total of construction requested is $87 million. This represents a marked reduction from previous years' requests. The reason for this reduction is the determination to concentrate financing of the remaining substantial aircraft shel-

ter program within infrastructure. $108 million of Slice XXXI is currently earmarked for shelters. The major categories of the Air Force request for U.S. MILCON in fiscal year 1980 are operations and training facilities; munitions storage facilities, personnel protection facilities at essential operations centers located on key installations, and personnel housing and support facilities.

The Navy's program for the European area is $35 million. This includes $118 million for Iceland, and other projects at Sigonella, Italy; Rota, Spain; and Scotland.

Additionally, in support of the children of dependent families stationed with forces in Europe, the DOD dependent schools has programed a total of nine schools or school additions for a total estimated cost of $114 million.

SUMMARY OF STATEMENT

In summary, Mr. Chairman, that is a highly synopsized description of the Department of Defense fiscal year 1980 program for construction in support of U.S. forces in Europe. I have attempted to address the concerns of this committee as voiced during last year's hearing, and I hope that you have found my response to be candid and forthcoming.

As stated at the outset, we have carefully examined total construction needs in Europe to determine which are in the U.S. interest to finance within infrastructure, and we are taking positive steps to provide them through that procedure. We have affirmed that there are some facility needs which are essential, but which cannot or should not be financed within infrastructure. In those cases, some of which are included in this year's program, the DOD requests appropriations as a U.S. responsibility. Also, as noted, we will press for a faster rate of recoupment.

I have been informed that the committee desires a briefing on the military forces and missions in the European area. Representatives of the military departments are with me to discuss these subjects as you desire.

This concludes my remarks on this very important portion of our fiscal year 1980 military construction request.

I thank you for your consideration and attention.

Senator HUDDLESTON. Thank you, Mr. Secretary.

Paul, are you under some time constraint?

Senator LAXALT. Somewhat.

Senator HUDDLESTON. Would you prefer to proceed with the questions now or have the briefing from the military?

Senator LAXALT. I would prefer to have the briefing now and then have questions later.

Mr. FLIAKAS. All right, General Faith from the Army is prepared to go with the first briefing.

Senator HUDDLESTON. General, we are glad to have you with us.

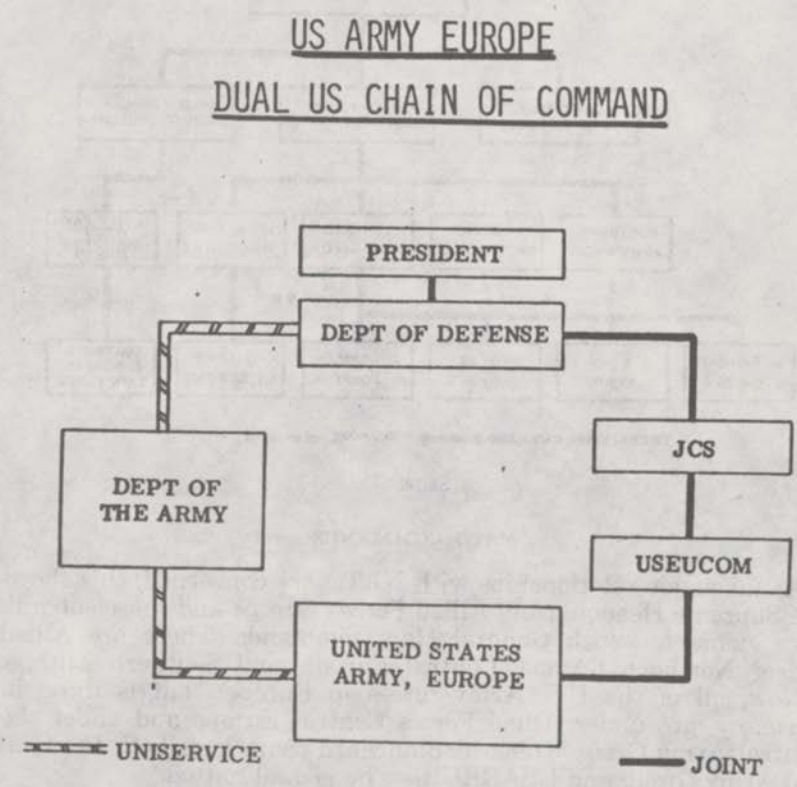
41-638 O - 79 - 6

Department of the Army

STATEMENT OF MAJ. GEN. JOHN C. FAITH, DIRECTOR, OPERATIONS AND READINESS DIRECTORATE, DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

SLIDE PRESENTATION

General Faith. Sir, much of what I say in setting the stage in Europe will be common to the other services, particularly command relationship. If I am covering ground already familiar to you, I will be glad to skip over it.



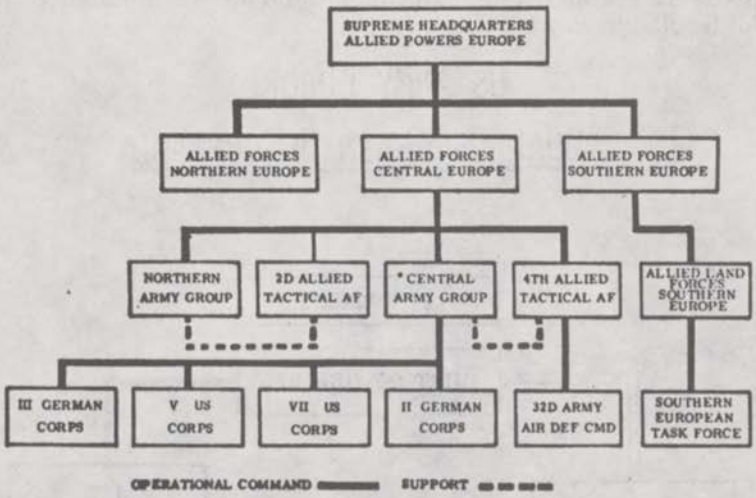
[Slide 1]

U.S. ARMY EUROPE

On this slide, we show the relationship of U.S. Army Europe to the Department of the Army on the one side and to the joint command on the other side. The Commander of U.S. Army Europe is in a dual chain situation.

General Blanchard is the senior Army representative with headquarters that support the Army forces in Europe and is responsible on one hand, for training, doctrine, personnel, logistics, and unilateral planning; and on the other hand he is the Army representative under USEUCOM responsible for joint planning and for joint training and doctrine, in that capacity he works for General Haig.

US ARMY EUROPE TIE-IN TO NATO COMMANDS



[SLIDE 2]

NATO COMMANDS

As far as his relationships with NATO are concerned, this shows the Supreme Headquarters Allied Forces Europe and those subordinate elements which General Haig commands. These are Allied Forces Northern Europe, Central Europe, and Southern Europe.

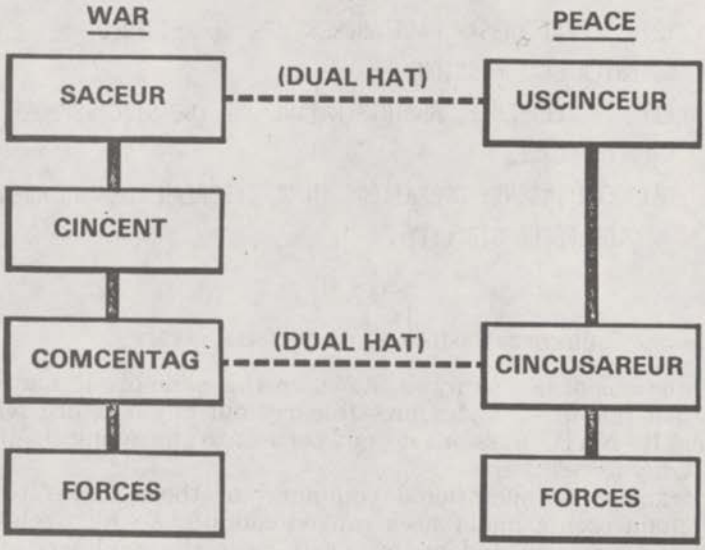
Now, all of the U.S. Army forces in Europe, that is those in Germany, are under Allied Forces Central Europe and under the Central Army Group. General Blanchard commands both the Central Army Group and USAREUR, so he is dual hatted.

CENTAG it is a combined command. We have the Third German Corps, Fifth and Seventh U.S. Corps and Second German Corps, in that order, on the frontier with the Soviet Union and East Germany.

COMMAND ROLES IN PEACETIME AND WARTIME

The Fourth Tactical Air Force is shown as being the supporting element for the Central Army Group. General Schultze commands Allied Forces in Central Europe (AFCENT).

COMMAND RELATIONSHIPS IN EUROPE



[SLIDE 3]

CINCUSAREUR RESPONSIBILITY

This slide shows that General Haig is dual hatted as SACEUR and USCINCEUR. CINUSAREUR has the responsibility in the event of hostilities for supporting U.S. forces and continuing the logistics and personnel flow and other roles that are unique from a service viewpoint. He also then has the combined headquarters as Commander of CENTAG.

MISSION - US ARMY EUROPE

- MAINTAIN A COMBAT-READY FORCE TO CARRY OUT ASSIGNED OPERATIONAL TASKS.
  - NATO MISSIONS
    (1) DETER WARSAW PACT AGGRESSION
    (2) DEFEAT WARSAW PACT AGGRESSION, IF REQUIRED
  - US UNILATERAL MISSION
    (1) INTELLIGENCE, ADMINISTRATIVE AND LOGISTIC SUPPORT OF US FORCES
    (2) CONTINGENCY OPERATIONS IN US EUROPEAN COMMAND AREA OF RESPONSIBILITY

[Slide 4]

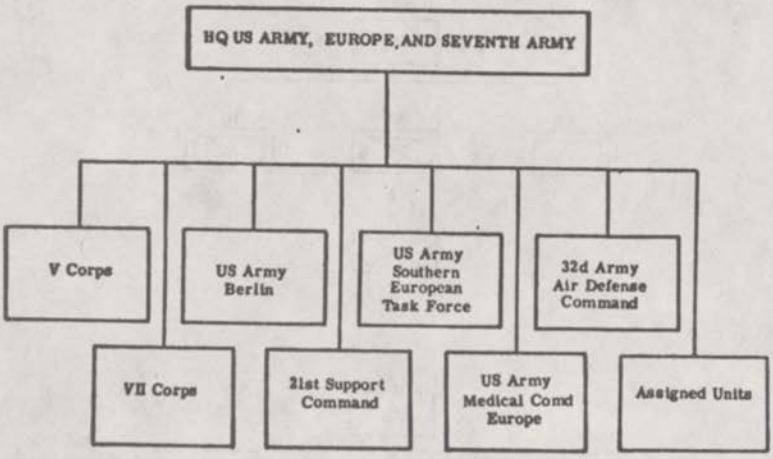
EUROPEAN MISSION OF THE U.S. ARMY

The missions of the Army as shown on this slide are to maintain the combat readiness of the force to carry out any assigned NATO missions. Its NATO missions do not pertain to the Army itself but to the Army forces there.

The transfer of operational command of those forces to the NATO chain occurs under prearranged conditions which relate to the act of aggression and progressively raise the readiness of the forces over there.

The unilateral missions are shown as intelligence, administration, logistics and contingency operations, if required of U.S. forces, in European areas of responsibility.

US ARMY EUROPE ORGANIZATION



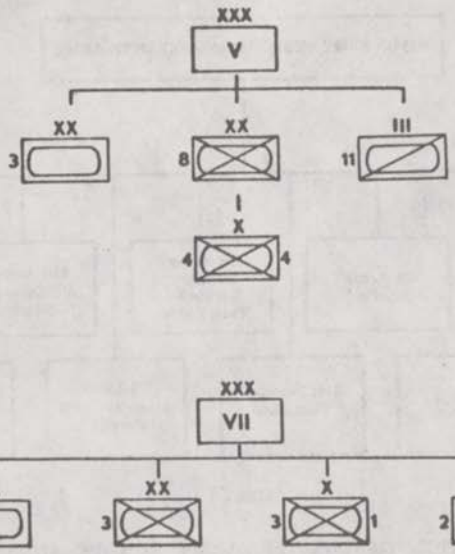
[SLIDE 5]

ORGANIZATION OF THE U.S. ARMY EUROPE (USAREUR)

On the next chart we show the U.S. Army Europe organization so far as major components are concerned. The Army in Berlin, 21st Support Command, Army Southern European Task Force, Medical Command, Air Defense and a few other assigned units. Most of them are under those major commands.

The major combat forces are shown on the next chart.

MAJOR USAREUR COMBAT UNITS



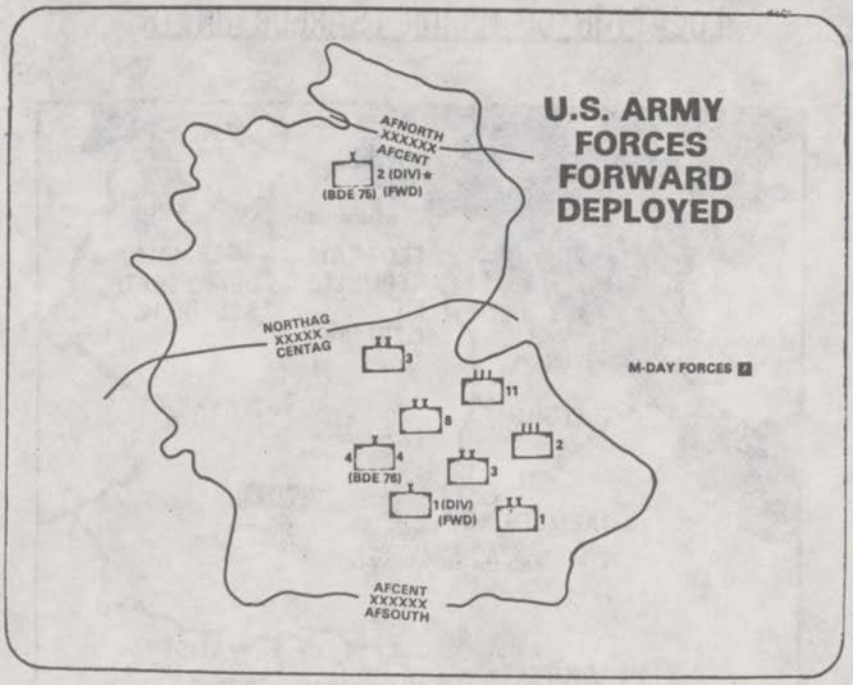
[SLIDE 6]

MAJOR COMBAT FORCES

The V Corps consists of the the 3d Armored and 8th Mechanized Division, the 11th Armored Cavalry Regiment on the border and the 4th Brigade of the 4th Mechanized Division.

The VII Corps consists of the 3d Brigade of the 1st Mechanized Division, the 3d Mechanized Infantry Division, 1st Armored Division, and the 2d Armored Cavalry Regiment.

Also there is one other brigade at Garlstedt in the North that recently moved there. It is the 2d Brigade of the 3d Armored Division.



[SLIDE 7]

FORWARD DEPLOYED FORCES

The next chart is a stylized picture of what they are doing over there. What I have referred to as the AFCENT area extends from the bottom part of the chart up to the northern boundary shown as the boundary between AFNORTH and AFCENT. In the NORTHAG area there are four corps of our allied nations. In the CENTAG area there are two American corps and two German corps.

Essentially our combat units line up in the order shown, with the two armored cavalry regiments on the border.

LOCATION OF MAJOR USAREUR UNITS



[SLIDE 8]

LOCATION OF USAREUR UNITS

On the next chart, again somewhat stylized, the location of the major USAREUR units, the V Corps in Frankfurt, CINCUSAREUR headquarters in Heidelberg, the VII Corps in Stuttgart.

MAJOR WEAPONS SYSTEMS - US ARMY EUROPE

TANKS

ARMORED PERSONNEL CARRIERS

8" HOWITZER

155MM HOWITZER

RED EYE

TOW

DRAGON

CHAPARRAL

HERCULES

LANCE

PERSHING

AH-IG (COBRA)

[SLIDE 9]

USAREUR WEAPON SYSTEMS

On the last chart are listed the major weapons systems that we have in Europe to do the missions I have talked about. I can in closed session give you numbers on any of those weapons systems, but those are the major elements of our combat power on the ground in Central Europe.

Senator HUDDLESTON. Can you identify some of those? TOW, for instance?

General FAITH. I can show you a picture of it. It is our wire guided antitank missile which is fired from APC or armored personnel carrier or helicopter.

Senator HUDDLESTON. How about Dragon and Chaparral?

General FAITH. The Dragon is also a smaller version of the TOW. That is the TOW on three of its carriers. This is the Dragon. It is a shoulder-fired weapon. It has shorter range, a slightly smaller missile. It is an anti-tank weapon.

Chaparral is one of our divisional type of air defense weapons.

Senator HUDDLESTON. Thank you, General.

Department of the Navy

STATEMENT OF REAR ADM. R. W. CHEWNING, DIRECTOR, POLITICO MILITARY POLICY DIVISION, OFFICE OF DEPUTY CHIEF OF STAFF, LOGISTICS AND ENGINEERING

PREPARED STATEMENT

Mr. Fliakas. Admiral Chewning.

Admiral Chewning. Mr. Chairman, I have provided a statement for the record. I propose to highlight some of the major points in that with your permission.

Senator Huddleston. Fine.

[The statement follows:]

PREPARED STATEMENT OF REAR ADM. ROBERT W. CHEWNING, USN

DIRECTOR, POLITICO MILITARY POLICY AND CURRENT PLANS DIVISION,
OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL ROBERT W. CHEWNING, DIRECTOR OF THE POLITICO MILITARY POLICY AND CURRENT PLANS DIVISION IN THE OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS FOR PLANS, POLICY AND OPERATIONS. IT IS A DISTINCT PRIVILEGE TO REPORT ON UNITED STATES NAVY BASING IN THE EUROPEAN THEATER, THE NAVY'S PARTICIPATION IN NATO INFRASTRUCTURE AND THE FY 1980 MILITARY CONSTRUCTION PROJECTS WHICH SUPPORT THESE BASES AND THE NATO INFRASTRUCTURE PROGRAM.

UNITED STATES INTEREST

BECAUSE OF OUR VITAL INTERESTS IN WESTERN EUROPE, THE NORTH ATLANTIC ALLIANCE IS THE CORNERSTONE OF OUR DEFENSE POLICY. THE PRIMARY THREAT TO EUROPEAN SECURITY IS, OF COURSE, THE LARGE AND IMPROVING WARSAW PACT FORCES FACING NATO'S CENTRAL REGION AND BOTH FLANKS. THE VUNERABILITY OF WESTERN EUROPE'S OIL SUPPLY, SOME 60 PERCENT OF WHICH COMES BY SEA FROM THE PERSIAN GULF, COULD ALSO PROVE TO BE OF GREAT IMPORTANCE IN THE PRESERVATION OF EUROPEAN FREE SOCIETIES.

NAVY CONTRIBUTION TO EUROPEAN DEFENSE

THE U.S. NAVY CONTRIBUTES TO EUROPEAN DEFENSE IN A VARIETY OF WAYS.

- IN PEACETIME, WE MAINTAIN THE SIXTH FLEET IN THE MEDITERRANEAN AS A DETERRENT AGAINST SOVIET ACTIONS AND AS A SOLIDIFYING FORCE FOR OUR FRIENDS AND ALLIES IN THE REGION. THE SIXTH FLEET HAS BEEN CALLED THE CEMENT THAT BINDS THE MEDITERRANEAN TOGETHER, AND IN A VERY REAL SENSE, THE FLEET HAS REDUCED THE LIKELIHOOD OF LOCAL DISPUTES ERUPTING INTO GENERAL CONFLICT.

- AS PART OF THE NATO ALLIANCE, THE U.S. NAVY WOULD OPERATE WITH ALLIED NAVAL FORCES IN THE DEFENSE OF EUROPE. BECAUSE OF THE NEED TO OPERATE AS A TEAM, THE NAVIES OF NATO HAVE DEVELOPED A VERY HIGH LEVEL OF STANDARDIZATION AND INTEROPERABILITY. TO INSURE THIS, MAJOR EXERCISES THROUGHOUT THE NATO AREA OCCUR REGULARLY TO TEST OUR ABILITY TO WORK TOGETHER IN PERFORMING ESSENTIAL SEA CONTROL TASKS. IN THE EVENT OF HOSTILITIES, THE ATLANTIC MARITIME CAMPAIGN WOULD BE A PARTNERSHIP, WITH THE U.S. NAVY PROVIDING SEA-BASED AIR AND AMPHIBIOUS POWER PROJECTION CAPABILITIES, HIGH TECHNOLOGY ASW AND OTHER "BLUE WATER" TASKS. ALLIES WOULD PROVIDE SOME OPEN OCEAN SUPPORT AND ALSO CONCENTRATE ON REGIONAL TASKS.

- IN CONTINGENCY SITUATIONS INVOLVING THE MIDDLE EAST AND PERSIAN GULF AREAS, THE NAVY IS READY WITH FORCES ON THE SCENE TO PROTECT U.S. INTERESTS AND ASSIST ALLIES. BECAUSE NAVAL FORCES DO NOT DEPEND GREATLY ON SUPPORT FROM THIRD COUNTRIES, WE CAN INFLUENCE EVENTS IN A CONSTRUCTIVE WAY WITHOUT BECOMING MIRED DOWN ASHORE.

- IN GENERAL WAR, THE NAVY IS CHARGED WITH ENSURING THE SAFE DELIVERY OF REINFORCEMENT AND RESUPPLY SHIPPING TO EUROPE. WE WOULD ALSO PROVIDE DIRECT SUPPORT TO THE FLANKS, THE DEFENSE OF WHICH IS LARGELY A NAVAL FUNCTION. OUR ABILITY TO PERFORM THOSE TASKS WILL DEPEND ON THE SUCCESS OF OUR EARLY OFFENSIVE ACTIONS AGAINST THE SOVIET NAVY, AFTER WHICH WE COULD APPLY SEA POWER AS REQUIRED TO PROVIDE MAXIMUM BENEFIT TO THE LAND AND AIR CAMPAIGNS IN EUROPE.

UNITED STATES NAVAL POSTURE IN THE EUROPEAN AREA

DURING NORMAL OPERATIONS, WE MAINTAIN THE FOLLOWING FORCES FORWARD DEPLOYED IN THE EUROPEAN AREA:

CARRIERS	2
SURFACE COMBATANTS	17
ATTACK SUBMARINES	5
AMPHIBIOUS SHIPS	6
MOBILE LOGISTICS SUPPORT FORCE	11

THESE FIGURES INCLUDE THE COMMAND SHIP AND TWO SURFACE COMBATANTS ASSIGNED TO THE MIDDLE EAST FORCE AND ONE SURFACE COMBATANT ASSIGNED FULL TIME TO THE NATO STANDING NAVAL FORCE ATLANTIC.

UNITED STATES MARINE CORPS

FORCES AFLOAT - 1 MARINE AMPHIBIOUS UNIT - 1,943 PERSONNEL

AIRCRAFT (FIXED WING AND HELICOPTERS)

UNITED STATES MARINE CORPS - 22

UNITED STATES NAVY - 222

SINCE THE NAVY AND MARINE CORPS IS A MOBILE FORCE, A MINIMUM OF BASES ARE REQUIRED IN THE EUROPEAN AREA, BUT THESE BASES ARE ESSENTIAL FOR THE EFFECTIVE PERFORMANCE OF THE NAVY'S MISSIONS IN EUROPE.

THE MISSIONS SUPPORTED FROM OUR ICELAND BASE WILL BE DISCUSSED, THEN A DISCUSSION OF MISSIONS IN THE MEDITERRANEAN SUPPORTED FROM BASES AT ROTA, SPAIN AND SIGONELLA, SICILY.

ICELAND

SURVEILLANCE OF THE SEA AND AIR EXPANSE IN THE GREENLAND-ICELAND-UNITED KINGDOM GAP IS THE PRIMARY MISSION OF U.S. NAVAL AND AIR FORCE UNITS BASED IN ICELAND. FROM OUR BASE AT KEFLAVIK CONTINUOUS PEACETIME OPERATIONS BY NAVY ANTI-SUBMARINE WARFARE (ASW) PATROL AIRCRAFT MAINTAIN CLOSE WATCH ON POTENTIALLY HOSTILE SUBMARINES TRANSITING THIS GAP. LAND-BASED ASW OPERATIONS CENTERS AND COMMUNICATIONS STATIONS AT KEFLVIK OPERATE IN CONJUNCTION WITH THESE ASW PATROL AIRCRAFT. MODERN WEAPONS SYSTEMS SUCH AS

THE AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT OPERATING FROM THE KEFLAVIK BASE PROVIDE COMMAND AND CONTROL IN THE AIR SPACE OF THIS STRATEGIC SECTOR OF THE EUROPEAN THEATRE. IN TIME OF WAR, DOMINANCE OVER SOVIET SUBMARINE FORCES IN THE NORTH ATLANTIC WOULD BE ESSENTIAL IF WE ARE TO SUSTAIN OUR COMBAT CAPABILITY IN EUROPE THROUGH RESUPPLY BY SEA. OUR BASE IN ICELAND WOULD BE USEFUL AS A MEANS OF ESTABLISHING SUCH DOMINANCE.

THE MILITARY CONSTRUCTION REQUEST THIS YEAR INCLUDES THE $16.2 MILLION GEOTHERMAL HEATING INITIATIVE AT KEFLAVIK WHICH BOTH SOLIDIFIES THE BILATERAL AGREEMENT UNDER WHICH WE USE THE BASE (MOU OF 1974 COMMITS US TO JOIN WITH ICELAND IN DEVELOPING GEOTHERMAL), AND AFFORDS US AN OPPORTUNITY TO SAVE 7.1 MILLION GALLONS OF HEATING OIL PER YEAR WHILE ATTAINING A PAY-BACK ON OUR CONSTRUCTION INVESTMENT IN LESS THAN TEN YEARS. A SECOND PROJECT IN ICELAND WILL CONSTRUCT A INCINERATOR, A JOINT ENDEAVOR WITH THE LOCAL COMMUNITIES.

MEDITERRANEAN AREA

THE SIXTH FLEET'S MISSION IS TO MAINTAIN A STRONG MOBILE CAPABILITY FOR POWER PROJECTION AND SEA CONTROL AND TO RAPIDLY REACT TO CRISES THROUGHOUT THE MEDITERRANEAN SEA AND ITS LITTORAL.

THE NAVY OPERATES TWO SHORE BASES IN THIS REGION, ONE AT SIGONELLA, SICILY; AND THE OTHER OUTSIDE OF THE MEDITERRANEAN, AT ROTA, SPAIN. THESE BASES FURNISH THE SIXTH FLEET SUPPORT IN THE FORM OF LAND-BASED ASW AIRCRAFT, CREW TRANSFERS, RESUPPLY, AVIATION MAINTENANCE SERVICES AND COMMUNICATIONS. BOTH BASES INCLUDE MODERN AIRFIELDS FROM WHICH LAND-BASED ASW PATROL AND FLEET LOGISTICS SUPPORT AIRCRAFT OPERATE IN CONJUNCTION WITH SIXTH FLEET UNITS.

IN RECENT YEARS, THE CENTRAL MEDITERRANEAN BASE AT SIGONELLA HAS EXPANDED COMMENSURATE WITH NEW MISSION ASSIGNMENTS. EXTENSIVE NATO INFRASTRUCTURE FUNDING IS CONTINUING TO BE APPLIED FOR OPERATIONAL FACILITIES AT BOTH THE AIRFIELD AND THE NEARBY AUGUSTA BAY PORT FACILITY. HOWEVER, U.S. FUNDING THROUGH MILITARY CONSTRUCTION IS NEEDED TO COMPLE-

41-638 O - 79 - 7

MENT THE NATO INITIATIVES BY PROVIDING PERSONNEL SUPPORT, ADMINISTRATION AND OTHER NATIONAL FACILITIES WHICH NATO DOES NOT PROGRAM.

THIS YEAR'S MILITARY CONSTRUCTION REQUEST IS FOR ADMINISTRATIVE, WAREHOUSING AND PASSENGER TERMINAL FACILITIES URGENTLY NEEDED BY U.S. STANDARDS AND PROCEDURES, BUT INELIGIBLE UNDER NATO INFRASTRUCTURE CRITERIA, WITH ITS FOCUS ON WARTIME OPERATIONAL FACILITIES ONLY.

AT THE ROTA, SPAIN BASE WE ARE REQUESTING FUNDING FOR A POWER CONVERTER THAT WILL ENABLE US TO BUY ELECTRICAL POWER FROM LOCAL SPANISH UTILITIES. AGAIN, IT IS FAR MORE ECONOMICAL EVEN IN THE SHORT RUN TO BUY POWER THAN TO CONTINUE TO PRODUCE OUR OWN IN A NAVY POWER PLANT, A 26-YEAR OLD FACILITY WITH WORN OUT GENERATING EQUIPMENT.

WHILE STRATEGIC SUBMARINE UNITS WILL WITHDRAW THIS SUMMER, I WANT TO AFFIRM A CONTINUING NEED FOR U.S. MILITARY OPERATIONS FROM THE ROTA BASE TO SUPPORT LAND-BASED ASW, AIRCRAFT, COMMUNICATION, POL STORAGE, FLEET REPLENISHMENT AND OTHER ESSENTIAL MISSIONS.

NAVY PARTICIPATION IN NATO INFRASTRUCTURE

OVER THE THIRTY ANNUAL SLICES APPROVED TO DATE, THE NATO COMMON INFRASTRUCTURE PROGRAM HAS FUNDED EXTENSIVE OPERATIONAL FACILITIES OF DIRECT BENEFIT TO THE U.S. NAVY. THESE BASES ARE LOCATED THROUGHOUT THE ATLANTIC AREA AND IN THE MEDITERRANEAN.

THE NATO BASES WE USE ARE FLEET ORDNANCE AND POL REPLENISHMENT DEPOTS THROUGHOUT THE ATLANTIC (ICELAND, AZORES, UK, NORWAY, PORTUGAL) AND IN THE MEDITERRANEAN (ITALY, SICILY, SARDINIA, TURKEY, CRETE).

WE ARE ALSO FULL AND PART-TIME USERS OF NATO MARITIME PATROL AIRFIELDS (FULL TIME: KEFLAVIK, BERMUDA, AZORES, SIGONELLA; PART TIME: SOUDA BAY CRETE, BODO AND ANDOYA NORWAY, MONTIJO, PORTUGAL, MACHRIHANISH, SCOTLAND).

THE AGGREGATE VALUE OF NATO FUNDED PROJECTS DIRECTLY BENEFITING THE U.S. NAVY IN THE MEDITERRANEAN AREA OVER THE PAST TEN YEARS TOTALS $162 MILLION. THESE FACILITIES HAVE BEEN CENTERED AT SIGONELLA AND OTHER CENTRAL MEDITERRANEAN POL AND AMMUNITION STORAGE DEPOTS.

NATO PROGRAMS HAVE FUNDED EXTENSIVE CONSTRUCTION IN ICELAND AND THE EASTERN ATLANTIC OVER THE PAST TEN YEARS. THIS INCLUDES FLEET POL AND AMMUNITION REPLENISHMENT FACILITIES DIRECTLY BENEFITING THE U.S. NAVY IN PORTUGAL, UK AND NORWAY, VALUED AT $79 MILLION.

IN ICELAND, A MAJOR POL STORAGE FACILITY TO SERVE U.S. NAVY WARTIME NEEDS IN THE NORTH ATLANTIC WAS COMPLETED USING NATO FUNDS, IN 1969. SINCE THEN, SOME $15 MILLION OF NATO FUNDING HAS BEEN APPROVED FOR VARIOUS NAVY FACILITIES IN ICELAND.

CONCLUSION

THE NAVY'S BASES IN THE EUROPEAN AREA ARE IMPORTANT TO THE COMBAT READINESS OF NAVAL AND MARINE FORCES OF THE SIXTH FLEET.

THE NAVY'S FY 1980 MILITARY CONSTRUCTION REQUEST FOR THE EUROPEAN AREA IS $35.4 MILLION AND INCLUDES EIGHT PROJECTS AT NAVAL SHORE INSTALLATIONS IN ICELAND, THE UNITED KINGDOM, SPAIN AND ITALY. APPROXIMATELY HALF ($16.2 MILLION OR 46 PERCENT) OF OUR REQUEST CENTERS ON A SINGLE PROJECT FOR A GEOTHERMAL HEATING SYSTEM AT KEFLAVIK, ICELAND. THE BALANCE OF THE REQUEST COVERS INDIVIDUAL OPERATIONAL, UTILITIES AND LOGISTICS SUPPORT PROJECTS AT THE OTHER LOCATIONS IN EUROPE.

WITHIN THE MILITARY CONSTRUCTION BUDGET, THE NAVY CONTINUALLY STRIVES TO ACHIEVE A PROPER BALANCE BETWEEN FACILITIES INVESTMENTS IN THE EUROPEAN AND PACIFIC THEATERS OF OPERATIONS AND THE LOGISTICS SUPPORT BASES IN THE UNITED STATES.

BIOGRAPHICAL SKETCH

REAR ADMIRAL ROBERT W. CHEWNING, UNITED STATES NAVY

Robert Wills Chewning was born in Charlottesville, Virginia, on December 23, 1929, son of Dr. Carroll Wills Chewning and Mrs. (Vivienne Akers) Chewning. He graduated from Randolph Macon Academy, Front Royal, Virgina and attended the University of Virginia at Charlottesville, for one year, prior to entering the U.S. Naval Academy, Annapolis, Maryland, on appointment from his native state in 1949. Graduated and commissioned Ensign on June 5, 1953, he subsequently advanced in rank to that of Rear Admiral, to date from July 1, 1975.

Following graduation from the Navy Academy in 1953, he remained there as a Plebe Drill Instructor and Boxing Coach until September of that year, then joined the USS RADFORD (DDE-446) as First Lieutenant. Detached from that antisubmarine destroyer in May 1955, he next had submarine training at the Submarine School, New London, Connecticut. Completing instruction there in December 1955, he reported the next month on board the USS AMBERJACK (SS-522). In January 1958 he returned to the Submarine School to attend the Nuclear Power School. From July 1958 to February 1959 he had nuclear power training at the prototype, Nuclear Power Training Unit, Idaho Falls, Idaho, after which he had special nuclear power training at the Bettis Plant, Atomic Power Laboratory, Pittsburgh, Pennsylvania.

In March 1959 he joined the pre-commissioning Blue Crew of the USS GEORGE WASHINGTON (SSBN-598) and is entitled to the ribbon for and a facsimile of the Navy Unit Commendation awarded that fleet ballistic missile submarine. In September 1961 he transferred to the USS SKIPJACK (SSN-585) to serve as Engineer Officer and Executive Officer. He attended the Prospective Commanding Officers School at the Submarine Base, New London, Connecticut, during March and April 1964, then had fleet ballistic missile training at the Guided Missile School, Dam Neck, Virginia. In June 1964 he reported as Executive Officer of the Blue Crew of the USS ALEXANDER HAMILTON (SSBN-617). During June and July 1965 he again attended the Prospective Commanding Officers School, then had further training in the Bureau of Ships, Navy Department, Washington, D.C.

He assumed command of the USS HADDO (SSN-604) in November 1965, and for outstanding services in that assignment was awarded the Legion of Merit and the Navy Commendation Medal. The citations follow in part:

Legion Of Merit: "For exceptionally meritorious conduct.... in 1966...Displayed exceptional professional competence, sound judgment and resourcefulness, Commander Chewning planned and successfully executed an extremely complex and important independent submarine operation..."

Navy Commendation Medal: "For meritorious achievement during a period in 1967. Through his outstanding leadership, professional skill and sound judgment, Commander Chewning was instrumental in achieving results of significant value to national security... "

He is also entitled to the ribbons for the Navy Unit Commendation and Meritorious Unit Commendation awarded the USS HADDO.

In September 1967 he assumed command of the Nuclear Power Training Unit, Idaho Falls, where he served until October 1970. He was Commander Submarine Division FIFTY-ONE from November 1970 to June 1971, and the next month assumed command of Submarine Squadron SEVEN. In May 1972 he became Commander Submarine Flotilla FIVE as an additional duty until this command was disestablished in May 1973. At the same time he assumed command of Submarine Squadron ONE and when squadrons SEVEN and ONE were combined in July 1973, he continued command of the newly formed squadron as Commander, Submarine Squadron ONE until July 1974. In September 1974 he reported for duty as Chief Navy Section, Joint U.S. Military Mission for Aid to Turkey where he served until September 1976. He then became Special Assistant to Deputy Chief of Naval Operations (Plans, Policy and Operations), from October 1976 to August 1977. He presently serves as Director, Politico-Military Policy and Current Plans Division, Office of the Deputy Chief of Naval Operations for Plans, Policy and Operations.

In addition to the Legion of Merit, the Navy Commendation Medal, the Navy Unit Commendation Ribbon with Bronze Star and the Meritorious Unit Commendation Ribbon, Rear Admiral Chewning has the Navy Expeditionary Medal; China Service Medal; National Defense Service Medal with Bronze Star; Korean Service Medal; Vietnam Service Medal; and the United Nations Service Medal.

His home town address is Box 566, Orange, Virginia. He is married to the former Virginia Louise Harvey of Kilmarnock, Virginia and they have three children, Carol Winter, Virginia Sue and Rush Wills Chewning.

NAVY BASING IN EUROPEAN THEATER

Admiral CHEWNING. Mr. Chairman and members of the committee, I am Rear Adm. Robert W. Chewning, Director of the Politico Military Policy and Current Plans Division in the Office of the Deputy Chief of Naval Operations for Plans, Policy and Operations.

It is a distinct privilege to report on U.S. Navy basing in the European Theater, the Navy's participation in NATO infrastructure and the fiscal year 1980 military construction projects which support these bases and the NATO infrastructure program.

U.S. INTEREST

Because of our vital interests in Western Europe, the North Atlantic Alliance is the cornerstone of our defense policy. The primary threat to European security is, of course, the large and improving Warsaw Pact Forces facing NATO's central region on both flanks. The vulnerability of Western Europe's oil supply, some 60 percent of which comes by sea from the Persian Gulf, could also prove to be of great importance in the preservation of European free societies.

NAVY CONTRIBUTION TO EUROPEAN DEFENSE

The U.S. Navy contributes to European defense in a variety of ways.

In peacetime, we maintain the 6th Fleet in the Mediterranean as a deterrent against Soviet actions and as a solidifying force for our friends and allies in the region. The 6th Fleet has been called the cement that binds the Mediterranean together, and in a very real

sense, the fleet has reduced the likelihood of local disputes erupting into general conflict.

As part of the NATO alliance, the U.S. Navy would operate with allied naval forces in the defense of Europe. Because of the need to operate as a team, the navies of NATO have developed a very high level of standardization and interoperability. We do this through operating together common doctrine, common communications procedures, et cetera, common fuel and a number of other things.

To insure this, major exercises throughout the NATO area occur regularly to test our ability to work together in performing essential sea control tasks. In the event of hostilities, the Atlantic maritime campaign would be a partnership, with the U.S. Navy providing sea-based air and amphibious power projection capabilities, high technology ASW and other "blue water" tasks.

We envision the allies would provide some open ocean support and also concentrate on regional tasks such as mining or mine countermeasures.

In contingency situations involving the Middle East and Persian Gulf areas, the Navy is ready with forces on the scene to protect U.S. interests and assist allies. Because naval forces do not depend greatly on support from third countries, we can influence events in a constructive way without becoming mired down ashore.

In general war, the Navy is charged with insuring the safe delivery of reinforcement and resupply shipping to Europe. We would also provide direct support to the flanks, the defense of which is largely a naval function. Our ability to perform those tasks will depend on the success of our early offensive actions against the Soviet Navy, after which we could apply sea power as required to provide maximum benefit to the land and air campaigns in Europe.

U.S. NAVAL POSTURE IN THE EUROPEAN AREA

During normal operations, we maintain the following forces forward deployed in the European area: Carriers—2; surface combatants—17; attack submarines—5; amphibious ships—6; and mobile logistics support force—11.

These figures include the command ship and two surface combatants assigned to the Middle East force and one surface combatant assigned full time to the NATO Standing Force Atlantic.

U.S. MARINE CORPS

Forces afloat—one marine amphibious unit—1,943 personnel.

Aircraft (fixed wing and helicopters): U.S. Marine Corps—22 and U.S. Navy—222.

Since the Navy and Marine Corps is a mobile force, a minimum of bases are required in the European area, but these bases are essential for the effective performance of the Navy's missions in Europe.

The missions supported from our Iceland base will be discussed, then a discussion of missions in the Mediterranean supported from bases at Rota, Spain and Sigonella, Sicily.

ICELAND

Surveillance of the sea and air expanse in the Greenland-Iceland-United Kingdom gap, commonly called the Giuk gap, is the primary mission of U.S. naval and Air Force units based in Iceland. From our base at Keflavik continuous peacetime operations by Navy anti-submarine warfare (ASW) patrol aircraft maintain close watch on potentially hostile submarines transiting this gap.

Land-based ASW operations centers and communications stations at Keflavik operate in conjunction with these ASW patrol aircraft. Modern weapons systems such as the airborne warning and control system (AWACS) aircraft operating from the Keflavik base provide command and control in the air space of this strategic sector of the European theater.

In time of war, dominance over Soviet submarine forces in the North Atlantic would be essential if we are to sustain our combat capability in Europe through resupply by sea. Our base in Iceland would be useful as a means of establishing such dominance.

The military construction request this year includes the $16.2 million geothermal heating initiative at Keflavik which both solidifies the bilateral agreement under which we use the base [MOU of 1974 commits us to join with Iceland in developing geothermal], and affords us an opportunity to save 7.1 million gallons of heating oil per year while attaining a payback on our construction investment in less than 10 years. A second project in Iceland will construct an incinerator, a joint endeavor with the local communities.

MEDITERRANEAN AREA

The 6th Fleet's mission is to maintain a strong mobile capability for power projection and sea control and to rapidly react to crises throughout the Mediterranean sea and its littoral.

The Navy operates two shore bases in this region, one at Sigonella, Sicily; and the other outside of the Mediterranean, at Rota, Spain. These bases furnish the 6th Fleet support in the form of land-based ASW aircraft, crew transfers, resupply, aviation maintenance services and communications. Both bases include modern airfields from which land-based ASW patrol and fleet logistics support aircraft operate in conjunction with 6th Fleet units.

In recent years, the central Mediterranean base at Sigonella has expanded commensurate with new mission assignments. That is basically a reassignment of logistics function. Extensive NATO infrastructure funding is continuing to be applied for operational facilities at both the airfield and the nearby Augusta Bay port facility. However, U.S. funding through military construction is needed to complement the NATO initiatives by providing personnel support, administration and other national facilities which NATO does not program.

This year's military construction request is for administrative, warehousing and passenger terminal facilities urgently needed by U.S. standards and procedures, but ineligible under NATO infrastructure criteria, with its focus on wartime operational facilities only.

At the Rota, Spain, base we are requesting funding for a power converter that will enable us to buy electrical power from local

Spanish utilities. Again, it is far more economical even in the short run to buy power than to continue to produce our own in a Navy powerplant, a 26-year-old facility with worn-out generating equipment.

While strategic submarine units will withdraw this summer, I want to affirm a continuing need for U.S. military operations from the Rota base to support land-based ASW, aircraft, communication, POL storage, fleet replenishment and other essential missions.

NAVY PARTICIPATION IN NATO INFRASTRUCTURE

Over the 30 annual slices approved to date, the NATO common infrastructure program has funded extensive operational facilities of direct benefit to the U.S. Navy. These bases are located throughout the Atlantic area and in the Mediterranean.

The NATO bases we use are fleet ordnance and POL replenishment depots throughout the Atlantic (Iceland, Azores, United Kingdom, Norway, Portugal) and in the Mediterranean (Italy, Sicily, Sardinia, Turkey, Crete).

We are also full- and part-time users of NATO maritime patrol airfields (full time: Keflavik, Bermuda, Azores, Sigonella; part time: Souda Bay, Crete, Bodo and Andoya, Norway, Montije, Portugal, Machrihanish, Scotland).

The aggregate value of NATO funded projects directly benefiting the U.S. Navy in the Mediterranean area over the past 10 years totals $162 million. These facilities have been centered at Sigonella and other central Mediterranean POL and ammunition storage depots.

NATO programs have funded extensive construction in Iceland and the eastern Atlantic over the past 10 years. This includes fleet POL and ammunition replenishment facilities directly benefiting the U.S. Navy in Portugal, United Kingdom, and Norway, valued at $79 million.

In Iceland, a major POL storage facility to serve U.S. Navy wartime needs in the North Atlantic was completed using NATO funds, in 1969. Since then, some $15 million of NATO funding has been approved for various Navy facilities in Iceland.

CONCLUSION

The Navy's bases in the European area are important to the combat readiness of naval and marine forces of the 6th Fleet.

The Navy's fiscal year 1980 military construction request for the European area is $35.4 million and includes eight projects at naval shore installations in Iceland, the United Kingdom, Spain, and Italy. Approximately half ($16.2 million or 46 percent) of our request centers on a single project for a geothermal heating system at Keflavik, Iceland. The balance of the request covers individual operational, utilities and logistics support projects at the other locations in Europe.

Within the military construction budget, the Navy continually strives to achieve a proper balance between facilities investments in the European and Pacific theaters of operations and the logistics support bases in the United States.

Mr. Chairman, that completes my statement.

Senator HUDDLESTON. Admiral, of the total NATO naval effort, what percentage is supplied by the United States?

Admiral CHEWNING. The U.S. Navy provides the majority of the combat capability Mr. Chairman. In total numbers of ships it does not look like such an imbalance. However if you look at the combat capability in existing ships the U.S. Navy contributes about 80 percent.

Senator HUDDLESTON. What are these noncombat vessels?

Admiral CHEWNING. Noncombat vessels are things like supply vessels, but total combat capability is very hard to define. That is the total capability to compete in modern warfare.

Senator HUDDLESTON. Are the bases at Sigonella and Rota in any kind of jeopardy from negotiations?

Admiral CHEWNING. Mr. Chairman, I think as you probably know, the Rota base comes up for renegotiation in 1981. We are on a 5-year term. As usual, I would anticipate there will be some readjustments but I don't know anything at this point in time that is in jeopardy.

Mr. FLIAKAS. The most sensitive issue was taken care of in the last treaty with the recall of the fleet ballistic missiles.

Admiral CHEWNING. Mr. Chairman, we have no indication of any serious problems in our relations with Italy.

Senator HUDDLESTON. It would be very hard to replace those bases?

Admiral CHEWNING. They are very strategically located. We need some place to come back to get the bullets and POL.

Senator HUDDLESTON. Do you have any questions of the admiral?

Senator LAXALT. I don't think so, Mr. Chairman.

Mr. FLIAKAS. I would like to conclude with Major Liebner of the Department of the Air Force.

Department of the Air Force

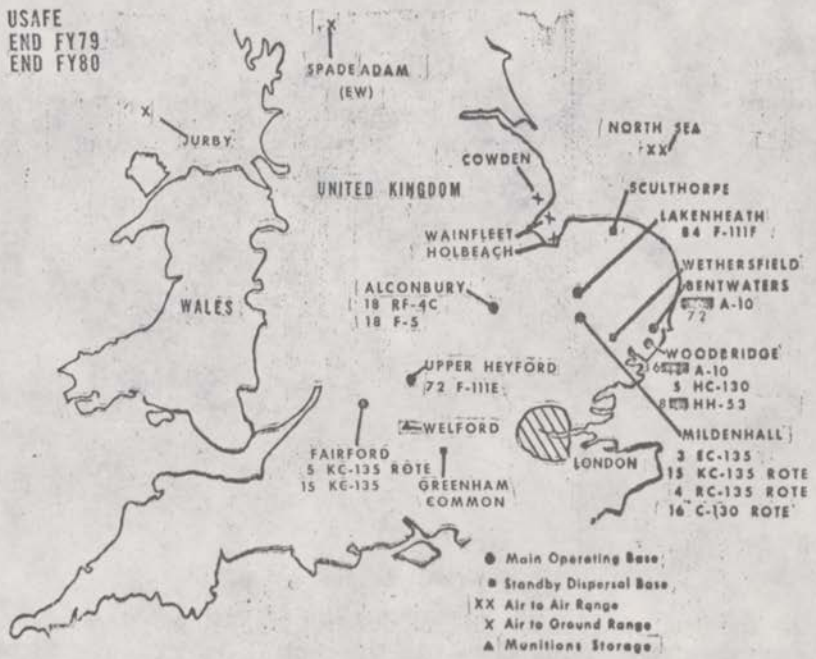
STATEMENT OF MAJOR LIEBNER, DEPARTMENT OF THE AIR FORCE

ACCOMPANIED BY:

MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR, ENGINEERING AND SERVICES, CHIEF OF STAFF, LOGISTICS AND ENGINEERING

FORCE STRUCTURE CHANGES

Major Liebner. In fiscal year 1979 and 1980 I will show the force structure changes that are taking place in USAF.



[Slide 1]

INTRODUCTION OF AIRCRAFT

Major Liebner. The changes that I am sure you are aware of are the introduction of the A-10 to Bentwaters/Woodbridge. The KC-135 at Fairford should be introduced this year also, sir.

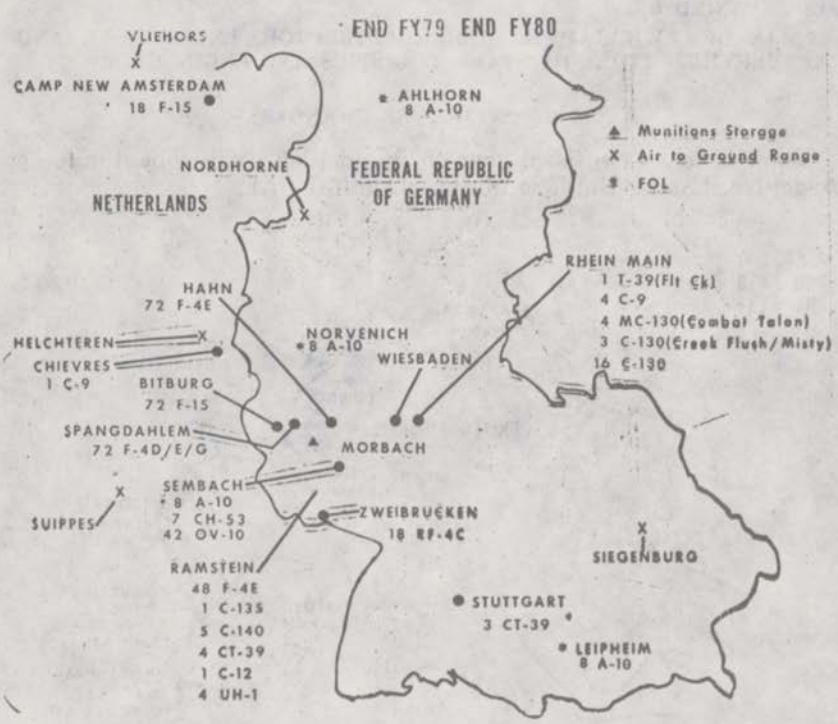
Senator Huddleston. That is a new operation there, the KC-135?

Major Liebner. Yes, sir, at Fairford.

Senator HUDDLESTON. Does that mean there are five of them to be located there?

Major LIEBNER. Yes, sir. There are none at this time. There will be a total of 15 by next year.

At Bentwaters we increase from 54 A–10's to 72 and at Woodbridge, we increase from 18 to 36 A–10's. The remaining force remains the same.



[SLIDE 2]

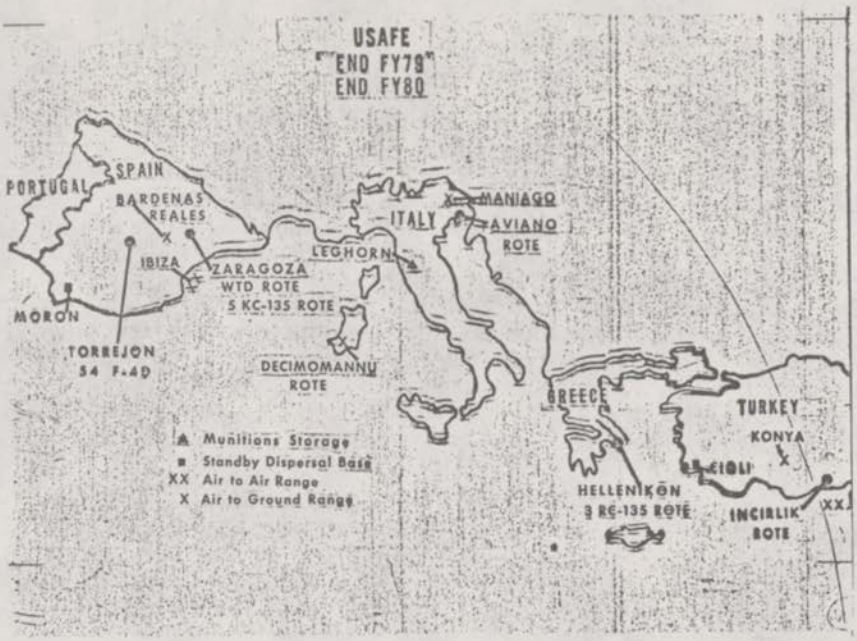
CENTRAL REGION

In the central region we introduced the F–15 at Camp New Amsterdam. The A–10's shown in the central region come out of Bentwaters/Woodbridge. The forward operating bases are Ahlhorn, Norvenich, and Leipheim.

As a result of the F–15's introduction into the central region, we distribute some F–4 aircraft within the region to Ramstein. We built Ramstein up from 24 to 48 F–4's.

In addition, Spandahlem was increased by an additional squadron of F–40's during this period.

In 1980 the only change is the introduction of these A–10's moving forward from Bentwaters/Woodbridge to the Forward Operating Locations (FOL's).



[SLIDE 3]

SOUTHERN REGION FORCE

In the FRG the force in the southern region remains unchanged. We have 54 "C" models at Torrejon. The conversion is taking place this year. The "D's" come from Bentwaters/Woodbridge. We do have rotational commitments at Aviano, Italy and Incirlik, Turkey. At the present time we are not pulling any at Aviano. At Incirlik we have had up to 24 F-4's on rotation. At the present time we have 12 F-4's on rotation coming from bases in FRG.

Beginning this summer, Torrejon, as in the past, will again have the rotational commitment at Incirlik.

At Decimomannu, Italy the ACMI facility will have between 17 and 19 aircraft. They will be either F-4's or F-15's and five to seven F-5's.

There is no change in the southern region for fiscal year 1980.

That concludes my presentation.

Senator HUDDLESTON. You mentioned in your statement the introduction of new systems bringing on new requirements.

NEW SYSTEMS AND RELATED CONSTRUCTION REQUIREMENTS

Mr. FLIAKAS. In addition to those we have already mentioned other such as the Patriot Air Defense System, and the F-15 as we have already heard. These are the ones that come to mind.

Senator HUDDLESTON. They will require additional construction?

Mr. FLIAKAS. Yes, sir. I will ask General Gilbert to go into the details of any specific construction required to support the F-15's, for example.

General GILBERT. The F-15, of course, has a different engine of any aircraft we have ever had in the inventory. It is an accordion

type engine and opens in modules. Therefore, most of the engine repair facilities we have today just will not accommodate the F–15 engine.

In addition, it has a highly sophisticated avionics system that requires extensive test equipment and adequate power. Our avionic facilities today cannot accommodate the test equipment and peculiar engine test facility requirements associated with the F–15.

The A–10, of course, has its peculiarities also. The configuration of the engines on the aircraft require different engine test facilities than do our current aircraft. It also has some other facility peculiar requirements associated with it. There are some weapon systems that we will continue to introduce into Europe on which announcements have not been made, but will likewise require some peculiar facility requirements along with them.

Senator HUDDLESTON. Senator Laxalt.

NATO FUNDING PROCESS

Senator LAXALT. Mr. Secretary, as you know, I am new on this subcommittee. Can you describe to me the process by which our share of the NATO funding is determined?

Mr. FLIAKAS. Yes, sir. It is my understanding that this is a negotiated share depending upon the ability to assume the burden based on the gross national product and other factors. The last negotiated rate was at 27 percent, 27.2, I believe, with the United States and the FRG being the largest contributors to the infrastructure program. There are some nations who's contributions are very low and one nation that does not contribute at all. This is Iceland which has no forces. Others such as Greece and Turkey have a very small percentage.

Senator LAXALT. Do these people sit down once a year? What is the process?

Mr. FLIAKAS. I can ask Mr. Loveland to describe the process.

Senator LAXALT. Not in any great detail. I want to get a feeling how this comes to us.

U.S. Mission to NATO

STATEMENT OF T. J. LOVELAND, DIRECTOR, INFRASTRUCTURE AND LOGISTICS DIVISION, U.S. MISSION TO NATO

ACCOMPANIED BY:

LT. GEN. RICHARD H. GROVES, DEPUTY ADVISER TO SECRETARY OF DEFENSE ON NATO AFFAIRS

PREPARED STATEMENT

Senator Laxalt. Mr. Loveland of the U.S. Mission to NATO is next. Your prepared statement will be inserted into the record after which you may summarize your statement.

[The statement follows:]

PREPARED STATEMENT OF T. J. LOVELAND
U.S. MISSION NATO

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 $150 million, a TOA of $150 million and an appropriation of $150 million for Fiscal Year 1980 as the US share of the common funded NATO Infrastructure Program. From FY 1968 to FY 1978 the US contribution to the NATO Infrastructure Program was funded under Authorizations and Appropriations for Military Construction Army. Starting in FY 1979 Congress decided to include it in Military Construction - Defense Agencies since the line item was in support of all three Services. 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, nor has it covered in the past 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 $5.7 billion are under construction or completed, and facilities worth another $1.8 billion are programmed. The program has given NATO 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 gradully 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 launched, the third and final one in 1978. 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 have been providing facilities to support reinforcement on the flanks. Improved air defense, weapons stroage 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 "prefinanced" basis in order to ensure early construction and we will achieve recoupment of some $50 million in cash or credit against those costs in FY 79. 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 under the Long-Term Defense Program approved at the Washington Summit in May 1978.

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 portion now being used for completion 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 has been followed through 1978, with the final payment due in June 1979. NATO is using 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. NATO has 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 prior 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.

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 some of the 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 of Slices XXI-XXV (1970-1975) was reduced from 29.67% 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 1979, 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 1979 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, four of the first five large NICS contracts have been awarded to US contractors -- we did not compete in the fifth contract. The DPC has also agreed that the new policy on tax-free bid comparison will govern future Infrastructure Programs.

We continue to enjoy a greater benefit from this NATO program than could be expected from the size of our contribution. If we excluded 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. We have just completed a study for the House Appropriations Committee which concluded that for Slices XXIII - XXIX (1972-1978) US projects amounted to 41.36% of all projects programmed for use by national forces, but our formal contribution remained at 27.3% of the entire program, and our "effective" share was only 21.56%. 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 have had for the period 1975-1979, a new US Special Program of Infrastructure project in support of "stationed forces." Through this device we have included in it for the exclusive benefit of US forces, 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 (raised to some $140 million with the subsequent augmentation of the 1975-1979 program) in support of US forces which by their calculations reduced 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 then current economic conditions. We have now programmed the entire amount devoted to the US Special Program and we believe the results to be conclusive. 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 have legitimately constituted an effective reduction in the US cost share of the normal Infrastructure 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 were programmed at a rate which exhausted them before the fifth year. In consequence, Defense Ministers agreed in 1977 to an increase of $523 million -- thus bringing total fund availability in the 1975-1979 period close to the $2 billion which we originally supported. The increase funds include provision of an increase of the US Special Program by $38.5 million, thus permitting realistic increments in 1978-1979.

Negotiations between the nations for a new cost ceiling and cost sharing agreement for Slices XXXI-XXXV (1980-1984) have been delayed awaiting evaluation of the total requirement by NATO Military Authorities (NMAs). In effect, at the Washington Summit in May 1978, NATO Heads of Government agreed to programmatic improvements in ten critical defense areas, many of which require application of infrastructure funds. Thus in October 1978, the NMAs estimated the requirement at $6.65 billion for continuing programs and some $1.8 billion for the new programs which, with inflation and contingencies, amounted to some $8.5 billion. The NMAs have stated that this is a "real" requirement which should be implemented in 1980-1984, but they recognized that practicality may limit the available funds to about $6.65 billion, a figure they regard as the barely acceptable minimum. This corresponds to the US negotiating stance in that it would provide for an increase of about 50% in the implementation rate of the 1975-1979 period (including prefinanced works) and for repayment for prefinanced projects. We have been joined at that figure by four of the Allies; one Ally has proposed $5.34 billion with a later review to determine whether the implementation rate justifies additional funds, and other Allies are supporting a ceiling of $4.45 billion - with or without the later review. We aim to achieve agreement at least to the $5.34 billion level with later review as in the last two five-year programs. The cost sharing portion of the negotiation has been very difficult with most Allies insisting on a return to official, rather than effective shares. As a compromise between those desiring to revert to official shares and the US which is insisting that all operational projects for US forces assigned to NATO must be provided by the Infrastructure Program, Norway and Denmark have proposed that a large portion of the program be devoted to a new "Reinforcement Support Category." This category would provide the facilities in conjunction with external reinforcements (POMCUS, storage for munitions and attrition replacement equipment, aerial and sea ports, etc.) irrespective of historical eligibility considerations, but in consonance with NMAs' established priorities. We have reason to believe that this proposal will be sufficiently attractive to NATO nations to allow resolution of the cost sharing question and we

will recommend its acceptance if it provides the facilities which will allow the US to implement its commitments made at the Summit.

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 1980. 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 1980. For example, Slice XXX will be approved in April 1979 and Slice XXXI is scheduled for approval by December 1979. From this total of project backlog, plus planned programs for FY 1980, 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 1980, that is, before 1 October 1979. This may be shown in tabular form as follows:

(1)	As of 30 September 1978, value of projects in Slices II through XXX, yet to be authorized by the NATO P&P Committee totalled	$1,822.0 million
(2)	Deduct estimated P&P Committee authorizations during FY 1979	$ 511.0 million
(3)	Total value of work to be funded as of 1 October 1979	$1,311.0 million
(4)	To this, we must add Slice XXXI (estimated), scheduled for approval by the end of 1979	$1,334.7 million
(5)	Total, Items (3) and (4) above	$2,645.7 million

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 FY 80 of $546.0 million.

In defense of our FY80 request, and of our request for supplemental authorization and appropriation for FY79, I should like to discuss the effects of dollar devaluation on this program which is governed by our commitments to a financial ceiling defined in "real values." Because our estimates for FY78 were made at a rate of $3.38 to the IAU (the denomination of our commitment and eventual obligation) and our obligations were made variously at $3.738, $3.868, and $4.208, we incurred a shortfall in funds of some $13.6 million to which must be added some $6 million loss in making payments at bank rates during the first half of FY1978, for a total shortfall of some $19.6 million. We were able to accommodate this situation by an increase in the rate of recoupment of prefinancing funds and by postponing some $15 million of obligations until FY79. Even this precarious solution was only made possible by a decision by Congressional Committees obviating the requirement to revalue the total of our unliquidated obligations (some $300 million, most of which is carried at the $3.738 rate which pertained until 31 December 1977), and by postponing the third quarter CY 1978 payment and consequent currency exchange loss into FY79. These actions created a mortgage against FY79 funds and, in addition, we estimate an additional currency exchange loss of about $12 million resulting from the increase in the rate of $3.738 at the time of the estimate to the current $4.449 since 1 January 1979. Associated losses of some $18.4 million on the five quarterly pay sheets (one postponed from FY 1978) bring total currency exchange losses for FY 1978 and 1979 to some $50 million. The FY 1979 supplemental request for the Infrastructure Program amounts to $46.2 million in appropriations and $34.9 million in authorization. We believe that the granting of the supplemental request, and perhaps some additional recovery of prefinanced funds, will allow us to meet US commitments through 30 September 1979 even though our efforts at increasing the rate of implementation of infrastructure projects appear to be succeeding beyond our expectations. It is apparent, however, that our current appropriation will be exhausted by the end of April and that, failing approval

of the supplemental request by that time, we will be forced to bring the program to a halt for financial reasons at the same time that we are pleading with our Allies to double, or even triple, the cost of the program. We would request, therefore, that approval of the supplemental request be expedited as much as possible.

For FY 1980, the currency exchange problem will still be with us in that dollar devaluation has already increased our estimate to some $160 million and the rate of implementation is apt to continue to increase by as much as $40 million over our original estimate. While this phenomenon supports our efforts to achieve a larger Infrastructure Program, it will also require additional US funds from the US MILCON Program.

RENEGOTIATION OF PERCENTAGE

Mr. LOVELAND. This is negotiated every 5 years when we decide on the ceiling for the amount required for the following 5 years.

Senator LAXALT. What is renegotiated, the percentage?

Mr. LOVELAND. Yes. We started at about 50 percent when the program started in 1950 and the European economy was ruined. Gradually we have dropped the U.S. share to an official share of 27 percent which was calculated in last year's hearings at 21.5 percent because of some other considerations.

DETERMINATION OF FISCAL YEAR 1980 INFRASTRUCTURE REQUEST

Senator LAXALT. Our share I gather this year is $150 million?

Mr. FLIAKAS. The $150 million is a budget request on the basis of the anticipated commitments or obligations that will be required in fiscal year 1980.

Senator LAXALT. How do we arrive at that figure? Does somebody come up with a budget somewhere?

Mr. LOVELAND. No, sir. I examine the backlog of projects that are already approved in annual programs and which we expect will come forward for funding.

Senator LAXALT. Within the full NATO structure?

Mr. LOVELAND. Within the full infrastructure program.

Senator LAXALT. Do we do the planning?

Mr. LOVELAND. The host nations do it. The nations in which the works are to be performed.

Mr. FLIAKAS. As I understand it, the NATO military commanders responsible for various areas of the alliance, develop their requirements and submit them on an approved project basis for payment annually, the process actually goes on throughout the year in a regular cycle. We are in the process now of negotiating the next 5-year program. We have gone on record, as I indicated in my statement, for a much larger program based on the long-term defense program needs agreed to by the heads of state.

We feel that a sizable increase is in order. The last 5-year program was at $540 million IAU's, which is an infrastructure ac-

counting unit, currently 4.45 to the dollar. We believe, based on the requirements established by the NATO commanders plus our own assessment, that at least a threefold increase is required.

Now, all nations do not agree with that large a program and this is in the negotiation stage now. Hopefully it will be settled by May of this year, at the next defense planning committee meeting.

Senator LAXALT. Mr. Secretary, do you or some of your staff people meet with your counterparts annually to come up with these numbers?

Mr. FLIAKAS. The U.S. mission in NATO, which Mr. Loveland represents, is our instrument for that.

Senator LAXALT. So you are the man?

Mr. LOVELAND. Yes, sir.

Senator LAXALT. I am just trying to find out.

Mr. FLIAKAS. We have a U.S. mission in NATO which join with the international staff in developing these programs.

Senator LAXALT. This is a process I guess that is ongoing and sometime during the course of each year you sit down with your counterpart and come up with an annual budget that results in a request to this subcommittee?

Mr. LOVELAND. No, sir. There are three levels of commitment. The first is a 5-year commitment of a ceiling where the nations agree to pay their share of the total bill.

Senator LAXALT. That is a percentage figure?

Mr. LOVELAND. That is a percent figure of a number.

Senator LAXALT. So you really have a 5-year gross dollar amount?

NATO SLICE GROUP

Mr. LOVELAND. That is correct, except that it is not a gross dollar amount because the exchange rate of the dollar changes occasionally. It is a commitment to a real value. Then each year against that commitment the military authorities submit programs much as we are submitting one to you here now. Those programs are not funded at that time. They are simply a shopping list of the projects that need to be built.

After the approval of the annual program, the host nations develop plans and specifications as come into a body called the Payments and Progress Committee, in which I have a man, with their fund requests, much as we come to the Appropriations Committee. But they come in individually on each project with fully developed plans. That is the kind of requirement that I try to estimate each year and which led to $150 million for fiscal year 1980.

Senator LAXALT. Does this $150 million as a practical matter come to us as an accomplished fact?

Mr. FLIAKAS. Yes; in the sense that it is our estimate of the requirements that will be presented to the Payments and Progress Committee throughout the year. If we are to maintain our commitment as a full partner in the NATO Alliance, then we are obliged to pay our share.

The $150 million estimate is our share of the requirements that will be presented for payment in this fiscal year 1980.

Senator LAXALT. What commitment, if any, is secured on the part of the money share for the 5-year plan?

Mr. FLIAKAS. Like most any long-term commitment it is subject to annual appropriations.

Senator LAXALT. The 5-year amount in real dollar terms then is our moral commitment on the front end?

Mr. FLIAKAS. More than that.

Senator LAXALT. Is it heavier than that?

Mr. FLIAKAS. Certainly moral in the sense that we are a full partner in the alliance. When, the United States and all the other 15-member nations have agreed to a 5-year program we are in a sense committed then to respond.

Now, there have been instances where at the end of the fiscal year the U.S. mission has not had the full appropriations on hand to support a given program and they have had to defer or delay projects.

If that occurs late in the year we probably could stretch it out and make do. But if it occurs early in the year, if we have not appropriated a sufficient amount, then we would in effect defer and delay the entire infrastructure program, not just for the U.S. benefit but for all nations.

Senator LAXALT. Thank you, Mr. Chairman. I think I have a little bit better understanding about this.

NATO FISCAL YEAR 1980 PROGRAM THAT SUPPORTS REQUEST

Senator HUDDLESTON. Just a follow-on question. You determine that $150 million is our share of the overall objective of construction, I take it, only on those projects that are approved, based on our percentage of that individual project. It is a per-project proposition?

Mr. LOVELAND. Yes, sir.

Senator HUDDLESTON. We are not just authorizing $150 million period?

Mr. LOVELAND. No, sir. It is a per-project estimate on my part.

Senator HUDDLESTON. You are anticipating there will be enough projects?

Mr. LOVELAND. There will be $600 million worth of projects this year of which the U.S. share will be $150 million.

EFFECTS OF APPROPRIATION CHANGE

Senator HUDDLESTON. What would be the practical effect of our appropriating a figure different from the $150 million?

Mr. LOVELAND. I would try to use any extra funds you gave me wisely. [Laughter.]

Senator HUDDLESTON. What if they were less? A more likely situation is that they might be somewhat less.

Mr. LOVELAND. As Mr. Fliakas said, if at some point during the year my man has used his entire appropriation he has to call a halt to the program. We are currently at that point in this year's appropriation. I am faced with a situation of a U.S. Air Force fund request for some $40 million about half of which is recoupment of prefinancing that I can't finance until we find the funds. It will be a political brouhaha and we would be called to account by our allies.

Senator HUDDLESTON. There would be a negative reaction?

Mr. LOVELAND. Yes, sir.

Mr. FLIAKAS. It would be embarrassing because in order to meet the objectives that were agreed to by the heads of state we are pressing for a larger program. And then not to be able to meet our annual commitment to the current smaller program would be inconsistent with that position.

ALLIED COMMITMENT TO INFRASTRUCTURE

Senator HUDDLESTON. Have the other NATO members generally met their slice percentage?

Mr. LOVELAND. Not generally; always, everybody.

Senator HUDDLESTON. Is there a backlog now of infrastructure projects?

BACKLOG OF CONSTRUCTION

Mr. LOVELAND. Yes, sir. It is from the backlog that I calculated the amount of projects that would come to the committee this year. It is around $1.3 billion which would grow to $2.6 billion with the approval of the next slice at the end of this year.

Senator HUDDLESTON. Is this generally all types of facilities or is there a type that is lagging further?

Mr. LOVELAND. No, sir, it is all of the various kinds of military construction that you normally see.

Mr. FLIAKAS. If I may add, projects that are considered eligible for infrastructure funding. There are some categories of projects that are considered unilateral requirements.

Mr. LOVELAND. Personnel support, for instance.

LONG-TERM DEFENSE PROGRAM

Senator HUDDLESTON. Is the infrastructure program for fiscal 1980 based on policy laid out in the 1978 NATO long-term defense program? Or will we receive more of these in the next 5-year plan?

Mr. LOVELAND. There is some small portion, as a matter of fact the first division equivalent of POMCUS in what we are foreseeing for the $150 million. But the amount of that part of the program will grow in the next 4 or 5 years.

THREE PERCENT INCREASE IN DEFENSE SPENDING

Senator HUDDLESTON. As I understand it, in the 1978 LTDP each NATO ally pledged to increase defense spending 3 percent a year to make certain force improvements. How does the 3 percent relate to the military construction portion? Do you expect construction increases to be more or less than the 3 percent?

Mr. LOVELAND. I expect it to be considerably more in the infrastructure program, in that we are going to at least double the size of the program in comparison to the previous 5 years, and maybe triple it, depending on how successful our negotiations are.

Mr. FLIAKAS. There is no direct correlation between the 3-percent general increase in defense level spending and the construction program. As Mr. Loveland indicated, we expect a twofold or perhaps threefold increase.

Senator HUDDLESTON. Substantially more in military construction?

Mr. LOVELAND. Yes, sir, in infrastructure consistent with the direction we believe we have received from the Congress which is to rely more on the infrastructure program for our funding of construction needs.

Senator HUDDLESTON. Is this still in negotiation, this long-term program?

Mr. LOVELAND. The long-term defense program is no longer in negotiation, but the 5-year program is. I think Secretary Fliakas said we expect to conclude the negotiations by the time the Ministers meet in May.

Senator HUDDLESTON. How do you convert this in terms of the necessary U.S. appropriation?

Mr. FLIAKAS. If I might interject, our estimate is based on the advice of the NATO commanders for the entire NATO effort—including the long-term defense program which includes maritime posture, reinforcement capability, POL storage, the many, many initiatives.

So these are not just related to U.S. direct programs although we have a very healthy share of it. As I indicated in my statement, we expect to have 43 percent of the next slice to benefit U.S. needs. But the major NATO commanders, the NATO commanders which are international, have developed their requirements on the basis of total force needs.

LONG-TERM CONSTRUCTION PROGRAM

Mr. LOVELAND. For the numbers, sir, we are negotiating for a range of between $4.45 billion to $6.68 billion. This would require a U.S. contribution per year of between $246 million and $368 million, at current rates. If we are successful those are the numbers that we would see in future annual appropriations growing to.

Senator HUDDLESTON. Two to three times its current size?

Mr. LOVELAND. Yes, sir.

Senator HUDDLESTON. Over what period of time would that be?

Mr. LOVELAND. The program covers 1980 to 1984. The appropriations, of course, lag 1 year or 1½ years behind that.

Senator HUDDLESTON. We would see a substantial increase even in 1981 and 1982?

Mr. LOVELAND. For 1981 and 1982 we are foreseeing $250 million to $300 million at current rates of exchange of the dollar.

ALLIED CONCURRENCE ON CONSTRUCTION CATEGORIES

Senator HUDDLESTON. Is there general agreement among the NATO allies about the construction projects, or are there substantial differences?

Mr. LOVELAND. The types of construction and the particular projects are generally agreed to. Our current discussions are on the amount of money we are going to have to do the job.

POMCUS

Senator HUDDLESTON. What specifically do you see in terms of POMCUS cost over the next 5 years?

Mr. LOVELAND. We have been looking at $400 to $500 million for the first three division equivalents. That appears to be a reasonable estimate.

Senator HUDDLESTON. Would this be infrastructure financed?

Mr. LOVELAND. Yes, sir.

INFRASTRUCTURE BACKLOG

Senator HUDDLESTON. If the new 5-year program indicates greater emphasis on improving our position in theater, is there not also the probability that the present infrastructure backlog will be accelerated?

Mr. LOVELAND. I am not quite sure what acceleration of a backlog is. The liquidation of the backlog?

Senator HUDDLESTON. Yes. Would it be liquidated faster?

Mr. LOVELAND. We would go on increasing the rate of implementation of the projects and have found a number of procedures that will help us do it.

EFFECT OF SCOPE INCREASE AND DOLLAR DEVALUATION

Senator HUDDLESTON. In the fiscal year 1980 how much of its increase over prior years is due to additional programs and how much simply to the effects of inflation and currency valuation?

Mr. LOVELAND. Most of the increase is due to the fact that slice 29 was a very big one in response to some of our U.S. requirements. Consequently, the number of projects grew.

Now, since the time that I estimated our requirement at $150 million, fluctuation of the dollar has lost us some 6 percent already. Generally, I think you can say that the big increase is because we had more success in placing U.S. requirements and other NATO requirements within the program.

Mr. FLIAKAS. As in our other items, Mr. Chairman, when we discussed our overall military construction program our guidance from the Administration is to anticipate at least a slight turnaround of the dollar based on the intervention that is being contemplated. Hopefully this will not continue an adverse decline.

U.S. SPECIAL PROGRAM

Senator HUDDLESTON. You point out that we often receive benefits beyond the cost or our contributions to the infrastructure. In the past I believe that our net share of NATO has been further reduced by a "U.S. special program." Would you briefly describe what this program was, how much money was in it?

Mr. FLIAKAS. The U.S. special program amounted to about $140 million. It was to cover requirements that normally would not have been eligible for infrastructure funding but were agreed to by the other member nations to benefit the United States. Consideration of that, as Mr. Loveland indicated before, revised the effective

share of our contribution from some 27 percent down to about 21 percent.

Now, the U.S. special program, of course, terminated with the last 5-year program. In the next 5-year program we expect, not an equivalent type of program but another kind of program that will benefit the reinforcing nations such as the United States, the United Kingdom and Canada by providing those types of facilities which are required to receive and move into the combat areas—reinforcement elements, including POMCUS, prepositioned stocks and forward reserve storage of ammunition.

So this new category of facilities will also serve to not only benefit the United States directly but also to reduce our effective share.

OFFSET PROGRAM

Senator HUDDLESTON. In addition to the special program we had some benefit from the German offset agreement. How much did this agreement provide?

Mr. FLIAKAS. We did receive the benefit of two offset programs that I think you are familiar with, both in the amount of 600 million Deutschmarks, primarily for the rehabilitation and upgrading of personnel type facilities, barracks that we have, for example.

I can ask General Groves to expand on that.

General GROVES. The program known as the Modernization of U.S. Facilities or MOUSF program gave priority to where the troops live and where they eat. This program is nearly complete now and in the very near future almost all of our troops, soldiers and airmen in Germany will have rehabilitated dining rooms, mess halls or barrack dormitories.

Unfortunately, the program came to an end before we could go onto other priorities and get the whole rehabilitation job done.

Senator HUDDLESTON. The Germans participated in it?

General GROVES. The Germans gave the money to us.

Mr. FLIAKAS. They provided in 1971 600 million Deutschmarks which was the equivalent then of $180 million to $185 million. Then 3 years later another 600 million Deutschmarks, but this time that was equivalent to about $230 million.

Senator HUDDLESTON. Is that a similar agreement being pursued now?

Mr. FLIAKAS. Not presently, but they have participated directly in other endeavors, which while not offset programs, which still benefit the United States. As in the chart shown earlier the German Government did provide for $68 million to bed down that brigade in the Garlstadt area. We supplemented that amount with appropriated funds for such things as dependents' housing, leases for dependents, and community type facilities, but the operational, cantonment area for the forces were provided in total by the Germans and they provided first-rate facilities.

Senator HUDDLESTON. In all cases they provide the land without charge?

Mr. FLIAKAS. That is correct. I might add, sir, for the information of the committee, that infrastructure projects are supported by the

host nations in terms of utilities and access roads, in addition to providing the land.

While the alliance provides for the brick and mortar of construction, the host nation provides the utilities and access roads.

Senator HUDDLESTON. Do other countries spend a similar amount outside of the infrastructure for their own troops, their own materiel?

Mr. FLIAKAS. I think, sir, that was the subject of the heads of state when the President committed the United States and the allies did also, to a 3-percent increase in the level of defense spending.

I can provide for the record the relative amount each nation spent as part of its gross national product for defense purposes.

[The information follows:]

NATO DEFENSE EXPENDITURES AS PERCENTAGE OF GROSS DOMESTIC PRODUCT

Country	1973	1974	1975	1976	1977	1978 [1]
Belgium	2.7	2.7	3.0	3.1	3.2	3.3
Denmark	2.1	2.4	2.6	2.4	2.4	2.5
France	3.8	3.7	3.9	3.8	3.9	4.0
Germany [2]	3.5	3.6	3.6	3.5	3.4	3.3
Greece	4.1	4.3	6.5	.....	.....	.....
Italy	2.9	2.8	2.7	2.5	2.6	2.6
Luxembourg	0.8	0.8	1.0	1.0	1.0	1.1
Netherlands	3.3	3.3	3.5	3.3	3.6	3.4
Norway	3.1	3.0	3.2	3.1	3.1	3.2
Portugal	6.0	7.4	5.3	4.1	3.5	3.3
Turkey	4.1	3.9	.....	.....	.....	.....
United Kingdom	4.9	5.1	5.0	5.0	4.8	4.7
NATO Europe [3]	3.6	3.7	3.7	3.6	3.6	3.6
Canada	1.9	1.9	1.9	1.9	2.0	2.0
United States	6.0	6.1	6.0	5.3	5.4	5.0
Total NATO [3]	4.8	4.8	4.7	4.4	4.4	4.2

[1] Preliminary estimates.

[2] These percentages have been calculated without taking into account the expenditures on Berlin; if these expenses were included, the percentages would be as follows: 1973—4.2; 1974—4.4; 1975—4.4; 1976—4.3; 1977—4.2; and 1978—4.1.

[3] These percentages have been calculated without Greece and Turkey. Information not available.

Senator HUDDLESTON. They all are making expenditures outside of the infrastructure?

Mr. FLIAKAS. Yes, sir, indeed they are.

U.S. PREFINANCED PROJECTS

Senator HUDDLESTON. Now, on prefinancing, it is good to hear about recoupment being substantially improved. We, of course, prefinance many projects which qualify for NATO infrastructure funding. Do you have the total to date on the amount that the United States has prefinanced?

Mr. FLIAKAS. Yes, sir, $674 million has been prefinanced to date of which $155 million has been recouped.

In addition, another $179 million has been found to be what is called nonrecoupable in the sense that they are not eligible for infrastructure funding, even though at the time we prefinanced the project we filed prefinancing statement.

Senator HUDDLESTON. How do you make a decision on what you are going to prefinance?

Mr. FLIAKAS. Mostly, sir, it is based on the time sensitivity of the project and availability of funding in NATO to accommodate that timing.

Senator HUDDLESTON. The overriding factor is that it is something that we deem to be very essential?

Mr. FLIAKAS. Exactly.

Senator HUDDLESTON. If we can get the recoupment later, fine. If we can't, we still have to have it?

Mr. FLIAKAS. Yes. Let me give an example. The Air Force has given a very high priority to the protection of their aircraft, in the building of aircraft shelters for their tactical fighters. A major part of that program has been prefinanced for which we have received some recoupment. We still have some to go. Even though under NATO eligibility criteria only 70 percent of those aircraft are considered eligible the Air Force objective still remains to provide protection for 100 percent.

To that extent we will have to provide funds over and above the amounts that are recouped. However, as a result of last year's submission and markup, in this year's program there is a total reliance on the infrastructure program for the roundout of the shelters, at least up to 70 percent. Is that not right, General Gilbert?

General GILBERT. Yes.

Senator HUDDLESTON. At what point is the decision made as to whether or not you are going to be able to recoup a specific project under the infrastructure?

Mr. FLIAKAS. There are very definite categories that have been established as being eligible. It is only within the last year that the categories have been expanded to include such things as POMCUS. We also expect hopefully and we have pressed the NATO allies to agree that theater reserve stockage, and ammo stockage, should be eligible.

Senator HUDDLESTON. So when you begin these projects you don't always know whether or not they are going to qualify?

Mr. FLIAKAS. That is right.

Mr. LOVELAND. We did in our two big ones, the aircraft shelters. We knew it qualified, but there was no NATO money for it. In the nuclear security program we had the same kind of thing. We pursue eligibility until it becomes obvious that we are not going to make it before we drop efforts at the recoupment.

Mr. FLIAKAS. To complete my answer to your question on recoupments, we still have a remainder to date of some $340 million that has been prefinanced and is considered to be recoupable. It is against that figure that we expect some $20 million in 1979. And as I indicated in my statement, another $100 million in recoupment in slice 31.

Senator HUDDLESTON. Probably, then, there will always be a need for some prefinancing?

Mr. FLIAKAS. Yes, sir. Our guidance to the military department is to be extremely selective and minimize prefinancing. But we think we should make a case for those that are sensitive to support our forces.

ALLIED NATIONS PREFINANCING

Senator HUDDLESTON. Do other NATO members do any prefinancing?

Mr. FLIAKAS. Yes.

Mr. LOVELAND. I made a survey and the United Sstates made about 45 percent of the prefinancing actions in NATO, but the other 55 was done by our allies.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Gentlemen, I have some other questions, and I am sure members of the committee will have some additional questions, too.

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

Questions Submitted by Senator Huddleston

INFRASTRUCTURE PROCEDURES

Question: If a figure that was less than the $150 million requested were appropriated, how would we reach a decision on where reductions were to be made?

Answer: NATO funding priorities are a function of NATO military decisions on a multi-national basis. Projects are funded on a first come, sirst served basis. A U.S. decision to reduce its share of the funding, would require the U.S. representative on the Payments and Progress Committee to forestall projects that are required by other nations. This could result in unfavorable arbitrary decisions by these nations against U.S. projects.

Question: Do other NATO members view their portions of the Slice as a non-negotiable bill?

Answer: All NATO members accept their portions of approved projects as a non-negotiable bill. No other nation has ever delayed a project for lack of national funds. In fact, all NATO nations except the U.S. obligate their funds on an expenditure basis and consequently are not required to have available appropriations at the time of fund approval of NATO Infrastructure projects.

Question: Do you expect the 3 percent to show up in Infrastructure, U.S. unilateral expenditures in support of NATO or elsewhere?

Answer: Since the 3 percent (plus inflation) is expected to be applied unevenly between programs in individual national defense budgets, we do not expect that it will be a factor in the Infrastructure program. In fact, we expect the Infrastructure program for the next 5 years to be at from twice to three times the size of that of the previous 5 years.

LONG RANGE INFRASTRUCTURE PROGRAM

Question: What is the basic thrust of the long range program; that is, what problem areas do these objectives seek to redress?

Answer: The program for the next five years amounts to continuing programs of the past, to estimate those construction programs to support new weapons systems, and to include the new LTDP requirements such as POMCUS, ammunition storage and fuel reserve storage.

Question: Are they current problems or mostly ones anticipated in the future?

Answer: We will be readdressing mostly our current problems.

Question: What types of construction projects are involved, and how do they relate to the objectives?

Answer: The classic Infrastructure construction projects which pertain to air fields facilities, naval base facilities, radar nets, communications systems, etc. The new focus will also be on rapid reinforcement in support and hence POMCUS, ammunition storage and reserve storage will be some of the major requirements.

Question: You mentioned prepositioning and new systems as requiring future construction. Are there other anticipated demands for construction?

Answer: Besides prepositioning and new systems we foresee major amounts of ammunition storage and equipment storage, as well as air and sea reinforcement resolutions.

Question: What new systems do we expect to be introduced in NATO and what types of construction will be associated with them?

Answer: As you know, we have introduced our most sophisticated weapons systems such as F-15 and PATROIT into the NATO arena. As we introduce new systems to the theatre we would expect facility modification work and new construction for weapon systems unique requirements.

Question: Do you expect these to be Infrastructure financed?

Answer: Whenever possible and when the Infrastructure program can meet the time sensitive requirements for new weapons beddown, we would expect to use Infrastructure funds.

Question: Do you expect the above to create pressures for U.S. unilateral financing of yet other projects in support of NATO?

Answer: We are trying to achieve a construction program of sufficient scope to cover most of the foreseeable U.S. requirements to the extent that we can achieve agreements on a sufficiently high five-year ceiling or if new U.S. requirements currently unforeseen should evolve than there could be pressures for prefinancing in the future to meet military requirements. On the other hand, it is not impossible as in the previous 2 five-year programs, that our NATO allies might agree to expand the ceiling when urgent requirements are recognized.

Question: Won't this add to our annual funding requirements in the near term?

Answer: If you are referring to the total costs to the U.S. of military construction in Europe the answer is no. It is, however, true that the U.S. contribution to the Infrastructure program will grow.

Prefinancing of NATO Projects

(The following questions and answers thereto are submitted for the record:)

Question: What have we prefinanced to date?

Answer: Two large categories of prefinancing are aircraft shelters and nuclear security program. In early years hawk sites prior to their NATO eligibility were also prefinanced.

Question: How, specifically, and at what point will we recoup these amounts?

Answer: Of $674 million prefinanced, some $178 million are not recoupable because they are not eligible and some $155 million have been recouped. This leaves a balance of $340 million of potential recoupments. We have included $100 million of projects for recoupment in Slice 31 and expect to maintain the level at about $100 million during the following two years.

Question: What are anticipated recoupments for FY 1979 and FY 1980?

Answer: In FY 1979 and FY 1980 we expect to recoup $20 million (which is currently planned to be applied to the Army's POMCUS requirement) and to achieve NATO funding in lieu of Congressionally approved financing for another $40 million.

Question: Since we've already established that there isn't a very strong relationship between an approved Slice and the program actually funded, do you think your forecast of a $100 million recoupment in Slice THIRTY ONE will materialize?

Answer: Yes, we expect recoupments to approximate $100 million.

Question: Since there is obviously a large backlog of NATO projects, is there any tendency to "postpone" approved recoupments in favor of applying funds to additional work?

Answer: No, NATO programming is achieved on the basis of perceived military requirements without regard as to whether the projects have been prefinanced or not.

Question: How do NATO recoupments affect requested appropriations; that is, are they credited back to the construction account, or are they miscellaneous receipts to the treasury?

Answer: U.S. recoupments from NATO prefinancing are normally credited back to the NATO Infrastructure line item in the military construction program. The one exception was dictated by Congress in FY 1979, for the Army POMCUS facilities.

Question: You maintain that there will always be some need to prefinance. How much is contained in FY 1980 for this purpose, and for what projects?

Answer: In the FY 1980 program, the Air Force has requested $8.35 million to prefinance facilities to beddown new weapon systems. This work is primarily facility modification. The $8.35 million is only 10 percent of the Air Force's European program. In addition, $46.0 million is included for precautionary prefinanced for several Air Force projects that are not now eligible for Infrastructure funding, but efforts are underway to obtain their eligibility in the future.

Question: What is the urgency that requires prefinancing for these efforts?

Answer: Because of the introduction of new aircraft at an early date in country (from FY February 1979 to FY April 1980), the NATO program will not be responsive to the requirement. We fully anticipate recoupment in an early Infrastructure slice. The early need date requires us to bring this requirement before the Congress in this year's Air Force military construction program.

UNILATERAL U.S. FUNDING

As opposed to prefinancing, the U.S. also directly funds certain efforts which are clearly in support of the NATO wartime mission. You indicate that it may be in our economic best interests to continue this for selected programs.

Question: Would you please elaborate on this, citing specific examples of what would be in our own best interest to continue?

Answer: The basic comparison factor for each analysis is the total number of U.S. units that require a specific facility as compared to the total number of NATO units (U.S. and allied) that would require the same facility if it were a NATO eligible category.

As an illustration let us look at the relative cost to the U.S. if the Army's ammunition upload program were funded through

MCA or under NATO eligible and funded through Infrastructure. The basic elements of such a calculation are as follows:

U.S. divisions:	6
NATO	64 *
Cost/facility/division	$11.0 million
U.S. share of Infrastructure Program	25 percent

Unilateral U.S. funding - MCA

6 div. x $11.0M/division = $66.0M

NATO contribution by U.S. - Infrastructure

64 div. x $11.0M/division x 25% = $176.0M

Thus we see that Infrastructure funding could increase the cost to the U.S. by 266 percent - for this type of facility alone.

Similar results were obtained in the analysis of training facilities, certain CW protective facilities and certain storage and munitions maintenance facilities.

The U.S. and NATO unit comparison is, of course, not identical for all projects, as it is to the ammunition upload illustration in all cases. Hence, the advantage to the U.S. is not as great in all cases - but it does range between 50 percent to 150 percent. This analysis was not made for each project in the services FY 1980 submission, but only for those operational support projects that were envisioned as being likely candidates for inclusion in NATO criteria - if such a request were to be made by the U.S.

*This information taken from: "The Military Balance 1978-79", Industrial Institute of Strategic Studies, London 1978.

Question: How much of the FY 1980 request falls into this category, and for what projects?

Answer: The FY 1980 projects for which the services have determined to be in the economic interest of the U.S. to fund directly are as follows:

Army	$ 6.8 million
Air Force	8.2 million

Question: Do other NATO members also make unilateral expenditures which are directly related to their NATO mission?

Answer: Yes. For instance the Federal Republic of Germany recently financed a large program of low level protection radars in the eastern portion of the country.

OIL SUPPLIES

Question: In view of the oil problems which have plagued the west during the past few years, has NATO made adequate provision in terms of facilities and supplies for the oil it needs or would need in a crisis?

Answer: NATO has recognized the crucial requirement for oil and the LTDP addresses the storage and resupply problems. In the newly created reinforcement support category are included facilities for the storage of this additional requirement.

FY 1979 SUPPLEMENTAL FOR NATO

The FY 1979 supplemental request which accompanied the budget included $46.2 million to offset the impact of currency revaluation on the Infrastructure program. I understand that the supplemental is being, has been revised, and that the $46 million is no longer requested.

Question: Is there, or is there not, a need for an additional $46.2 million in order to accomplish the program approved within the appropriated $90 million level?

Answer: Yes there is a need for additional funds. The $46.2 million initially provided for FY 1979. $34.9 million of the $46.2 million requested was required to cover the impact of currency revaluation on obligated balances outstanding under the Military Construction, Army appropriation. These will have to be liquidated at currency rates substantially higher than those in effect when the obligations were initially occurred. The balance of the initial request, $11.3 million, was requested under Military Construction, Defense Agencies, and represented a repricing of the $90 million already approved to reflect the Infrastructure Accounting Unit (IAU) rate in effect in the fall of FY 1978, the time of preparation of the supplemental estimate. I would like to point out that since the initial supplemental estimates were prepared, we have suffered another roughly 6 percent loss in dollar purchasing power.

Question: Why is the request now being withdrawn? How can out commitments be met otherwise?

Answer: The decision as to the final content of the revised supplemental request was an extremely difficult one. It was influenced by several factors.

1. The factor driving the decision to revise the FY 1979 supplemental was the termination of the Iranian FMS program. It was determined that the opportunity for the U.S. to obtain first line military equipment at very favorable prices should not be foregone. This took into account that these items could be effectively applied to U.S. force and inventory requirements,and that we could avoid a future cost impact for a U.S. buy which would otherwise result from the terminated sales.

2. Each of the items in the initial supplemental is still considered important and well justified.

3. It was determined that alternative methods should be sought to satisfy the needs deleted from the original request. We are currently analyzing alternative funding sources to meet the time sensitive Infrastructure requirement. Under consideration are deferring of projects and reprogramming funds to the Infrastructure account.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. Prime Minister Begin is across the way. I would like to go over and find out what is going on in the Mideast.

Mr. LOVELAND. I hope he will be as good as he was on "Meet The Press."

Senator HUDDLESTON. He will have a strange kind of audience with all the Senators present.

Thank you very much for your appearance and your presentations. You have been very helpful and thorough. We appreciate it very much.

Mr. FLIAKAS. Thank you, Mr. Chairman.

[Whereupon, at 4:27 p.m., Monday, March 5, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

FRIDAY, MARCH 9, 1979

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

The subcommittee met at 2:15 p.m. in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Stevens.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE

ACCOMPANIED BY:

T. C. PINCKNEY, BRIGADIER GENERAL, USAF, DIRECTOR, EAST ASIA AND PACIFIC REGION, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

PHILIP E. BARRINGER, DIRECTOR, FOREIGN MILITARY RIGHTS AFFAIRS, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Defense Intelligence Agency

STATEMENT OF T. JAMES MURPHY, SENIOR INTELLIGENCE RESEARCH SPECIALIST

ACCOMPANIED BY ALAN M. MAC DOUGALL, SENIOR INTELLIGENCE RESEARCH SPECIALIST

Department of the Army

STATEMENT OF WILLIAM E. READ, BRIGADIER GENERAL, USA, ASSISTANT CHIEF OF ENGINEERS

ACCOMPANIED BY RODERICK D. RENICK, BRIGADIER GENERAL, USA, DEPUTY DIRECTOR, OPERATIONS AND READINESS DIRECTORATE, DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

Department of the Navy

STATMENT OF W. M. ZOBEL, REAR ADMIRAL, USN, VICE COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

P. F. CARTER, JR., REAR ADMIRAL, USN, DEPUTY DIRECTOR, STRATEGY, PLANS AND POLICY DIVISION, OFFICE OF DEPTY CHIEF OF NAVAL OPERATIONS FOR PLANS, POLICY AND OPERATIONS

E. C. CHEATHAM, BRIGADIER GENERAL, USMC, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE, DEPTY CHIEF FOR INSTALLATIONS AND LOGISTICS

WILLIAM WEISE, BRIGADIER GENERAL, USMC, DIRECTOR OF OPERATIONS FOR PLANS AND POLICIES, HEADQUARTERS, UNITED STATES MARINE CORPS

Department of the Air Force

STATEMENT OF WILLIAM D. GILBERT, MAJOR GENERAL, USAF, DIRECTOR OF ENGINEERING AND SERVICES OFFICE OF THE DEPUTY CHIEF OF STAFF, LOGISTICS AND ENGINEERING

ACCOMPANIED BY:

DARRYL E. TRIPP, MAJOR GENERAL, USAF, DEPUTY DIRECTOR OF PLANS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS, PLANS AND READINESS

WILLIAM FAUST, LT. COLONEL, USAF, DIRECTORATE OF PROGRAMS

Defense Agencies

STATEMENT OF WILLIAM F. DELANEY, CHIEF OF LOGISTICS DIVISION, DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

ACCOMPANIED BY JOHN F. BREWER, JR., COLONEL USA, STAFF DIRECTOR, INSTALLATIONS AND SERVICES DEFENSE LOGISTICS AGENCY

DEFENSE POSTURE IN PACIFIC AREA

Senator HUDDLESTON. The subcommittee will come to order.

We are meeting today to receive testimony on defense posture in the Pacific and related construction requirements. In fiscal year 1980, almost $150 million is being requested for construction at military facilities which span a vast geographic area: From Australia to Korea and east to Alaska and Hawaii.

In order for the subcommittee to properly evaluate the budget request, it is first necessary to gain a firmer appreciation of the perceived threat and of the manner in which we are prepared to respond. We shall address some of these broader questions this afternoon.

Our principal witness is, again, the Hon. Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing, accompanied by representatives of the Defense Intelligence Agency and the military departments.

Since both the threat analysis and subsequent questioning will touch upon classified areas, most of today's session will have to be in closed session. A complete and unclassified version of the proceedings will, of course, be published at a later date.

We will remain in open session for the moment to receive Mr. Fliakas' opening statement.

Mr. Secretary?

Mr. FLIAKAS. Thank you, Mr. Chairman.

I am pleased to be here at your request to discuss the Department of Defense military construction program for fiscal year 1980 in the Pacific area, and to respond to such questions as the committee may have. Accompanying me are witnesses from the military services and defense agencies who are prepared to furnish such additional information as may be required with respect to the individual projects programed for their respective military departments.

In summary, the Department of Defense program in the Pacific is $149,155,000 or nearly 4 percent of the total fiscal year 1980 request. This includes $45.8 million in Alaska, $33.2 million in Korea, $23.8 million in Japan, $20.6 million in Hawaii, $11.4 million at Wake Island, $4.8 million in Guam, $3.9 million in Midway Island, $2.9 million at Kwajalein, $2.5 million in Australia, and $.4 million in the Republic of the Philippines.

On pages 5 through 8 of my statement is a complete listing of all major and minor construction projects at the specified location that I mentioned.

Mr. Chairman, that completes a very highly synopsized summary of the construction program for the specific regions, and we are prepared to respond to your questions or go into executive session or closed session as you may wish.

Senator HUDDLESTON. One question I think we can handle in open session relates to the Army's program in Korea. It includes $3.2 million to replace a milk plant at Camp Baker.

As I recall, this is the second or third year running that you have requested funding for this plant. The price keeps going up. Could you elaborate on this requirement and address some of the concerns that have been raised by other committees in the past?

Mr. FLIAKAS. Yes, sir, Mr. Chairman. You are quite right. It is a second request for this project.

We consider it well justified and required, not only to serve our servicemen, but also because of health and sanitary conditions in Korea. I would like to ask General Read to give you the specifics of the requirement.

General READ. Yes, sir.

PREPARED STATEMENT

The statement of Brig. Gen. William E. Read, Assistant Chief of Engineers, Department of the Army follows:

Statement of Brig. Gen. William E. Read

Mr. Chairman and members of the committee: I am Brig. Gen. William E. Read, 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 Pacific portion of the Department of the Army's annual "Military Construction" appropriation request.

Of the $722,300,000 in total obligational authority we are requesting in the fiscal year 1980 program, $18,650,000 is for construction in the Pacific. Some $5,590,000 of that is for projects in Alaska, $2,750,000 for Hawaii, $2,700,000 for Okinawa, $4,610,000 for Korea and $2,900,000 for Kwajalein. The request contains 12 projects of which six are specified location minor projects.

Fiscal Year 1980 MCA Program Highlights for the Pacific

Alaska

The largest project for Alaska is the modernization of a dining facility and billet spaces for 236 personnel at Fort Richardson for $4,450,000. The project would bring the two existing buildings up to current adequacy standards for the unaccompanied enlisted personnel.

The second major construction project in Alaska is the provision of adequate security at the ammunition magazine at Fort Greely for $820,000. This magazine is adjacent to the Alyeska oil pipeline and the corridor selected for the Alaska-Canada gas pipeline. The project will provide adequate physical security for the ammunition storage area.

Hawaii

The Project for Hawaii is the construction of a 38 dental treatment room clinic to replace inadequate facilities which were constructed in 1928–29. The project, costing $2,750,000, will provide adequate facilities for utilities and improved efficiency for the practitioners.

Okinawa

The $2,700,000 request is to replace six above ground badly deteriorated petroleum storage tanks with three below ground tanks at Kuwae Tank Farm. The existing tanks are severely corroded making the tanks susceptible to leaking or rupture.

Korea

The major project requested for Korea is the construction of a milk plant for $3,150,000. The existing milk reconstituting plant is labor intensive, deteriorated, unsanitary, and uneconomically repairable. The Korean dairy industry does not meet health requirements for providing required projects. To fly milk products in from other sources in the Pacific is estimated as costing over $200,000 per month. The Korean Government has indicated it is unable to build the plant and Korean law will not permit an U.S. firm to construct a private plant. The project is required to provide milk products which meet health requirement for our forces in Korea.

Kwajalein

This project to resize the modernize range facilities at Kwajalein Missile Range, Kwajalein Atoll, Marshall Islands, for $2,900,000 will provide required facilities for this national missile range.

Summary

In summary, our fiscal year 1980 military construction program for the Pacific is designed to provide essential facilities for mission requirements and adequate support for United States forces.

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

General READ. As indicated, it is the second, not the third year, and, in fact, the project has gone up in size from $1,980,000 to $3,150,000 and the requirement is to replace a deteriorated, unsanitary and uneconomically repairable facility.

The reasons that it has gone up are severalfold. One is the inflation that we have experienced over there. The second one is that we had anticipated getting some 40,000 cubic yards of fill from the school across the street that we were going to move over by troop labor, and that subsequently has been withdrawn.

Then we identified some other minor additional requirements to the facility.

You asked about other concerns that people have had on this. I might address that one concern that has been expressed is why we cannot get the milk products from a Korean source. The basic reason is that the dairy herds that supply raw milk for each facility just do not meet our health standards. Another concern that has been expressed is why it could not be built by the Koreans or by a U.S. firm over there. We have received correspondence by the Koreans in which they indicated that they could not build it and that they would not permit it to be built and operated by the United States or another foreign country.

Senator HUDDLESTON. Would this serve just your military forces?

General READ. No, sir, it will serve all of the dependents, of course, of the military and the State Department people and all the people over there who would be authorized.

Senator HUDDLESTON. I am also curious about the $3.3 million proposed for a high school annex at Seoul. I was under the impression that Korea was basically an unaccompanied tour. How many dependents do you have there?

Mr. FLIAKAS. Mr. Chairman, you are basically correct with regard to the short tours for the combat-type forces, but there are quite a few logistic and support troops, communications and intelligence, for which longer terms are desired in order to have more continuity on the job and to avoid disruption of operations.

So there are about 800 students, as I understand it, attending high school in Seoul. I do not have a complete list of the numbers of dependents on authorized accompanied tours, but I will provide that for the record.

Senator HUDDLESTON. Would you provide that for the record the noncommand sponsored dependents that contribute to this need?

Mr. FLIAKAS. Yes, sir.

We do, of course, discourage the noncommand-sponsored families; as you know they do show up and, on their own expense, and while they are considered eligible for school, it is after the other requirements have been met. It is on a space-available basis that we make space in the schools available to them.

I will provide also some numbers for the record on that.

Senator HUDDLESTON. All right.

[The information follows:]

DOD DEPENDENTS IN KOREA

The following table reflects the number of DOD dependents in Korea in January, 1979. About 80 percent of these dependent reside in the Seoul area. Thus we estimate that over 4,000 command sponsored dependents provide the base for the Seoul DOD dependents school population. About 800 are high school students. No noncommand sponsored dependents have been admitted to DOD schools in Seoul since March, 1975. The project for the school is based solely on the needs for adequate facilities for command sponsored high school age dependents.

DOD Dependents in Korea—January 1979

	Command sponsored	Noncommand sponsored
Army	3,751	6,756
Navy	232	10
Air Force	983	2,300
Marine Corps	63	
Total	5,029	9,066

Source: Military Services, March 1979.

Senator HUDDLESTON. I believe from this point on we will be discussing classified information. Without objection, then, the balance of today's hearings will be conducted in executive session. Those in attendance who do not have a Department of Defense security clearance will be asked to leave at this point. Staff will check to see that this occurs.

Mr. STEVENS. I would like to put on the record that I concur in the chairman's motion.

[Whereupon, at 2:25 the subcommittee recessed, to reconvene in closed session.]

[EXECUTIVE SESSION]

The subcommittee met in executive session at 2:25 p.m. in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter Huddleston (chairman) presiding.

Present: Senators Huddleston, Sasser, and Stevens.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE

ACCOMPANIED BY:

T. C. PINCKNEY, BRIGADIER GENERAL, USAF, DIRECTOR, EAST ASIA AND PACIFIC REGION, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

PHILIP E. BARRINGER, DIRECTOR, FOREIGN MILITARY RIGHTS AFFAIRS, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Defense Intelligence Agency

STATEMENT OF T. JAMES MURPHY, III, SENIOR INTELLIGENCE RESEARCH SPECIALIST

ACCOMPANIED BY ALAN M. MAC DOUGALL, SENIOR INTELLIGENCE RESEARCH SPECIALIST

Department of the Army

STATEMENT OF WILLIAM E. READ, BRIGADIER GENERAL, USA, ASSISTANT CHIEF OF ENGINEERS

ACCOMPANIED BY RODERICK D. RENICK, BRIGADIER GENERAL, USA, DEPUTY DIRECTOR, OPERATIONS AND READINESS DIRECTORATE, DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

Department of the Navy

STATEMENT OF W. M. ZOBEL, REAR ADMIRAL, USN, VICE COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

P. F. CARTER, JR., REAR ADMIRAL, USN, DEPUTY DIRECTOR, STRATEGY, PLANS AND POLICY DIVISION, OFFICE OF DEPUTY CHIEF OF NAVAL OPERATIONS FOR PLANS, POLICY AND OPERATIONS

E. C. CHEATHAM, BRIGADIER GENERAL, USMC, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE, DEPUTY CHIEF FOR INSTALLATIONS AND LOGISTICS

41-638 O - 79 - 10

WILLIAM WEISE, BRIGADIER GENERAL, USMC, DIRECTOR OF OPERATIONS FOR PLANS AND POLICIES, HEADQUARTERS UNITED STATES MARINE CORPS

Department of the Air Force

STATEMENT OF WILLIAM D. GILBERT, MAJOR GENERAL, USAF, DIRECTOR OF ENGINEERING AND SERVICES CHIEF OF STAFF, LOGISTICS AND ENGINEERING

ACCOMPANIED BY:
DARRYL E. TRIPP, MAJOR GENERAL, USAF, DEPUTY DIRECTOR OF PLANS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS, PLANS AND READINESS
WILLIAM FAUST, LT. COLONEL, USAF, DIRECTORATE OF PROGRAMS

Defense Agencies

STATEMENT OF WILLIAM F. DELANEY, CHIEF OF LOGISTICS DIVISION, DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

ACCOMPANIED BY JOHN F. BREWER, JR., COLONEL, USA, STAFF DIRECTOR

Senator HUDDLESTON. The subcommittee will be in order.

Mr. FLIAKAS. Each of the Departments, sir, will vouch for their representatives that are here.

I would like to introduce Mr. Murphy, our first witness, from the Defense Intelligence Agency.

Mr. MURPHY. Mr. Chairman, Senator Stevens, good afternoon. We have three short briefings this afternoon dealing with Soviet and Korean military developments in Asia.

The first will briefly review Soviet force deployments in the Far East, and the second will discuss Soviet naval Indian Ocean operations. Mr. MacDougall will conclude with a summary of the North Korean/South Korean military balance.

As you are aware, during the past decade, the Soviet Union has undertaken an unprecedented military modernization program. This effort has touched all Soviet forces and involves the introduction of, and increased reliance on, new weapons. This modernization program is clearly evident in Soviet forces in Asia.

Soviet ground forces in Asia comprise some [deleted] percent, or [deleted] troops, of the total Soviet ground force strength. Although they presently are not as well-equipped as the divisions deployed forward in Eastern Europe, the equipment levels and quality in Asia are nevertheless formidable and growing.

There are [deleted] divisions in Asia, that is, from [deleted] as shown here. The buildup of Soviet ground forces in Asia began in 1965 following clashes with China over ideology, national interests, and China's detonation of its first atomic device.

The quantitative buildup of ground forces from 1965 to 1978 is depicted here.

In 1965, the Soviets had [deleted] combat divisions in the area. The magnitude of the buildup is readily apparent when forces of today are compared with those of only a decade ago, as shown here.

During the past several years, the Soviets have strengthened their ground forces by redeployment of existing units, creation of new units, and qualitative force improvements.

Ground force equipment upgrading is progressing at a steady rate. [Deleted.]

As far as future trends are concerned, the Soviets will continue the steady modernization of their ground forces in Asia for the next several years. [Deleted.]

I would now like to describe the variety of air assets available to the Soviets in Asia. [Deleted.]

About [deleted] percent of the total Soviet bomber force is assigned to bases in the [deleted] bomber corps. The number has not changed appreciably since the early 1960's. Some [deleted] Badgers constitute the primary peripheral strike force. The long-range [deleted] aircraft probably have primary missions of the striking the [deleted].

This map shows long-range aviation bases [deleted].

The Backfire can carry bombs and air-to-surface missiles. It is a versatile aircraft capable of low-altitude, high-subsonic speed penetration as well as high-altitude supersonic dash. Shown here is the Backfire's radius of operation [deleted].

In the past 10 years, significant changes have occurred in Soviet tactical aviation. Although the quantity of aircraft nationwide has increased only [deleted] percent during the period, the quality has improved enormously.

The changes in Asia [deleted].

The mission of Soviet aviation or air defense, or APVO, is to defend the homeland against potential air threats. APVO is equipped nationwide with more than [deleted] interceptors, of which about [deleted] percent are located in Asia [deleted]. Well over [deleted] the APVO forces in this region are made up of [deleted] interceptors [deleted].

The navy today is a major element of Soviet power. Since 1959, this navy has changed dramatically from primarily a coastal defense force to one of the most powerful navies ever assembled. Soviet naval policy and strategy are influenced as much by geography as by the threat of Moscow's perceived enemies. This factor has mandated the planning for, and construction of, four widely separated and self-contained fleets.

The strength and disposition of the naval forces in all fleet areas are presented here. Each fleet possesses a strong feature [deleted.]

The submarine force is the most powerful naval strike force available to the Soviets. It has three missions: Strategic strike, to counter the threat from western carriers, and to interdict enemy sea lines of communication. [Deleted.] *Delta* class and [deleted] *Yankee* class ballistic missile submarines are assigned to the Pacific fleet. The very long range of the missiles on board permit the *Delta* to strike [deleted] other submarines in the Pacific carry missiles with a range of [deleted] nautical miles.

Although the ballistic missile force gets the most attention, the major portion of the [deleted] submarine fleet in the Pacific consists of [deleted] submarines. About [deleted] of these are diesel powered. However, there is a trend toward conversion to nuclear power, [deleted].

Senator STEVENS. What is the range of Charlie?

Mr. MURPHY. What is the range?

LCDR STARR. [Deleted.]

The introduction of an [deleted] class subs will extend this range to about 60 nautical miles.

Senator HUDDLESTON. It is 2,600 nautical miles there, it was 2,400 before. What is the difference?

[The information follows:]

RANGE OF SOVIET BACKFIRE BOMBER

Mr. Chairman, the information requested is classified. I will provide a separate answer to the committee.

Senator STEVENS. You say you think they are going to retire the [deleted].

Mr. MURPHY. I think eventually they will, sir. Most of the [deleted] are 20 years old or older. I believe production ceased on the [deleted]. Like our B–52 force, they have just been upgrading the original airframes over the years.

Senator STEVENS. What do they call it? What is it, the range there? What is the speed?

[The information follows:]

Mr. Chairman, the information requested is classified. I will provide a separate answer to the committee.

Senator STEVENS. That shows a greater range than the [deleted].

Mr. MURPHY. Yes, sir. The [deleted] is primarily an intermediate range aircraft.

Senator STEVENS. Thank you.

Mr. MURPHY. A major improvement in Soviet naval air capabilities is the Backfire. In naval air, the Backfire is assessed to have [deleted] an antiship role using standoff air-to-surface missles. [Deleted.]

The most recent addition to the Soviet arsenal of surface warships is the *Kiev* class aircraft carrier. This ship, the first of which is based in the [deleted] fleet, carries both the Forger vertical takeoff and landing fighter/bomber as well as antisubmarine warfare helicopters. We expect that one of the two operational units of the *Kiev* class will join the [deleted].

Now, let's finish up with a short discussion of the missile forces.

Senator HUDDLESTON. Is that nuclear?

Mr. MURPHY. No sir, it is not. There are no nuclear powered combat surface warships in the Soviet fleet.

Senator STEVENS. It carries aircraft, does it?

Mr. MURPHY. Yes, sir. The normal max on the *Kiev*, I believe, is [deleted] Forger VTOL aircraft and [deleted] Hormone antisubmarine helicopters.

Senator STEVENS. Thank you.

Mr. MURPHY. Soviet land-based intercontinental ballistic missile deployment has grown steadily from about [deleted] launchers in 1968 to a present force level of about [deleted] at the locations shown. The Soviets have now reached the [deleted] point in the deployment of four new missiles—the SS–16, 17, 18 and 19. Currently, there are about [deleted] of these new missiles in the operational force. Conversion of older missiles to these new systems is continuing and we expect that by the end of 1980 the Soviets will have deployed about [deleted].

Additionally, the Soviets have modernized [deleted] of their older missiles, primarily through improvements in accuracy [deleted].

Although all Soviet intercontinental missiles can be fired against Asian and Pacific targets, we believe that less than [deleted].

Deployment of the medium and intermediate range missile force began about 1959. In the past couple of years the older components of the force, the SS–4 and the SS–5, have been supplemented by a new mobile intermediate range weapon, the SS–20. This missile features three reentry vehicles and is much more accurate than the older systems. Its mobility enhances survivability [deleted].

A total of about [deleted] launchers are currently deployed [deleted].

Despite the brevity of this review, I believe it can be seen that the Soviet Government has committed an extraordinary proportion of the nation's resources to the upgrading of its forces in Asia. The Soviet force posture clearly reflects the Soviet realization that they must plan for the possibility of a simultaneous war against NATO in the West and against China and the United States and its allies in the East.

Are there any questions?

Senator HUDDLESTON. You may continue.

Mr. MURPHY. The second short briefing will concern itself with Soviet naval Indian Ocean operations. The briefing will provide an overview [deleted].

The Soviet Navy has maintained a continuous presence in the Indian Ocean since 1968. During the past decade, this presence has grown from a few ships [deleted].

This vugraph depicts the Soviet Indian Ocean ship days during the past decade and—excluding special operations—reflects the relative stability of force levels since 1972.

[Deleted.]

Since the reopening of the Suez Canal in June, 1975, this strategic waterway has been used by the Soviet Navy primarily for the [deleted] purposes shown on this graphic. Despite the Black Sea fleet's much shorter lines of communication to the Indian Ocean, the Suez Canal, until the 1978 Ethiopian-Somali War had been utilized only sparingly for Indian Ocean logistic and combatant ship support. With the conclusion of that war, Soviet combatant and auxiliary ship usage of the Canal returned to approximately its prewar level.

The Soviet navy conducts port visits throughout the Indian Ocean area. In addition to the political nature of such visits, they also afford the Soviets the opportunity for ship crew rest, provisions, water and, in

some instances, fuel resupply. The Soviets have also established [deleted].

An Indian Ocean naval presence allows the Soviets to support their merchant, fishing, oceanographic and space operations there. It also enables the Soviets to improve techniques of afloat support, and to operate ships, submarines, and their associated weapons and sensor systems in a tropical environment.

In conclusion, the Soviet Indian Ocean squadron is a rather modest naval force with limited capabilities. [Deleted.]

Sir, if there are no questions, I will turn the third briefing over to Mr. MacDougall.

Senator HUDDLESTON. Very well.

Mr. MACDOUGALL. We believe the most effective way to present the threat in Korea is to compare the military capabilities of North Korea to those of the Republic of Korea. In late January, the Defense Intelligence Agency completed a new assessment of the military forces of both Koreas. This assessment served as the DIA input into an intelligence communitywide reassessment, which is presently taking place.

I would like to present to the committee the results of our January study, and give you, where appropriate, the results of further research which has taken place since then. The numbers on the slides will be those which we published in January. I will try to update them with our current figures, as of this morning, as we go along.

Before I review for you the more significant elements of our new comparisons, I must make these points:

The differences in estimates between 1978 and 1979 result largely from intensive retrospective reanalysis, not from a surge in North Korea combat capabilities which has taken place in that year.

[Deleted.]

In our comparitive analysis, we consider only North and South Korean forces. No weight is given to U.S. combat forces involvement in the comparison.

The major conclusions and judgments of our 1979 comparative analysis are as follows.

[Deleted.]

The increase in North Korean combat power is not a surge which has taken place in the last year or two, but the result of a program of improvements sustained since at least 1970. Our current intensive analysis has increased our earlier appreciation of the extent of these improvements.

[Deleted.]

Before I address the components of the combat balance, I would like to review the question of uncertainties as reflected in our study.

[Deleted.]

The next slide, please.

[Deleted.]

May I have the last slide back, please?

[Deleted.]

The next slide, please.

[Deleted.]

The next slide, please.

This slide depicts growth in terms of tanks. These figures represent our best estimate at the moment.

The figure for South Korea is a bit high. That represents all the tanks there are in South Korea. There is a program of upgrading underway [deleted].

The next slide, please.

This is the number for armored personnel carriers.

The next slide, please.

Mr. Chairman, we believe there are about [deleted] artillery pieces in the North Korean army at the moment, rather than the [deleted] given for the end of 1978.

The next slide, please.

We believe there are about [deleted] multiple rocket launchers. There are no multiple rocket launchers in the South Korean Army, other than a few experimental models; none in the field.

The next slide, please.

[Deleted.]

While the South has substantially improved the quality of its jet combat aircraft inventory, the North retains its [deleted] numerical advantage as shown here.

[Deleted.]

Given the qualitative improvement experienced by the South Korean Air Force, the air balance is the one area in which the ROK has been [deleted].

The next slide, please.

Naval and marine personnel totals—by themselves—are somewhat misleading. While the South Korean figures include the Republic of Korean Naval Marines, a ground combat element that was already addressed on the previous slides, [deleted].

Senator HUDDLESTON. Do they make their own?

Mr. MACDOUGALL. Yes, sir. [Deleted.]

That concludes my briefing.

Senator HUDDLESTON. Thank you very much.

Do we have another briefing?

Mr. FLIAKAS. No, sir. If you would have any questions for the intelligence witnesses, I would appreciate it if you would take them up now so that I could dismiss them and we can go into our other areas, or they can stay, obviously.

Senator HUDDLESTON. Do you see anything on the horizon at present that is going to slow down the increase in Soviet capability we face? Have they leveled off or have they been stable in recent weeks, or whatever time frame you might use to judge a trend?

Mr. MURPHY. We do not have any graphs, sir, that would indicate either a ruble-dollar figure or, right now, a gross figure for pieces of equipment of how the trend has been going, whether it has leveled off or increased in recent months.

Impressions we have are that currently in many of the major fields of equipment modernization there has not been in, say, the past year, a leveling off. If it has leveled off in one area, perhaps in Europe in certain types of equipment as those new pieces come in, it has picked up in areas such as Asia which formerly, traditionally, were equipped with older obsolescent pieces. They are now turning their attention, we believe, to some of the areas where they do have older pieces in the inventory and expect to modernize them.

It is a very difficult question to answer because the economic burden, if we look at it from our point of view, must be tremendous, yet to the Soviets, apparently it is not. They do not have the consumer society to the extent that we do; they do not have the popular pressures that we do.

Senator HUDDLESTON. They do not have Congress.

Mr. MURPHY. To inhibit military spending. The military complex is a strong organization and, in many instances, is the most advanced technically, far ahead of many of its civilian counterparts.

Senator HUDDLESTON. The mobile portion of this—tanks, airplanes, ships—are they committed to these specific areas? Is there any indication that this is a shifting type thing as far as deploying their forces?

Mr. MURPHY. I am not sure I can give you a definitive answer on that, Mr. Chairman. I believe, however, that for the most part they are not that mobile, especially for a rather short war scenario. I do not believe we can expect the Soviets to make a major shift of ground force equipment [deleted].

In certain areas that are more mobile—transport aircraft and air assets—we may see that, but the Soviets also have a tremendous amount of divisions and equipment in the interior of the U.S.S.R. in what we refer to as the western military districts, which are in the western U.S.S.R.—the Ukraine and Byelorussia.

Senator HUDDLESTON. Senator Sasser, do you have any particular questions on the Defense Intelligence Agency phase of the hearing?

Senator SASSER. I might just have a couple of questions, Mr. Chairman.

One, you said that the latest estimates are that the North Koreans have [deleted] division as opposed to how many?

Mr. MACDOUGALL. At the moment, the Republic of Korea has [deleted] combat divisions.

Sentor SASSER. Are these divisions at the same manpower level?

Mr. MACDOUGALL. If I may correct my remarks, perhaps. They have [deleted] infantry divisions. They also have [deleted] armored divisions, so the total combat divisions in North Korea, that is to say, the total divisions or brigades or the equivalent of divisions and brigades, is [deleted].

The manning level of those units is approximately the same. The South Korean divisions have about 13,000 men when they are fully manned. The North Korean divisions, we estimate, to be at about [deleted].

A brigade is slightly smaller than a division, and these things we are describing as being the equivalents, are groups of forces [deleted].

Senator SASSER. You may have covered this before I got here, Mr. Chairman. Do you have a projection as to the duration of the assistance of the Republic of Korea if there were an offensive by the North Koreans? How long would it last?

Mr. MACDOUGALL. [Deleted.]

As you know, the population of South Korea is about twice what the population of North Korea is and the economy is stronger and so forth, [deleted].

Senator SASSER. You said that you had [deleted]. Why?

It appears to me that it would be relatively easy to get [deleted].

Mr. MACDOUGALL. We do not have any trouble with [deleted].

Senator SASSER. Why is that, out of curiosity?

Mr. MACDOUGALL. [Deleted.]

Senator SASSER. Here again, if I am covering something that was already covered, I will ask it later, but I gather, looking at your graphs, that the buildup began somewhere around [deleted].

Mr. MACDOUGALL. [Deleted.]

Senator SASSER. Does the intelligence community have a theory as to why this buildup took place?

Mr. MACDOUGALL. If I may, sir, I have an answer to your question prepared, but I would like to consult.

[Deleted.]

Senator SASSER. I am just curious if there is any correlation between the buildup of North Korean armed forces and the estrangement that has developed between Russia and the People's Republic of China, a correlation there. That is really the basis of the question.

Mr. MACDOUGALL. I think there are a number of developments that have taken place since 1966 which may give us some suggestion as to what is going on in their minds.

Beginning in 1966 until 1970, they engaged in a substantial effort by infiltrating agents in South Korea to foment a revolution in South Korea. The agents came down thinking that they just have to give the word and the South Koreans would turn around against their government. They began to realize that that was a dreadful failure, and that policy caused a great deal of havoc, but it did not cause a revolution or even something vaguely resembling a revolution.

At that point, they decided to change their strategy. A number of factors took place in the outside world; the Nixon doctrine is certainly one; the coldness between the Soviet Union and China and the warmness between the United States and China; events that have taken place over a several year period.

They began about 1971 to have overtures to the South with respect to the Red Cross talks and other political talks between the two governments. It seems that about the same time they decided that they would build up their military forces.

I think it is possible to speculate that in embarking on an attempted political solution they wanted to be certain that they maintained and improved their military option.

[Deleted.]

How all those events tie together, I am afraid that I cannot tie them all together very well, and I do not know that anybody can.

Senator SASSER. All right. Thank you.

Mr. FLIAKAS. I was going to suggest that it might be of interest for Mr. MacDougall to go into the strain on the economy in North Korea to support this very huge effort.

Senator HUDDLESTON. One question, before you get to that.

Has there been any response at all detected since the announced position of this country to withdraw from Korea?

Mr. MACDOUGALL. I would have to confine myself, Mr. Chairman, to that question in terms of military response and I think the answer is [deleted].

Mr. MURPHY. As a sidelight to that response, sir, it might be of interest to note that North Korea has about the same [population as East Germany, about 17 million people, [deleted]. East Germany, of course, is the 10th ranking industrial power in the world.

Mr. MACDOUGALL. [Deleted.]

Senator HUDDLESTON. Where do they get their oil?

Mr. MACDOUGALL. [Deleted.]

Senator HUDDLESTON. If they get ready to attack, then, they just cut it off?

Mr. MACDOUGALL. [Deleted.]

Senator HUDDLESTON. Do they produce their own weapons?

Mr. MACDOUGALL. [Deleted.]

Senator HUDDLESTON. While that is a summary of the threat now, what are we doing to counteract it?

Mr. FLIAKAS. Each of the military departments have a very brief synopsis of their forces and they can expand on it as you desire.

General Renick?

General RENICK. I have submitted for the record a briefing that includes quite a bit of detail, but currently the Army has four major organizations in Korea. We have Headquarters, 8th U.S. Army; Headquarters, I Corps; Headquarters, 2d Infantry Division; and the 38th Air Defense Brigade. These are located respectively at Yongsan, Camp Red Cloud, Camp Casey, and Osan Air Force Base.

However, there are approximately 110 additional sites and camps in Korea ranging in population from two to three man detachments to brigade-size installations.

We have, in Hawaii, the 25th Division minus and we have in Alaska at Fort Richardson the 172d Infantry Brigade.

[Briefing by Brig. Gen. Roderick D. Renick, Deputy Director, Operations and Readiness, Office of the Deputy Chief of Staff Operations, Department of the Army follows:]

[The information follows:]

BRIEFING BY

BRIGADIER GENERAL RODERICK D. RENICK

DEPUTY DIRECTOR OPERATIONS AND READINESS

OFFICE OF THE DEPUTY CHIEF OF STAFF OPERATIONS

DEPARTMENT OF THE ARMY

I. Introduction

Mr. Chairman, it is an honor to appear before this committee to discuss briefly US Army forces, missions, roles and weapon's system in the Pacific theater and Alaska.

II. Overview. —**Slides appear at end of briefing.**

Slide 1 depicts the Pacific Command (PACOM) boundaries and major US Army forces located in PACOM and Alaska. The command relationships within PACOM are as depicted on Slide 2. Major US Army forces assigned to Commander in Chief Pacific (CINCPAC) by JCS are as depicted on Slide 3. Also depicted are forces (active and reserve) located in PACOM but not assigned to CINCPAC by the JCS. Forces located in Alaska (not a part of PACOM) are as shown on the bottom of Slide 3.

The mission of Eighth US Army (Korea) is shown on Slide 4. The missions of its subordinate commands, I Corps ROK/US Group and 2d Infantry Division, are as shown on Slide 5. The Major US Weapons Systems presently located in Korea are depicted on Slide 6.

The mission of the United States Army, Japan (USARJ) is stated on Slide 7. The roles of Headquarters IX Corps located in Japan is depicted on Slide 8.

The US Army CINCPAC Support Group (USACSG), a Department of Army Field Operating Agency, is located at Fort Shafter, Hawaii and their roles are depicted on Slide 9. The mission of the 25th Infantry Division stationed at Schofield Barracks, Hawaii is shown on Slide 10. The major US Army weapons systems on Hawaii are depicted on Slide 11.

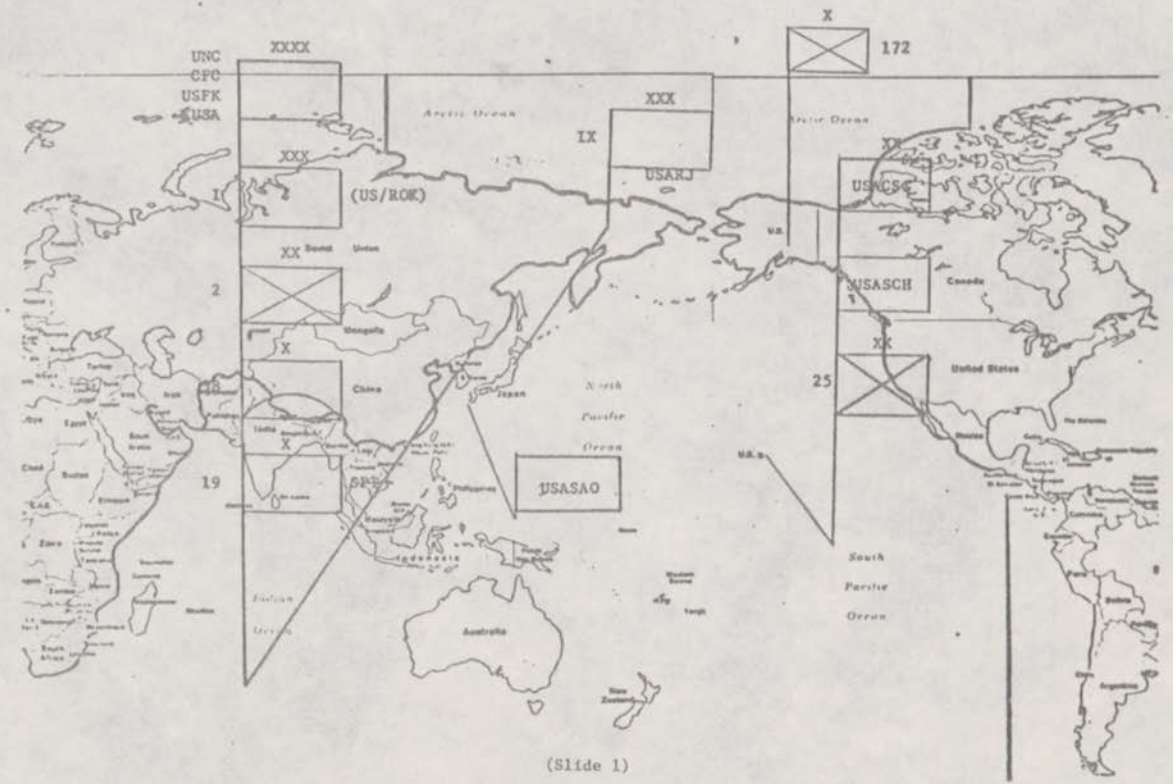
The 172d Infantry Brigade is stationed at Ft Richardson, Alaska (note: Alaska is not a part of PACOM) and the brigade's mission is as shown on Slide 12. The major US Army weapons systems located in Alaska are depicted on Slide 13.

III. Summary.

This concludes my presentation Mr. Chairman.

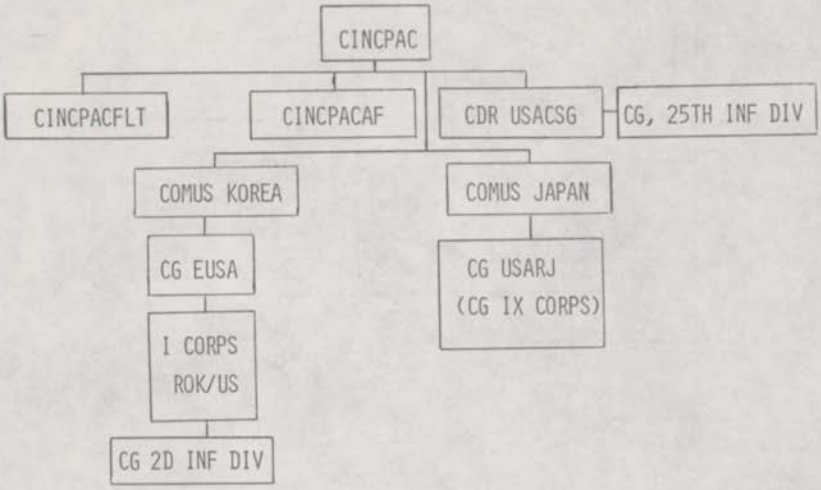
(The slides follow:)

U.S. ARMY IN THE PACIFIC



(Slide 1)

PACOM COMMAND RELATIONSHIPS



(Slide 2)

ARMY FORCES IN PACOM AND ALASKA

ASSIGNED TO CINCPAC

1 ARMY HEADQUARTERS - KOREA
2 CORPS HEADQUARTERS - KOREA/JAPAN
2 INFANTRY DIVISIONS (1 SCHEDULED FOR WITHDRAWAL DURING NEXT 4-5 YEARS)

IN PACOM BUT NOT ASSIGNED TO CINCPAC

1 DA FIELD OPERATING AGENCY - HAWAII
1 IX CORPS AUGMENTATION (USAR) - HAWAII/GUAM
1 ENGINEER GROUP - KOREA
1 SIGNAL BDE - KOREA
1 INFANTRY BDE (ARNG) - HAWAII
1 INFANTRY BN (USAR) - HAWAII
CS/CSS UNITS - KOREA/JAPAN/HAWAII

ALASKA

1 INF BDE CS/CSS UNITS
1 AVN BN
1 ADA BN (HERC) - TO BE DEACTIVATED NLT 30 SEP 79
4 INF BNS (SCOUT) (ARNG)

(Slide 3)

MISSION - EIGHTH US ARMY

EIGHTH US ARMY

- o PROVIDES FORCES IN ACCORDANCE WITH US/ROK MUTUAL DEFENSE TREATY
- o EXERCISES OPERATIONAL CONTROL OF ASSIGNED ROK FORCES AS CFC GROUND COMPONENT
- o PERFORMS FUNCTIONS OF A MAJOR ARMY COMMAND

(Slide 4)

MISSIONS - I CORPS ROK/US GP & 2D INF DIV

I CORPS (ROK/US) GP

OPERATE A COMBINED ROK/US CORPS HEADQUARTERS CAPABLE OF CONDUCTING TACTICAL OPERATIONS. COMMAND ALL ASSIGNED CORPS TROOPS AND PROVIDE STAFF PLANNING, CONTROL AND SUPERVISION OF OPERATIONS OF A COMBINED ROK/US CORPS.

2D INF DIV

BE PREPARED TO DEFEND AGAINST A NORTH KOREAN ATTACK BY MAINTAINING COMBAT READY FORCES ALONG MAJOR AVENUES OF APPROACH.

(Slide 5)

MAJOR WEAPONS SYSTEMS - KOREA

REDEYE
VULCAN
CHAPARRAL
IMPROVED HAWK
DRAGON
TOW
SHERIDAN M551
TANK M60A1
MORTAR 81MM
MORTAR 107MM
105MM HOWITZER (T)
155MM HOWITZER (T) M114
8 IN HOWITZER (SP)
HONEST JOHN
AH-IG (COBRA)

(Slide 6)

MISSION - UNITED STATES ARMY, JAPAN

- COMMAND AND CONTROL
  - MAINTAIN LOGISTICAL BASE TO SUPPORT DA WESTPAC OPERATIONAL PLANS
    - LOGISTICAL SUPPORT FOR WESTERN PACIFIC - ALL US, FREE WORLD FORCES, UNITED NATION FORCES, AND GOVERNMENTAL AGENCIES.
      - ADVISE, ASSIST, AND LIAISON WITH JAPANESE GROUND SELF-DEFENSE FORCES.
        - COORDINATION WITH JOINT AND OTHER SERVICES HEADQUARTERS, US EMBASSY, AND GOVERNMENT OF JAPAN AGENCIES (AS AUTHORIZED BY COMUSJ).
          - DA REPRESENTATION IN COMBINED PLANNING FOR WHICH COMUSJ IS CHARGED.

(Slide 7)

ROLES - HQ IX CORPS

- CONTINGENCY OPERATIONAL PLANNING DURING PEACETIME.
- TACTICAL OPERATIONS PLANNING AND COMMAND AND CONTROL IN WARTIME.
- CAPABLE OF DEPLOYING RAPIDLY TO ESTABLISH NECESSARY COMMAND ON A TIMELY BASIS.

(Slide 8)

ROLES - USACSG

- INTERFACE WITH CINCPAC AND OTHER SERVICE COMPONENTS
- REPRESENT ARMY IN AREAS BEYOND MACOM BOUNDARIES OF JAPAN AND ROK
- REPRESENT ARMY IN MATTERS WHICH TRANSCEND MACOM BOUNDARIES

(Slide 9)

MISSION - 25TH INFANTRY DIVISION

AS A MAJOR ELEMENT OF THE PACIFIC COMMAND RESERVE, MAINTAINS A READINESS POSTURE WHICH WILL PERMIT DEPLOYMENT BY AIR OR SEA ANYWHERE IN THE PACIFIC THEATER AND ENGAGEMENT IN GROUND COMBAT OR ACCOMPLISHMENT OF OTHER ASSIGNED MISSIONS RANGING FROM STABILIZATION OPERATIONS TO GENERAL WAR.

(Slide 10)

41-638 O - 79 - 11

MAJOR WEAPONS SYSTEMS - HAWAII

REDEYE
VULCAN M163
CHAPARRAL
DRAGON
TOW
MORTAR 81MM
MORTAR 107MM
105MM HOWITZER (T)
155MM HOWITZER (T) M114A1
SHERIDAN M551
AH-IG (COBRA)

(Slide 11)

MISSION - 172D INFANTRY BDE, ALASKA

- PLAN, PROVIDE FOR, AND BE PREPARED TO CONDUCT GROUND DEFENSE OF ALASKA.
- PROVIDE OPERATIONALLY READY RESOURCES PREPARED TO PARTICIPATE IN THE CONDUCT OF AIR DEFENSE OF ALASKA.
- COORDINATE WITH TRADOC ON COMBAT DEVELOPMENT ACTIVITIES PERTAINING TO COLD WEATHER, NORTHERN AND MOUNTAIN OPERATIONS.
- OPERATE THE US ARMY NORTHERN WARFARE TRAINING CENTER.
- PROVIDE CERTAIN ADMINISTRATIVE AND LOGISTICAL SUPPORT TO NON-BRIGADE ARMY TENANTS AND OTHER DOD AGENCIES IN ALASKA.
- COMMAND THE USAR ALASKA AND PROVIDE AS REQUESTED LOGISTICAL, ADMINISTRATIVE, AND TRAINING SUPPORT TO THE ALASKA ARMY NATIONAL GUARD.
- PLAN FOR AND PROVIDE ASSISTANCE TO FEDERAL, STATE, AND LOCAL GOVERNMENTAL AGENCIES DURING DOMESTIC EMERGENCIES, UNDER THE OVERALL GUIDANCE AND CONTROL OF THE COMMANDER, ALASKA AIR COMMAND.
- SUPERVISE TRADOC ACTIVITIES TO INCLUDE THE NCO ACADEMY AND TRAINING AIDS SERVICE OFFICE.

(Slide 12)

MAJOR WEAPONS SYSTEMS - ALASKA

REDEYE

DRAGON

MORTAR 81MM

105MM HOWITZER (T)

155MM HOWITZER M114A1

AH-IG (COBRA)

NIKE-HERCULES

(Slide 13)

Senator HUDDLESTON. Thank you.

Mr. FLIAKAS. Admiral?

Admiral CARTER. Mr. Chairman and Senator Sasser, the principal objective of our Asian strategy is to support national interest and promote peace in the Pacific area by maintaining a balance in the powers of the region. To accomplish this objective, several policies must be pursued simultaneously.

We need to maintain sufficient capabilities in the area to deter military adventurism and respond to contingencies for the national industry and the communications to assist in the security of Korea in obtaining our security objectives in Korea. The area is extremely important because it impacts on our allies and adversaries alike.

The fundamental orientation of Japan and China, the limitation of nuclear proliferation and deterrence of North Korean attack all depend heavily on the perceptions of the United States resolved in capability to fulfill our missions.

For the foreseeable future, the major portion of our flexible and readily available combat power in the western Pacific will result from our Navy-Marine Corps team; the United States 7th Fleet and the Fleet Marine Corps Pacific.

Continuous deployment of these forces so far from the continental U.S. depends on a modest, but viable, base structure in the western Pacific. This forward base structure provides a flexible, in-place, quick response capability to deploy forces to meet anticipated contingencies.

These bases allow more efficient operations and a higher level of operations with a given level of mobile logistic support.

The readiness of the operating force is in large part dependent on a base establishment which is capable of meeting the operating, training, maintenance and logistic requirements of the forces.

In the prepared statement, as submitted for the record, there is a detailed listing of the individual bases and why each base is important and what functions it fulfills. I shall not cover those at this time unless you desire me to.

Senator HUDDLESTON. I do not think that would be necessary.

Admiral CARTER. In conclusion, then, let me emphasize again the importance of the Navy's overseas bases to the combat readiness and sustainability of deployed naval and marine forces. The Navy is sensitive to the concerns of the Congress for achieving a proper balance between facilities, investments overseas, and the logistics supports in the United States and believes the military budget achieves this end.

That is the end of my statement, sir.

PREPARED STATEMENT

[Statement of Rear Adm. Powell F. Carter, Jr., U.S. Navy, Deputy Director, Strategy, Plans and Policy Division, Office of the Deputy Chief of Naval Operations, follows:]

PREPARED STATEMENT OF REAR ADM. POWELL F. CARTER, JR., USN

DEPUTY DIRECTOR, STRATEGY, PLANS AND POLICY DIVISION,
OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS
(PLANS, POLICY AND OPERATIONS)

MR. CHAIRMAN, AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL POWELL F. CARTER, DEPUTY DIRECTOR, STRATEGY, PLANS AND POLICY DIVISION IN THE OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS FOR PLANS, POLICY AND OPERATIONS.

IT IS A DISTINCT PRIVILIGE TO APPEAR BEFORE YOU, AND TO REPORT ON UNITED STATES NAVY PACIFIC FLEET BASING AND THE FISCAL YEAR 1980 MILITARY CONSTRUCTION PROJECTS THAT SUPPORT THESE BASES.

UNITED STATES INTEREST

THE UNITED STATES IS COMMITTED TO REMAIN AN ASIAN POWER AND TO CONTINUE TO CONTRIBUTE TO THE SECURITY OF THE PACIFIC REGION. THE PACIFIC AREA IS STRATEGICALLY IMPORTANT TO THE UNITED STATES, BECAUSE:

- THE REGION AS A WHOLE, AND JAPAN IN PARTICULAR, HAS MAJOR CONCENTRATIONS OF ECONOMIC OR MILITARY POWER;
- THE STATE OF SINO-SOVIET RELATIONS IS CRITICAL TO THE BALANCE OF POWER, NOT ONLY IN THE PACIFIC BUT ALSO IN EUROPE, SINCE IT DIVERTS LARGE AMOUNTS OF SOVIET COMBAT RESOURCES;
- THE CONTINUING STATE OF TENSION IN KOREA HAS IMPLICATIONS FOR THE SECURITY OF OUR ALLIES IN THE NORTHWESTERN PACIFIC.

UNITED STATES STRATEGIC OBJECTIVES

THE PRINCIPAL OBJECTIVE OF OUR ASIAN STRATEGY IS TO PRESERVE PEACE IN THE AREA BY MAINTAINING A STABLE BALANCE BETWEEN THE UNITED STATES, UNION OF SOVIET SOCIALIST REPUBLICS, PEOPLES REPUBLIC OF CHINA, AND JAPAN. THE POLICIES TO ATTAIN THIS OBJECTIVE CAN BE SUMMARIZED AS FOLLOWS:

o TO MAINTAIN SUFFICIENT MILITARY CAPABILITIES IN THE AREA TO PRESERVE THE EQUILIBRIUM, DETER MILITARY CONFLICTS, AND RESPOND TO CONTINGENCIES.

o TO MAINTAIN JAPAN'S CONFIDENCE IN THE UNITED STATES COMMITTMENT WHILE ENCOURAGING HER TO:

oo INCREASE HER SELF-DEFENSE CAPABILITIES PARTICULARLY IN THE AREAS OF AIR DEFENSE AND ANTISUBMARINE WARFARE.

oo TO ASSUME A GREATER ROLE IN ASSISTING OTHER PACIFIC NATIONS.

o TO EXPAND RELATIONS WITH THE PEOPLES REPUBLIC OF CHINA.

o TO MAINTAIN FRIENDLY RELATIONS WITH COUNTRIES ASTRIDE IMPORTANT SEA LINES OF COMMUNICATIONS AND THOSE WHICH PROVIDE IMPORTANT BASES OR ACCESS RIGHTS.

o TO ASSIST IN (OR CONTRIBUTE TO) THE SECURITY OF SOUTH KOREA.

UNITED STATES NAVAL POSTURE IN THE PACIFIC

U.S. CREDIBILITY IN THE PACIFIC IS OF GREAT IMPORTANCE AND COULD HAVE MAJOR EFFECTS ON THE FUNDAMENTAL PREMISES OF CURRENT UNITED STATES DEFENSE PLANNING AND ON CRITICAL UNITED STATES INTERESTS IN THE REGION. THE FUNDAMENTAL ORIENTATION OF JAPAN AND CHINA, THE LIMITATION OF NUCLEAR PROLIFERATION, PARTICULARLY IN JAPAN AND KOREA, AND DETERRENCE OF NORTH KOREAN ATTACK ALL DEPEND HEAVILY ON PERCEPTIONS OF UNITED STATES RESOLVE AND CAPABILITY TO FULFILL COMMITMENTS.

IN KEEPING WITH A RECENT PRESIDENTIAL DECISION, NO FORCE REDUCTIONS BEYOND THOSE SCHEDULED FOR KOREA ARE CONTEMPLATED FOR THE WESTERN PACIFIC. THUS FOR THE FORESEEABLE FUTURE, A CONSIDERABLE PORTION OF OUR COMBAT POWER IN THE WESTERN PACIFIC WILL RESIDE IN OUR NAVAL FORCES: THE UNITED STATES SEVENTH FLEET AND THE FLEET MARINE FORCES PACIFIC. THE PRINCIPAL ELEMENTS OF DEPLOYED NAVAL POWER IN THE WESTERN PACIFIC ARE:

UNITED STATES SEVENTH FLEET SHIPS	
CARRIERS	2
SURFACE COMBATANTS	19
ATTACK SUBMARINES	6
AMPHIBIOUS SHIPS (AMPHIBIOUS READY GROUP)	2
MOBILE LOGISTICS SUPPORT FORCE	11

UNITED STATES MARINE CORPS	PERSONNEL
FORCES AFLOAT 1 MARINE AMPHIBIOUS UNIT	2,500
1 BATTALION LANDING TEAM	
FORCES ASHORE (THIRD MARINE DIVISION)	10,000
FIRST MARINE AIRCRAFT WING	6,000

AIRCRAFT

UNITED STATES MARINE CORPS - 210

UNITED STATES NAVY - 242

WESTERN PACIFIC BASE STRUCTURE

SINCE THE BEGINNING OF THIS CENTURY, THE UNITED STATES HAS BEEN A MAJOR POWER IN ASIA. OUR HISTORY HAS BEEN INEXTRICABLY LINKED WITH ASIA, AND WE HAVE BEEN INVOLVED THERE IN THREE COSTLY WARS IN THE PAST GENERATION. THE UNITED STATES STILL RETAINS SIGNIFICANT MILITARY POWER IN THE AREA.

WE HAVE CONTINUED TO MAINTAIN FORCES AND BASES IN ASIA NOT AS AN END IN THEMSELVES BUT BECAUSE OF THEIR CONTRIBUTION TO THE PURSUIT OF OUR INTERESTS. THIS POSTURE HAS REFLECTED THE BELIEF THAT EQUILIBRIUM IN ASIA IS ESSENTIAL TO OUR OWN PEACE AND SAFETY AND THAT NO STABLE ORDER IN THAT REGION CAN BE ACHIEVED WITHOUT ACTIVE UNITED STATES SECURITY INVOLVEMENT. IT ALSO REFLECTS THE BELIEF THAT MAINTENANCE OF THE POWER BALANCE IN ASIA HELPS TO PRESERVE THE BALANCE OF POWER IN EUROPE. ONE THING IS CLEAR: FOR THE FORESEEABLE FUTURE NO OTHER DEMOCRATIC NATION WILL TAKE OVER OUR PRESENT ROLE OF TRYING TO MAINTAIN A MILITARY BALANCE AMONG THE MAJOR POWERS IN ASIA.

FROM A HIGH POINT IN THE LATE 1960s, WHICH REFLECTED THE INTENSITY OF THE UNITED STATES EFFORT IN INDOCHINA, WE HAVE BEEN LOWERING OUR MILITARY POSTURE IN EAST ASIA. BASES HAVE BEEN REDUCED, CONSOLIDATED, AND STREAMLINED. THERE HAVE BEEN REDUCTIONS IN FORCES, AND BOTH HEADQUARTERS AND HEADQUARTERS PERSONNEL HAVE BEEN CUT SHARPLY. FURTHER RESTRUCTURING OF OUR POSTURE CAN BE EXPECTED AS OPPORTUNITIES FOR EFFICIENCY ARISE.

OUR FACILITIES IN EAST ASIA HAVE PROVIDED A HOST OF UNIQUE CAPABILITIES. IN GENERAL, THEY CAN BE CHARACTERIZED AS PROVIDING THE ACTUAL AND PERCEIVED CAPACITY AND WILL OF THE UNITED STATES TO EMPLOY MILITARY POWER IN ASIA. IN MORE SPECIFIC TERMS, THESE FACILITIES PROVIDE INTELLIGENCE, IN-PLACE COMMUNICATIONS, REPAIR AND MAINTENANCE, LOGISTIC SUPPORT, TACTICAL AIRFIELDS, MATERIEL STOCKPILES AND REPLENISHMENT CAPABILITIES NEAR THE AREA OF FORESEEABLE EMPLOYMENT. THEIR MISSIONS FREQUENTLY SERVE DEFENSE INTERESTS BEYOND THOSE IN ASIA.

STRATEGY IS CRITICAL TO BASING

THE PRESIDENT HAS INDICATED HIS INTENTION TO MAINTAIN THE CURRENT LEVEL OF FORCES IN THE WESTERN PACIFIC. SHOULD A CRISIS ARISE WITH A NEED TO REINFORCE OUR FORWARD DEPLOYED FORCES, THE FORWARD BASE STRUCTURE PROVIDES THE FLEXIBLE, IN-PLACE QUICK RESPONSE CAPABILITY TO MEET ANTICIPATED CONTINGENCIES. ON THE OTHER HAND, BECAUSE OF THE POLITICAL AND FINANCIAL CONSTRAINTS IN ESTABLISHING ALTERNATE FACILITIES, AND THE DIFFICULTY--IF NOT IMPOSSIBILITY--OF TIMELY REENTRY IN A CONTINGENCY SITUATION INTO FORWARD BASES, THE FURTHER RELINQUISHMENT OF MAJOR UNITED STATES BASES WOULD REQUIRE A CHANGE IN UNITED STATES STRATEGY TO BRING OUR PROTESTATIONS INTO LINE WITH OUR CAPABILITIES.

THE CURRENT STRUCTURE OF UNITED STATES NAVAL AND UNITED STATES MARINE CORPS BASES IN THE WESTERN PACIFIC IS IMPORTANT TO MAINTAINING OUR CURRENT NAVAL FORCE POSTURE IN THE AREA. THESE BASES SHOULD BE VIEWED AS A COMPLEX; THEY ARE BOTH INTERDEPENDENT AND MUTUALLY SUPPORTIVE. THEY ALLOW MORE EFFICIENT OPERATIONS AND A HIGHER LEVEL AND INTENSITY OF OPERATIONS WITH A GIVEN LEVEL OF MOBILE LOGISTIC SUPPORT.

AREA OF RESPONSIBILITY

THE COMMANDER IN CHIEF, PACIFIC FLEET'S AREA OF RESPONSIBILITY EXTENDS FROM THE CALIFORNIA COAST WESTWARD ACROSS THE PACIFIC, THROUGH THE SEA OF JAPAN, THE PHILIPPINE SEA, AND THE SOUTH CHINA SEA, AND CONTINUES WESTWARD IN THE INDIAN OCEAN TO THE SOUTHERN TIP OF AFRICA. SAILING AT A 20-KNOT SPEED, IT TAKES A SHIP APPROXIMATELY 30 DAYS TO TRANSIT FROM THE WESTERN SHORE OF THE UNITED STATES TO EAST AFRICAN PORTS. BASES IN HAWAII AND THE KEY PACIFIC FLEET OVERSEAS BASES COMPLEXES LOCATED IN THE PHILIPPINES, JAPAN, GUAM, AND DIEGO GARCIA SERVE TO REDUCE THIS RESPONSE TIME IMMENSELY.

OPERATIONAL CONTROL

OPERATIONAL CONTROL OF FLEET ASSETS IS EXERCISED BY THE COMMANDER THIRD FLEET, HEADQUARTERED ON FORD ISLAND IN HAWAII AND THE COMMANDER SEVENTH FLEET, HEADQUARTERED ABOARD THE CRUISER USS OKLAHOMA CITY TO BE REPLACED BY USS BLUE RIDGE, 1 JUNE 1979 HOMEPORTED IN YOKOSUKA, JAPAN.

THE READINESS OF THE OPERATING FORCES IS IN LARGE PART DEPENDENT ON A SHORE ESTABLISHMENT WHICH IS CAPABLE OF MEETING THE OPERATING, TRAINING, MAINTENANCE AND LOGISTICAL REQUIREMENTS OF THE OPERATING FORCES.

ADAK, ALASKA

BECAUSE OF ITS STRATEGIC LOCATION, THE NAVAL STATION, ADAK, ALASKA, PROVIDES AN EXCELLENT BASE FOR ANTI-SUBMARINE WARFARE PATROLS USING THE P-3 ORION AIRCRAFT. IT IS ALSO AN EXCELLENT LOCATION FOR A COMMUNICATIONS LINK IN THE NORTH PACIFIC AREA. WE ARE REQUESTING FOUR PROJECTS FOR A TOTAL OF 20 MILLION DOLLARS. INCLUDED IN THIS AMOUNT IS 12.7 MILLION DOLLARS FOR MODERNIZING TWO BARRACKS COMPLEXES, AND 3.2 MILLION DOLLARS FOR A DINING FACILITY MODERNIZATION. ALSO INCLUDED IS ONE WATER POLLUTION ABATEMENT PROJECT FOR 4.1 MILLION DOLLARS.

THE NAVAL SECURITY GROUP ACTIVITY, ADAK, ALASKA IS PART OF THE WORLD-WIDE TELECOMMUNICATIONS SYSTEM FOR THE NAVY DEFENSE COMMUNICA-

TIONS SYSTEM AND NAVAL SECURITY GROUP OPERATIONS. THE REQUEST IS 4 MILLION DOLLARS FOR AN OCEAN SURVEILLANCE BUILDING ADDITION; 2.5 MILLION DOLLARS FOR BARRACKS MODERNIZATION, AND ONE MINOR CONSTRUCTION PROJECT FOR A TOTAL OF 6.8 MILLION DOLLARS.

HAWAII

THE PEARL HARBOR COMPLEX IN HAWAII SUPPORTS MAJOR ELEMENTS OF THE PACIFIC FLEET INCLUDING PACIFIC FLEET HEADQUARTERS, SURFACE COMBATANTS, ATTACK SUBMARINES AND LAND-BASED ANTISUBMARINE WARFARE AIRCRAFT. MAJOR ACTIVITIES INCLUDE THE NAVAL STATION, THE NAVAL SUBMARINE BASE, THE NAVAL AIR STATION BARBERS POINT, AND THE NAVAL SHIPYARD.

THE NAVAL SHIPYARD, PEARL HARBOR, PLAYS A SIGNIFICANT ROLE IN SUPPORTING DEPLOYED AND HOMEPORTED PACIFIC FLEET SHIPS, ON BOTH A REGULARLY SCHEDULED AND EMERGENCY BASIS. WORK LOAD IS MAINLY SURFACE ESCORTS AND NUCLEAR-POWERED ATTACK SUBMARINES. THE REQUEST IS 7.3 MILLION DOLLARS FOR CONSTRUCTION OF A NEW PIPE SHOP AND 420 THOUSAND DOLLARS FOR ONE MINOR CONSTRUCTION PROJECT FOR A TOTAL OF 7.7 MILLION DOLLARS.

THE HEADQUARTERS OF THE FLEET MARINE FORCES PACIFIC IS AT CAMP H. M. SMITH, AIEA, HAWAII. THE FIRST MARINE BRIGADE IS STATIONED AT THE MARINE CORPS AIR STATION, KANEOHE BAY.

WE ARE REQUESTING 4.8 MILLION DOLLARS FOR AN AUTOMOTIVE MAINTENANCE FACILITY AT THE MARINE CORPS AIR STATION, KANEOHE BAY.

ALSO IN HAWAII, WE ARE REQUESTING ONE MILLION DOLLARS FOR COMPRESSED BREATHING AIR SYSTEM IMPROVEMENTS AT THE PUBLIC WORKS CENTER, PEARL HARBOR, TO BE USED AT THE SHIPYARD.

MIDWAY ISLAND

THE NAVAL AIR FACILITY, MIDWAY ISLAND, PROVIDES FACILITIES AND SERVICES FOR LOGISTIC SUPPORT OF AVIATION AND SURFACE UNITS OF THE UNITED STATES PACIFIC FLEET. WE ARE REQUESTING 3.9 MILLION DOLLARS FOR ONE WATER POLLUTION ABATEMENT PROJECT FOR A SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM.

THE KEY PACIFIC FLEET OVERSEAS BASE COMPLEXES ARE LOCATED IN:

GUAM

GUAM, AS A UNITED STATES TERRITORY, REPRESENTS THE ONLY MAJOR BASE COMPLEX IN THE WESTERN PACIFIC TO WHICH THE UNITED STATES HAS ASSURED CONTINUED ACCESS. UNITED STATES FORCES AND FACILITIES ON GUAM SERVE A TWOFOLD PURPOSE: THEY CONTRIBUTE TO A FORWARD DEFENSE AND EARLY WARNING CAPABILITY AGAINST ANY THREAT WHICH MIGHT BE DIRECTED AGAINST THE UNITED STATES, AND THEY PROVIDE A CAPABILITY TO REINFORCE AND RESUPPLY UNITED STATES AND ALLIED FORCES ELSEWHERE IN THE PACIFIC.

GUAM PROVIDES A FORWARD LOCATION ON UNITED STATES TERRITORY FOR FLEET BALLISTIC MISSILE SUBMARINE (SSBN) SUPPORT, SHIP REPAIR, AIR STATION FACILITIES, AMMUNITION STORAGE, NAVAL SUPPLY, DEPOT, AND NAVAL COMMUNICATIONS.

- SOME DISADVANTAGES OF GUAM ARE:
  - RELATIVELY SMALL SHIP REPAIR FACILITY WORK FORCE.
  - SHIP REPAIR COST MUCH HIGHER THAN YOKOSUKA OR SUBIC.
  - MORE DISTANT FROM SEVENTH FLEET OPERATING AREAS THAN SUBIC OR YOKOSUKA.
  - AS IS TRUE WITH JAPANESE BASES, THE GUAM BASE COMPLEX IS RESTRICTED FROM FURTHER EXPANSION DUE TO SCARCITY OF AVAILABLE LAND.

IN GUAM, THE NAVY PUBLIC WORKS CENTER PROVIDES UTILITIES, HOUSING, ENGINEERING SERVICES, SHORE FACILITIES PLANNING SUPPORT, AND ALL OTHER PUBLIC WORKS LOGISTICS SUPPORT REQUIRED BY THE OPERATING FORCES, DEPENDENT ACTIVITIES, AND OTHER COMMANDS LOCATED IN GUAM. THE TOTAL REQUEST IS 4.1 MILLION DOLLARS FOR FOUR PROJECTS. ONE AIR POLLUTION ABATEMENT PROJECT FOR 1.6 MILLION DOLLARS; TWO ENERGY CONSERVATION PROJECTS FOR 2.1 MILLION DOLLARS; AND ONE MINOR CONSTRUCTION PROJECT.

JAPAN

THE JAPANESE BASE COMPLEX IS IMPORTANT DUE TO FORWARD LOCATION AND DIVERSITY OF FACILITIES. ITS LOCATION IS OF GREAT IMPORTANCE

FOR KOREAN CONTINGENCIES. THESE BASES ARE IMPORTANT NOT ONLY AS STAGING BASES BUT ALSO FOR THE DEFENSE OF JAPAN. THEY PROVIDE VISIBLE POLITICAL AND SYMBOLIC EVIDENCE OF CONTINUING UNITED STATES INTEREST IN THE WESTERN PACIFIC.

oo YOKOSUKA PROVIDES A DEEP WATER PORT, PETROLEUM; OIL; AND LUBRICANT, SHIP REPAIR, AND NAVAL SUPPORT DEPOT. IT IS THE HOMEPORT FOR COMMANDER SEVENTH FLEET FLAGSHIP AND STAFF, USS MIDWAY (CVA-41), DESTROYER SQUADRON FIFTEEN, USS WORDEN (CG-18), AND USS WHITE PLAINS (AFS-3). THIS YEAR'S PROGRAM INCLUDES ONE MINOR CONSTRUCTION PROJECT FOR THE FLEET ACTIVITY, YOKOSUKA.

oo AIRFIELD COMPLEXES AT MISAWA, IWAKUNI, KADENA, ATSUGI AND FUTEMA ARE ESSENTIAL FOR ANTISUBMARINE WARFARE AND OTHER AIR OPERATIONS FOR NAVY AND MARINE CORPS.

THE MARINE CORPS BASE, CAMP SMEDLEY D. BUTLER, OKINAWA, AND THE MARINE CORPS AIR STATION, IWAKUNI, PROVIDE TRAINING, LOGISTIC AND ADMINISTRATIVE SUPPORT FOR FLEET MARINE FORCE UNITS CONSTITUTING THE THIRD MARINE AMPHIBIOUS FORCE, THE LARGEST UNITED STATES SERVICE IN JAPAN. WE ARE REQUESTING 4.3 MILLION DOLLARS TO MODERNIZE ELEVEN ENLISTED DINING FACILITIES AND 7.4 MILLION DOLLARS FOR A WATER POLLUTION ABATEMENT PROJECT.

PHILIPPINES

THE SUBIC BAY AND CUBI POINT COMPLEX IS THE LARGEST AND MOST IMPORTANT OF OUR WESTERN PACIFIC BASE COMPLEXES BECAUSE OF ITS LOCATION, CAPABILITIES AND CONTRIBUTION TO OUR OVERALL STRATEGIC OBJECTIVES.

THE PHILIPPINES ARE STRATEGICALLY LOCATED AT THE MID-POINT OF THE OUTER LINE OF FRIENDLY NATIONS STRETCHING FROM SOUTH KOREA AND JAPAN TO AUSTRALIA. THEY ARE ASTRIDE THE VITAL SEA LINES ALONG THE ASIAN PERIPHERY AND IN NEAR PROXIMITY TO THE SOUTH CHINA AND SOUTHEAST ASIAN MAINLAND. THE BASES REPRESENT AN ALMOST IDEAL BASING SITUATION AND PROVIDES A FULL RANGE OF NAVAL AIRCRAFT AND SHIP REPAIR, LOGISTIC,

COMMAND, CONTROL, COMMUNICATIONS, TRAINING, AND MEDICAL FACILITIES. THERE IS NO ONE BASE THAT DUPLICATES THE NAVAL FUNCTIONS OF SUBIC BAY AND CUBI POINT.

oo KEY ELEMENTS IN THE SUBIC BAY AND CUBI POINT COMPLEX ARE PETROLEUM, OIL, AND LUBRICANT STORAGE; AMMUNITION STORAGE; SHIP REPAIR; AND AIRCRAFT SUPPORT.

oo NAVAL AIR STATION, CUBI POINT IS A MAJOR INSTALLATION FOR CARRIER AIR GROUP OPERATIONS AND SUPPORT, FLIGHT TRAINING, LIMITED AIRCRAFT REWORK AND SUPPORT FOR LAND BASED ANTISUBMARINE WARFARE AIRCRAFT. THE BASE COMBINES FACILITIES FOR A DEEP WATER PORT FOR CARRIER SUPPORT, AN AIRFIELD, FLEET TRAINING, LOGISTIC SUPPORT, AND AIRCRAFT MAINTENANCE. CUBI POINT IS THE ONLY AIRFIELD AVAILABLE IN WESTERN PACIFIC FOR DIRECT CARRIER-ALONGSIDE SUPPORT.

CONSTRUCTION IN THE PHILIPPINES MAY BEGIN WITH FISCAL YEAR 1981. BECAUSE OF THE MORITORIUM ON CONSTRUCTION SINCE FISCAL YEAR 1975, THERE ARE MANY HIGH PRIORITY PROJECTS IN THE PHILIPPINES.

AUSTRALIA

THE NAVAL COMMUNICATION STATION, HAROLD E. HOLT, EXMOUTH, AUSTRALIA, IS A VITAL LINK IN FLEET COMMUNICATIONS AND THE DEFENSE COMMUNICATIONS SYSTEM. IT PROVIDES COMMAND AND CONTROL COMMUNICATIONS, SHIP-TO-SHORE SERVICE TO THE FLEET AND SATELLITE COMMUNICATIONS. THE REQUEST IS 2.5 MILLION DOLLARS FOR A SATELLITE COMMUNICATIONS GROUND TERMINAL TO MAKE THE AUSTRALIA TERMINAL COMPATIBLE WITH OTHER TERMINALS IN THE SYSTEM.

DIEGO GARCIA

THE UNITED STATES NAVY SUPPORT FACILITY DIEGO GARCIA HAS BEEN ESTABLISHED TO PROVIDE COMMUNICATION SERVICES AND LIMITED MATERIAL SUPPORT TO NAVAL FORCES OPERATING IN THE AREA.

NAVAL FACILITIES INCLUDE A COMMUNICATIONS STATION; A RUNWAY, PRIMARILY TO SUPPORT DEPLOYMENTS OF LANDBASED MARITIME AIR PATROL AIRCRAFT, AND A LIMITED LOGISTICS SUPPORT AND PETROLEUM; OIL; AND LUBRICANT STOWAGE CAPABILITY.

CONCLUSION

THE NAVY RECOGNIZES THAT ITS PACIFIC BASES ARE AND WILL REMAIN IMPORTANT TO THE READINESS OF NAVAL AND MARINE FORCES IN THE PACIFIC.

WITHIN THE FACILITIES RESOURCES PROVIDED, THE NAVY IS STRIVING TO ACHIEVE A PROPER BALANCE BETWEEN FACILITIES INVESTMENTS IN THE EUROPEAN AND PACIFIC THEATERS OF OPERATIONS.

BIOGRAPHICAL SKETCH

REAR ADMIRAL POWELL F. CARTER, JR., UNITED STATES NAVY

Powell Frederick Carter, Jr., was born in Los Angeles, California on 3 June 1931, son of Powell F. Sr. and Helen (Shaw) Carter (father deceased). He attended John Marshall High School, Los Angeles, California and was graduated as class valedictorian in 1950. He attended the University of California at Los Angeles (UCLA) and the California Institute of Technology (CAL TECH) until called to active duty with his Naval Air Reserve Squadron at the commencement of the Korean Conflict. After service in Japan and Korea he was appointed to the United States Naval Academy by the late Carl Hinshaw (20th District, California). He was graduated with distinction and commissioned Ensign in the U. S. Navy on 3 June 1955. Subsequently, he advanced in rank until selected for Rear Admiral in February 1978.

Ensign Carter's first duty station as a commissioned officer was on board the San Diego, California based USS WASHBURN (AKA-108). Upon completing qualifications as Officer of the Deck and Command Duty Officer, he applied for and received submarine training at the U. S. Naval Submarine School, New London, Connecticut.

Lieutenant (junior grade) Carter's initial submarine duty was in USS POMODON (SS-486), serving as Supply Officer and Assistant Engineering Officer from July 1957 until November 1958. In January 1959, LTJG Carter attended nuclear power training followed by assignment to the precommissioning detail, USS SCAMP (SSN-588) where he served as Navigator and Operations Officer during sea trials, shakedown, and special operations in the Pacific Ocean areas. After detachment from SCAMP in October 1962, Lieutenant Carter was assigned to the pre-commissioning detail of USS HADDO (SSN-604) at New York Shipbuilding Corporation, Camden, New Jersey, and served on board HADDO for 54 months as Main Propulsion Assistant and then Chief Engineer. Lieutenant Commander Carter's next assignments were on the Fleet Ballistic Missile Submarine USS NATHAN HALE (SSBN-623) where he served until April 1969 with the GOLD Crew as Executive Officer, and then with the BLUE Crew in the same position.

Commander Carter assumed command of the new attack submarine USS HAMMERHEAD (SSN-663) in June 1970. Under his command, HAMMERHEAD became the first nuclear submarine to surface through the ice at the North Pole during the winter period of total darkness. Additionally, HAMMERHEAD and her crew received two Navy Unit Commendations and one Meritorious Unit Commendation for other special operations. Commander Carter was awarded the Legion of Merit twice. The ship also won the Battle Efficiency "E" twice. In December 1973, Captain Carter reported for his initial tour ashore as Executive Assistant and Senior Aide to the Vice Chief of Naval Operations.

When Admiral James L. Holloway III, was appointed the 20th Chief of Naval Operations on 1 July 1974, Captain Carter was selected to serve as his Executive Assistant and Senior Aide and remained in that position until ordered to duty as Commander Submarine Squadron SIXTEEN in August 1976. Submarine Squadron SIXTEEN was based in Rota, Spain and consisted of a large, modern submarine tender, ten of the latest class Fleet Ballistic Missile Submarines, a floating drydock, and various auxiliary craft. While serving as COMSUBRON SIXTEEN, Captain Carter was selected for promotion to the rank of Rear Admiral and received orders to his current assignment as Deputy Director, Strategy, Plans and Policy Division, Office of the Chief of Naval Operations.

Rear Admiral Carter's decorations include four awards of the Legion of Merit and other miscellaneous awards and campaign medals.

He is married to the former Carole Ann Oswald of Scranton, Pennsylvania and they have three children, Gretchen K. Carter, Janeen A. Carter and Heidi K. Carter. His official home address is Sherman Oaks, Los Angeles, Calif

Rear Admiral Carter's hobbies are Art, Language, History, and Painting. His favorite participative sport is tennis.

Mr. FLIAKAS. General Weise from the Marine Corps can provide a summary on the Marine Corps capability.

General WEISE. Yes, sir.

We have submitted a formal statement in more detail for the record, but generally we have the following forces: the 3d Marine Division on Okinawa, with about 10,000 personnel; the 1st Marine Brigade, located in Hawaii with 8,700 personnel; the 1st Marine Aircraft Wing is located in Japan, with about 6,500 personnel.

A Marine air-ground task force is continuously forward deployed afloat. It is a Marine Amphibious Unit of about 1,700 personnel. We also have a battalion landing team of approximately 1,400 personnel afloat in the western Pacific.

These organizations have conventional ground equipment such as tanks, rifles, machine guns, artillery as well as supporting aircraft, fixed wing, helicopter, and close air support aircraft. The number and types of these equipments are contained in greater detail in the record.

PREPARED STATEMENT

[Statement of Brig. Gen. William Weise, U.S. Marine Corps, Director of Operations, follows:]

PREPARED STATEMENT OF BRIG. GEN. WILLIAM WEISE

U. S. MARINE CORPS

DIRECTOR OF OPERATIONS

Mr. Chairman and members of the committee:

I am Brigadier General William WEISE, Director of Operations, Headquarters U. S. Marine Corps.

It is a pleasure to appear before you to report on the United States Marine Corps mission, structure, and capabilities in the Pacific Command area.

Marine Corps forces in the Mid - and the Western Pacific are under the command of the Commanding General, Fleet Marine Force, Pacific (CGFMFPAC), commanded by a LtGen who is a type commander under the operational control of CINCPACFLT.

Current operations and readiness training of FMFPAC forces are conducted as a deterrent to military attacks upon the US, its possessions and allies throughout the area encompassed by the Pacific Command (PACOM). Should that deterrent fail, FMFPAC is prepared to conduct such combat operations as may be required in pursuit of national military objectives, including the provision of augmentation forces to other unified commands.

FMFPAC forces forward deployed in WESTPAC are an integral part of PACOM naval forces, an instrument of the United States Forward Defense Strategy. The FMFPAC forces stationed in MIDPAC provide a Marine Air/Ground Task Force (MAGTF), in the form of the 1st Marine Brigade (1st MARBDE), capable of projecting additional combat power as may be required for the prosecution of naval campaigns in the Pacific Command.

Additionally, CGFMFPAC Functions in the dual capacity of

Commander, Marine Corps Bases, Pacific (COMMARCORBASESPAC), which encompasses command, under the Commandant for the Marine Corps, of the following Marine Corps Bases located in MID - and WESTPAC:

Camp H. M. Smith, Hawaii

MCAS Kaneohe Bay, Hawaii

MCB, Camp S. D. BUTLER, Okinawa, Japan

MCAS, Iwakuni, Japan

MCAS (H), Futenma, Okinawa, Japan

These bases and aeronautical shore activities provide support for ground and aviation units of FMFPAC and for operating forces of the Navy.

FMFPAC forces may be employed in all types of amphibious operations when supported by requisite amphibious or other shipping. Marine forces are also capable of being employed in rapid response or reinforcement roles by use of tactical or MAC airlift or by administratively loaded shipping. When employed in operations other than amphibious operations, FMFPAC MAGTFs are capable of functioning as self-sustaining Uni-Service forces under the operational control of unified, subordinate unified, or Joint Task Force commanders at the direction of CINCPAC or CINCPACFLT. FMFPAC MAGTFs also possess the inherent capability for the conduct of humanitarian, disaster relief, riot control, and evacuation operations as required.

Our forward deployed FMFPAC forces are capable of rapid response across a full spectrum of possible contingencies ranging from a show of force to major combat operations.

The forces to accomplish these tasks are:

- 1st Marine Brigade at Kaneohe Bay, Hawaii
- 3rd Marine Division at Camp Butler, Japan

- 1st Marine Aircraft Wing at Iwakuni and Camp Foster, Japan
- 31st Marine Amphibious Unit, Afloat
- Battalion Landing Team Bravo, Afloat

Personnel strengths of these elements are:

- 1st Marine Brigade - 8700
- 3rd Marine Division -10000
- 1st Marine Aircraft Wing - 6500
- 31st Marine Amphibious Unit - 1700
- Battalion Landing Team Bravo - 1350

Major Weapons Systems available to these forces are:

- 1st Marine Brigade
  - 18 - 105mm Howitzers (TD)
  - 6 - 155mm Howitzers (TD)
  - 48 - LVTP-7 - Amphibian Tractors
  - 5 - M60A1 Tanks
  - 24 - F4J - Fighter/Attack Aircraft
  - 17 - CH-53D - Heavy Helicopters
  - 24 - CH-46 D/F - Medium Helicopters
  - 8 - UH-1s - Utility Helicopters
  - 3 - TA-4F - Training Aircraft
- 3d Marine Division
  - 24 - 105mm Howitzers (TD)
  - 12 - 155mm Howitzers (TD)
  - 2 - 8" Howitzers (SP)
  - 84 - LVTP-7 - Amphibian Tractors
  - 24 - M60A1 Tanks
- 1st Marine Aircraft Wing
  - 24 - F4J - Fighter/Attack Aircraft
  - 12 - A-6E - Attack Aircraft
  - 16 - A-4M - Attack Aircraft
  - 8 - TA-4F - Training Aircraft

4 - EA6B - Electronics Countermeasures Aircraft, Improved Version

4 - RF4B - Photo/Reconnaissance Aircraft

6 - AV8A - Vertical Takeoff/Landing Attack Aircraft

10 - OV-10A - Observation/Light Attack Aircraft Transport

18 - CH-46D - Medium Helicopters

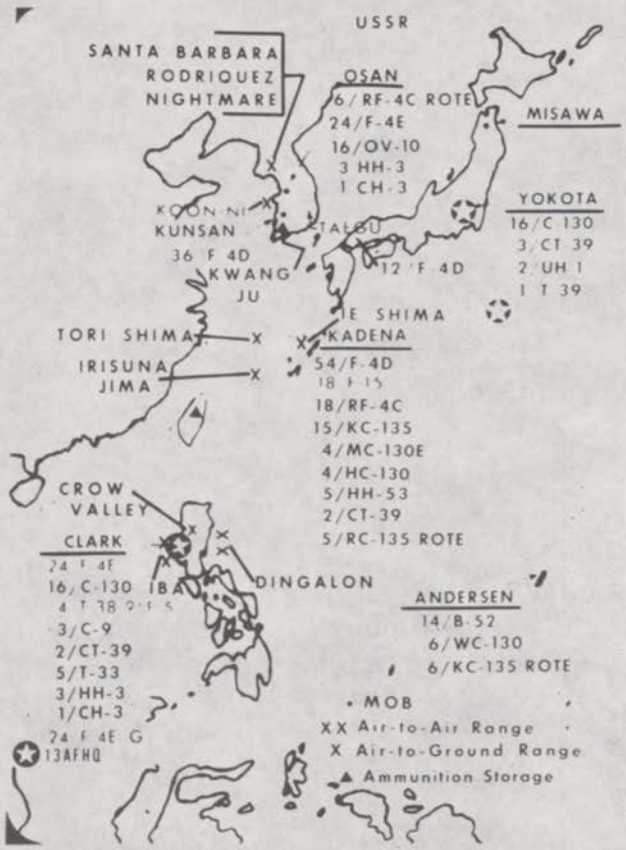
21 - CH-53D - Heavy Transport Helicopters

12 - KC-130 - Aerial Refueling Aircraft

14 - UH-1 - Utility Helicopters

6 - AH-1 - Attack Helicopters

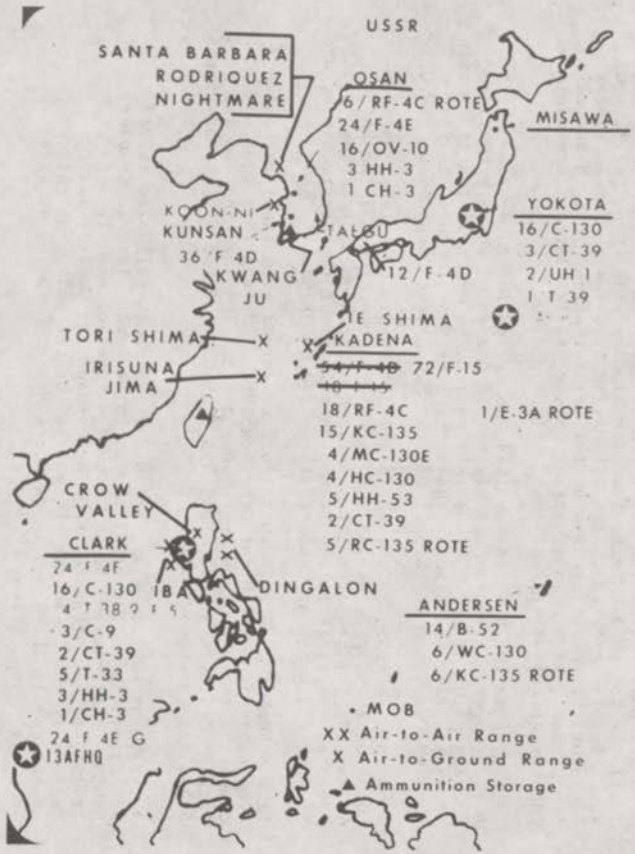
PACAF
END FY 79



HICKAM
9/C-130
6/HC-130
3/EC-135
2/C-135
6/HH-53
4/T-33
18/F-4C(ANG)
PACAF HQ

WHEELER
9/O-2

1/C-7(ANG)
3/T-33 (ANG)



PACAF
END FY 79
END FY 80

HICKAM
9/C-130
6/HC-130
3/EC-135
2/C-135
6/HH-53
4/T-33
1/C-7(ANG)
24 18/F-4C(ANG)
3/T-33 (ANG)
PACAF HQ

WHEELER
9/O-2

BIOGRAPHICAL SKETCH

BRIGADIER GENERAL WILLIAM WEISE, USMC

Brigadier General William Weise is currently the Director, Operations Division, Operations and Training Department, Headquarters Marine Corps, Washington, D.C.

General Weise was born March 10, 1929, in Philadelphia, Pa. He graduated from Benjamin Franklin High School and won an academic scholarship to Temple University in Philadelphia, where he earned a B.S. degree in Political Science in June 1951. He also holds a master's degree in Business Administration from Arizona State University (1973).

He entered the Marine Corps as a private in October 1951, attended boot camp at Parris Island, S.C. and Electronics School at Great Lakes, Ill. In 1952, he successfully completed the Officer Candidate Screening Course, Quantico, Va., and was commissioned a Marine second lieutenant.

Upon graduation from The Basic School early in 1953, he was assigned initially to the 3d Marine Division at Camp Pendleton, Calif., and was later transferred to the 1st Marine Division in Korea. There he spent the remaining days of the war in Company "G", 3d Battalion, 5th Marines, as a mortar section leader, rifle platoon commander and company executive officer.

Returning to the U.S. in May 1954, he served for three years as a Basic School instructor and Officer-in-Charge of the Breckenridge Library at Quantico. During this period, he was promoted to captain in April 1956, and also attended the Army Ranger School at Fort Benning, Ga., and the Supply Officer School, at Camp Lejeune, N.C.

From 1957 to 1959, he served in several supply billets at Marine Corps Base, Camp Pendleton. Returning to the Fleet Marine Force in March 1959, he served as a rifle company commander and assistant operations officer in the Second Battalions of the First, Ninth, and Seventh Regiments at Camp Pendleton and on Okinawa.

From November 1960 to August 1962, he served with the First Force Reconnaissance Company at Camp Pendleton. During this tour, he completed the Army Airborne School at Fort Benning; the Special Warfare Officers School, Fort Bragg, N.C.; and the Navy Scuba Divers' School at Coronado, Calif.

Arriving at Mobile, Ala., in August 1962, General Weise served as Inspector-Instructor of the 3d Force Reconnaissance Company, USMCR. While there, he was promoted to major in July 1963. In 1965-66, he attended the Army Command and General Staff College at Fort Leavenworth, Kansas, before being assigned as an advisor to the Republic of Korea Marine Corps, U.S. Naval Advisory Group, Korea.

Immediately following promotion to lieutenant colonel in October 1967, he arrived in Vietnam and was given command of the 2d Battalion, 4th Marines. While in Vietnam, General Weise earned the Navy Cross, the Silver Star Medal, the Legion of Merit with Combat "V", and three awards of the Purple Heart Medal.

From 1968 to 1971, he was an instructor at the Army Command and Staff College, at Fort Leavenworth. He entered Arizona State University under the Advanced Degree Program in 1971 and graduated in 1973 with a master's degree in Business Administration. He also held membership in two honor societies, Beta Gamma Sigma and Sigma Iota Epsilon.

Promoted to colonel in July 1973, he spent a year at the Marine Corps Supply Center, at Albany, Ga., as Director of the Personnel

and Administrative Division. In 1974-75, he attended the Naval War College at Newport, R.I., followed by a year as Commanding Officer of the "Striking Ninth" Marine Regiment on Okinawa.

General Weise returned to Newport in September 1976, serving as a Management Instructor and Advisor to the President of the Naval War College. While serving in this capacity, he was selected in February 1978 for promotion to brigadier general. He was promoted to his present grade on June 1, 1978 and assumed his current assignment on June 19, 1978.

Brigadier General Weise is married to the former Ethel Jaeschke of Philadelphia. They have three children: Carol, who is married; Marc, a student at MIT; and Holly, a student at the University of Rhode Island.

The General's interests include reading, church work, Boy Scouts, swimming, jogging and sports.

Senator HUDDLESTON. Thank you, General.

General GILBERT. We also have a formal rundown of our force structure in the Pacific that I will provide for the record, but basically we have 192 tactical fighter airplanes, 14 B–52's, 18 reconnaissance aircraft and 16 OV–10 forward air control aircraft and 15 KC–135 air refueling type aircraft.

The tactical fighters are located at Osan, Kunsan, and Taegu Air Force bases in Korea and Clark Air Base in the Philippines; Kadena Air Base on Okinawa, Japan. The bombers are based at Andersen Air Base in Guam. The reconnaissance and the air refueling aircraft are located at Kadena Air Base on Okinawa and in addition, at Osan we do have the forward air controller aircraft located there.

In addition to these forces, the plans call for a rapid build-up to something over [deleted] aircraft should there be a requirement. That is one of the reasons why we have not assigned some of our aircraft to NATO that we discuss from time to time.

Senator HUDDLESTON. Where would they come from?

General GILBERT. They would come from our total CONUS resources that we use to swing from one location to another, depending on the need. It would be those squadrons that were not assigned to NATO from which we would build to over [deleted] airplanes in Korea.

Senator HUDDLESTON. In this area, how do we compare in air strength with out potential adversaries?

General GILBERT. Once we build to the plans that exist today, we compare favorably. I think, then, certainly——

Senator HUDDLESTON. You mean on paper?

General GILBERT. Yes, sir, and in quantity, as well. Our numbers are far greater than the North Koreans. There is just one problem.

[Deleted.]

Senator HUDDLESTON. All right, sir.

PACIFIC AIR FORCES BRIEFING—LT. COL. WILLIAM FAUST

Mr. Chairman, I also have a rundown of force structure in the Pacific that I would like to provide for the record.

[The information follows:]

The following slides indicate the bases and aircraft beddown in PACAF for end fiscal year 1979 and the changes in the force by end fiscal year 1980.

These bases support 192 tactical fighters, one squadron of 16 forward air control aircraft, two squadrons of in theater airlift with 32 aircraft, one bomber squadron of 14 aircraft, one air refueling squadron with 15 aircraft, and one squadron of 18 reconnaissance aircraft.

OSAN AB Korea has one squadron of 24 F–4E's whose primary mission is air-to-air combat. Also, at Osan is a squadron of 16 OV–10's which provide forward air control of strikes against enemy forces. At Kunsan AB, Korea are two squadrons with a total of 36 F–4D's and an additional squadron of 12 F–D's at Taegu, Korea. Their mission is air-to-ground support.

Kadena AB, Japan currently has three squadrons with 54 F–4D's and one squadron with 18 F–4C's. These aircraft also provide air-to-ground support. In fiscal quarter April 1979 a squadron of 18 F–15's are programed into Kadena, and at the same time the 18 F–4C's depart Kadena. Additionally, Kadena has one squadron of 18 RF–4C's which are used for reconnaissance missions, and a squadron of 15 KC–135's to provide air refueling support.

Clark AB, Philippines has two squadrons with a total of 48 F–4E's. In fiscal quarter April 1979 12 F–4E's will be replaced by 12 F–4G's which will equip one squadron with 12 F–4E's and 12 F–4G's. The F–4G is equipped with electronic equipment which enables the crew to detect radar emissions from such things as surface to air launching equipment. Clark also has one squadron of 16 C–130's with the other squadron of 16 C–130's being located at Yokota AB, Japan. The mission of these aircraft is to provide in theater airlift.

A squadron of B–52's with 14 aircraft is located at Anderson AFB, Guam. These aircraft provide bomber support in PACAF.

By the end of fiscal year 1980 the 54 F–4D's at Kadena AB, Japan are programed to be replaced by 54 F–15's for a total of 72 F–15's at Kadena AB. Additionally, the first rotational airborne command and control E–3A arrives at Kadena in fiscal quarter April 1980.

Senator HUDDLESTON. All right, sir.

On the withdrawal of the 2d Infantry Division, what is the status of that?

Mr. FLIAKAS. Sir, as the President announced last month, no change has been made to the basic decision with respect to the withdrawal of the ground combat forces but it has been held in abeyance pending the reassessment of the strength analysis that is ongoing now.

So as you know, one battalion was removed last December and they are temporarily stationed at Fort Riley, Kans. The Secretary of Defense has not, to date, made a decision with respect to the home basing of the division when it is ultimately pulled out.

Senator HUDDLESTON. I took my basic training at Fort Riley. They will probably wish they were back in Korea. [Laughter.]

Mr. FLIAKAS. General Pinckney would like to add to this.

General PINCKNEY. On the withdrawal, I would just like to make sure that it is understood that we do plan to withdraw a battalion and two small support groups totaling 234 men in the June to July time frame. The decision to withdraw the Honest John battalion was made before the overall decision was announced by the President and it makes sense anyway. It is the last such battalion in the U.S. Army.

There will be no change in combat capability because the equipment will be turned over to the ROK's. They already have two such battalions, so it makes sense to go ahead with that.

The major part of the 1979 withdrawals which occur during the latter part of this year are being held in abeyance.

Senator HUDDLESTON. Does that affect your budget request for Korea?

Mr. FLIAKAS. No, sir. We do have a very small amount—some people will say a token amount—I believe $7.1 million—in the Army's budget for site unspecified for the 2d Division should that decision be made, so there have been estimates, of course, as high as $75 million to $100 million required in necessary construction in the first year after the division, after the main elements of the division were supposed to be pulled back. But that amount is primarily for planning and some alteration and improvements that would be required in order to shoehorn in the first elements pending full construction.

Senator HUDDLESTON. The withdrawal does not affect the need for the milk plant?

General READ. No, sir. The way it is sized, it would accommodate it. As a matter of fact, the production of the current plant over there, is about 16,000 gallons. They put out now about 23,000 gallons by working additional shifts. The new plant is sized the same way, so it would be able by working on a shift basis to accommodate if they stayed, or go down to an 8-hour shift if they came out.

General PINCKNEY. My understanding is that the milk plant provides for all U.S. forces in Korea, not just the Army.

General READ. That is correct, sir. The Chairman asked this question, I believe, earlier.

General PINCKNEY. Of course, the Air Force personnel and the civilian U.S. personnel would be staying, and roughtly [deleted] Army noncombat personnel would be staying.

Senator HUDDLESTON. How many Air Force people?

General PINCKNEY. Approximately 9,000.

Senator HUDDLESTON. Do you have a breakdown on what portion of the $150 million requested is for operational as opposed to support forces?

Mr. FLIAKAS. Yes, sir. I think we can provide that for the record by project, yes, sir.

[The information follows:]

Approximately 62 percent of the total amount is associated with operational bases and 38 percent is devoted to support bases.

[In millions of dollars]

	Operational	Support	Total
Army	6.790	11.860	18.650
Navy	29.500	17.000	46.500
Marine Corps	.....	16.500	16.500
Air Force	44.500	.....	44.500
Air National Guard	.180	.....	.180
Defense Agencies	11.400	11.390	22.790
Total	92.370	56.750	149.120

Senator HUDDLESTON. The fiscal year 1980 request includes about $57 million more than in previous years for Japan and Korea. How much participation do we get from these countries, since this is a common defense effort?

Mr. FLIAKAS. Yes, sir. I would like to respond first from the standpoint of mere facilities and ask General Pinckney to expand on it, the other contributory areas.

There has been ongoing for a number of years a rather extensive construction program relating to the relocation of U.S. units and the consolidation of forces and the reversion of properties to the Japanese Government. This started first with the reversion of Okinawa to Japan a number of years ago and the pull-out of our forces and for that, the Japanese have built some very excellent facilities for us.

All told, the plan would provide some relinquishment of some 30,000 acres to the Japanese and the provision of like facilities for the U.S. forces at installations that would be retained by the United States.

There are about five of these programs on the revocation arrangement, totaling some $750 million.

In addition, there has been what is called a cost-sharing program initiated by the Japanese Government to provide about $120 million of facilities for the United States. This is not related to any relocation, but in recognition of our needs there, and in an attempt to provide us with not only facilities, but also some of the costs of labor increases from a facilities standpoint. I will furnish a breakdown of the projects for the record, but they include over 400 units of family housing. It includes a number of barrack projects, both replacement and new construction, for the Marine Corps as well as a sound suppressor system at Kadena and at the rehabilitation facility.

This is a 2-year program. We, of course, encourage it very much. The Japanese Government elected to provide us with what is called, with what they consider, noncontroversial types of construction items, housing and the like, rather than operational type facilities.

Maybe General Pinckney could add to that about other contributory provisions.

[The information follows:]

GOVERNMENT OF JAPAN COST-SHARING PROGRAM

Mr. Chairman, the information requested is classified. I will provide a separate answer to the committee.

General PINCKNEY. Of course, the Japanese Government provides stability in East Asia through its own forces. Although their own constitution prohibits military forces, they have self defense forces that any other country would call an Army, Navy, and Air Force.

We do not encourage Japan to increase the size of her military forces but we do encourage them very strongly to increase the quality, the logistic support, et cetera, of those forces, that is, qualitative improvements. Partly as a result of our encouragement, they bought the F–15 from us, and they are buying the P–3C and they may buy other significant systems.

They have, as Mr. Fliakas has pointed out, begun to not only have this quid pro quo exchange when we turn back the facility and square foot for square foot, they build us a new facility for it. That program is rapidly coming to an end. Now they have in the budget for the new Japanese fiscal year 1979, that begins the first of next month, this [deleted] 2-year construction program.

We believe that there will be a follow-on to that in fiscal 1980 with another 2-year program then. Those, of course, are one-time expenses. Once the barracks or dependent housing is built, that is it.

In Japanese fiscal year 1978, the year that they are in now, for the first time they began to pick up some of the costs of Japanese nationals employed by the Department of Defense in Japan. At that time and the then-exchange rate, they assumed about $23 million of our costs—it

amounts now to between $30 million and $35 million in current exchange rates.

In Japanese fiscal year 1979, they will pick up an additional $35 million, or roughly $70 million for labor costs all in all. Another major contribution they make is in providing us with land areas rent-free and, of course, land is at a premium in Japan. When you build an air base in Japan, a big, flat area, you dispossess several thousand people in the process or take over several hundred farms, and it is not an easy thing to do.

It is much more of a contribution for Japan than it would be in the United States. We estimate in 1977 their support forces amounted to $565 million, in our terms, and they will increase. All told, the Japanese contributions will come to $750 million in calendar year 1979.

So they make a substantial contribution to us.

Their own forces in 1977, their defense budget amounted to $6.5 billion, so even though it is less than 1 percent of their gross national product, it is still a sizable amount of money. In 1979 between real growth of around 5.5 percent per year in their defense budget and the difference in exchange rate, it would be equivalent to about $11.5 billion.

Senator HUDDLESTON. I wonder what effect our normalization with the People's Republic changed status with Taiwan and is going to have on our situation in that area. We have some 700 troops, I understand, on Taiwan that would be taken off.

What kind of facilities are they occupying and what happens to them?

Mr. FLIAKAS. Sir, some years ago we closed down putting caretaker status on our operating bases to 700 people, primary support type and administrative type, so there is virtually little in the way of installations or operational facilities that we have occupied in the last several years.

Senator HUDDLESTON. What about refueling, logistics and other needs that Taiwan might have played a greater role in than they will now?

Will we have to make some accommodations for those?

General PINCKNEY. Yes sir.

[Deleted.]

Senator HUDDLESTON. How about naval patrols and that sort of thing? Any effect there?

Admiral CARTER. No, sir. We have not used Taiwan extensively for naval operations for a long time except to do occasional exercises with the Taiwanese. We make port visits there, but our main operating bases have been elsewhere. The bases in Japan and the Philippines will take care of our needs nicely.

Senator HUDDLESTON. We are budgeting only $410,000 for the Philippines. That is for a flight trainer facility. Is this based on the actual need there, or does it have to do with the base rights negotiations.?

Mr. FLIAKAS. Basically the latter, Mr. Chairman. We had elected to defer valid requirements in projects. We do anticipate that in forthcoming future budgets that we will, based on our tenure, be required to proceed with.

Senator HUDDLESTON. Are the negotiations proceeding?

Mr. FLIAKAS. Yes, sir.

General PINCKNEY. We signed with the Philippines amendments to the basic agreement so that they have been, in effect, concluded.

Senator HUDDLESTON. Do we now have a requirement to pay them a fee for staying there, a lease?

General PINCKNEY. We prefer not to put it in quite those terms. Part of the agreement was that we would provide them over 5 years $500 million in military assistance or security-related assistance. However, it is important to keep in mind that half of that amount, $250 million, is in foreign military sales credits which are loans repaid to the U.S. Government at really no cost to the U.S. taxpayer.

Our Department of Defense is even paid an administrative fee of 2 percent for managing the sale.

Senator HUDDLESTON. Those purchases would be from us?

General PINCKNEY. Those purchases would be from us, that is correct, sir, and the only new obligational authority involved in that $250 million is $25 million that goes into a sinking fund in case there is any nonpayment on the part of the Philippines. The Philippines have a perfect record. They have never defaulted. They have never been late.

So although FMS entails a temporary requirement for NOA, we have every expectation that it will not be used and will just go back to the Treasury.

The other $250 million is $50 million in grant military assistance and $200 million in security supporting assistance.

Senator HUDDLESTON. That is over a period of what time?

General PINCKNEY. Five years, yes, sir.

Mr. FLIAKAS. The agreement is until 1991.

General PINCKNEY. The agreement runs until 1991. It will be reviewed every 5 years.

Senator HUDDLESTON. Do we have a mutual defense type treaty with the Philippines?

General PINCKNEY. Yes, sir.

Senator HUDDLESTON. What if Subic Bay were not available to us? What alternate sites would we likely turn to for those activities?

General PINCKNEY. We would likely turn to Guam in the first instance and to some extent to Japanese locations, but I think it is important to keep in mind that there is no substitute for Subic. Guam is 1,200 miles east and we just could not do the same thing.

Senator HUDDLESTON. How far is Hawaii?

General PINCKNEY. Hawaii, as I recall, is bout 2,300 nautical miles northeast of Guam. It is much farther back in.

Senator HUDDLESTON. You cannot get there from those locations.

General PINCKNEY. That is right.

Not only that, but we have a very low wage rate in Subic, much lower than Guam. Subic is the only overseas location, the only one outside the United States, I believe, where you can offload aircraft directly from the deck of an aircraft carrier to the air field, which is a tremendous asset. There are major industrial facilties for ship repair and

aircraft at Subic. The space is not available, a trained labor force is not available, the type of geography is not available at Guam or anywhere else in the Pacific that we enjoy at Subic.

Senator HUDDLESTON. What about Clark Air Force Base? What would we substitute for that, if we lost it?

General PINCKNEY. We would probably move back to Andersen Air Base at Guam or to Okinawa, but we simply could not do the things from those locations that we can do at Clark. Not only that, you would have to settle for a lesser job and it would cost a lot more money.

Senator HUDDLESTON. The Philippines are pretty important to us?

General PINCKNEY. They certainly are.

Senator HUDDLESTON. What nations besides us are currently patrolling or deploying vessels in the Indian Ocean?

Admiral CARTER. The French have warships in the Indian Ocean and so do the British. The French squadron is quite a bit larger than the British commitment. Actually, the British right now have one frigate and an oiler which are going along with the Britannia, which is the Queen's yacht. In addition, the British have four auxiliary ships associated with hydrographic research.

The French have occasionally operated an aircraft carrier in the Indian Ocean.

Senator HUDDLESTON. The Soviets, do they have some?

Admiral CARTER. Yes, sir. The Soviets right now have one *Kresta* class guided missile cruiser in the Indian Ocean with a *Kotlin* class destroyer, two frigates, and some auxiliary ships to support them.

Senator HUDDLESTON. How much has been appropriated to date for the construction at Diego Garcia?

Admiral ZOBEL. $44,850,000 total Navy and Air Force.

Senator HUDDLESTON. Is this considered only a communications station and fueling stop?

General PINCKNEY. I would say that that categorization still pertains, but maybe needs revision.

Senator HUDDLESTON. Has the situation in Iran and the Middle East caused the situation there?

General PINCKNEY. It is causing it. It is obviously becoming more important to us.

Senator HUDDLESTON. Is the likelihood that we will see some requests for some additional funding there?

General PINCKNEY. I have seen no official piece of paper, but I would be willing to lay odds on it personally. That is just a personal judgment.

Mr. FLIAKAS. There is nothing, of course, in the 1980 program, sir, and there are a number of requirements, specialized requirements, that have developed that have been reviewed by the Joint Chiefs of Staff, but they are not as yet programed.

Senator HUDDLESTON. What is the basic mission of the Kwajalein installation?

General READ. The Kwajalein Missile Range is a national missile range managed and operated by the Army. It's purpose is for strategic offensive missile, ballistic missile defense [deleted] testing.

It employs some 11 of the islands in the Kwajalein Atoll 2,100 nautical miles southwest of Honolulu.

The main users are the Air Force and Navy intercontinental ballistic missile and the sea launched ballistic missile programs, the Army's ballistic missile defense systems, and advanced technology center programs.

Senator HUDDLESTON. The $2.9 million is for resizing. What is that?

General READ. It principally is to permit us to get some more modern equipment and install some $11.5 million worth of modern instrumentation. We need that. All of it, but $4.36 million of it has had the procurement funding authorized. The remaining $4.36 million is in the 1980 and 1981 budgets.

Senator HUDDLESTON. Are there any new major programs planned in the future?

General READ. Yes, sir.

[Deleted.]

Senator HUDDLESTON. The Naval Communications Station at Australia, what is its basic purpose?

Admiral ZOBEL. A defense satellite communications system which will upgrade the current system. We have mobile vans that will be replaced by this project.

Senator HUDDLESTON. This type of project, is this going on elsewhere?

Admiral ZOBEL. There has been similiar upgrading in Norfolk, Guam, and Hawaii. There are projects underway in Diego Garcia, in Italy, and in Scotland.

SUBMITTED QUESTIONS

Senator HUDDLESTON. I believe we will submit the remainder of our questions for the record, if it is suitable for you gentlemen. I do not see any objections.

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

QUESTIONS SUBMITTED BY SENATOR HUDDLESTON

MISSION FORCES AND THE BASE STRUCTURE

Senator Huddleston. Are any major mission changes planned in the near future?

Mr. Fliakas. There are no major mission changes planned for the future. However, the Navy has planned, for enhanced capabilities such as at the "Classic Wizard" sites in Fiscal Year 1981 (deleted). Similarly, for the Air Force, 18 F-15s are programmed to be based on Kadena Air Base, Japan, in Fiscal Quarter April 1979, and at the same time 18 F-4Cs depart Kadena Air Base. By the end of Fiscal Year 1980 an additional 54 F-15s will be stationed at Kadena to replace the remaining F-4Ds. Also, the first rotational E-3A airborne command and control aircraft will be located at Kadena by Fiscal Quarter April 1980. Additionally, 12 F-4G wild weasel aircraft will replace 12 F-4Es at Clark Air Base, Philippines, in Fiscal Quarter April 1979.

KOREA AND JAPAN

Senator Huddleston. Would you indicate for the record those projects in the Fiscal Year 1980 budget which are identified with improving readiness as opposed to "housekeeping-type" efforts?

Mr. Fliakas. The following listing has been annotated to reflect those projects which are identified with improving readiness and those which are identified as housekeeping-type efforts.

FY 1980 Military Construction Program
in Japan and Korea
($ Millions)

Country/ Component	Installation/Project	Project Cost	Installation Total	Total
JAPAN				23.750
Army	Okinawa		2.700	
	Replace Petroleum Tanks, Kuwae, Tank Farm 2	2.700 a/		
Navy	Marine Corps Base, Camp Smedley D. Butler, Okinawa		11.700	
	Sanitary Sewage Collection and Treatment	7.400 b/		
	Dining Facilities Modernization	4.300 a/		
	Fleet Activities, Yokosuka		.150	
	Air Conditioning	.150 b/		
Air Force	Kadena Air Base		1.100	
	Squadron Flight Operations Facility	1.100 a/		
Dependents Schools	Misawa Air Base		5.070	
	High School	5.070 b/		
	Yokota East Air Base		2.450	
	Elementary School Addition	2.450 b/		
	Atsugi Naval Air Facility		.580	
	Elementary School Addition	.580 b/		
KOREA				33.150
Army	Various Locations		4.610	
	Fire Station, Camp Walker	.270 b/		
	Milk Plant, K 16	3.150 b/		
	Conversion Communications Center	.240 a/		
	Arms Storage Facility	.400 a/		
	Upgrade and Alter Arms Rooms	.350 a/		
	Standby Power for Automated Data Processing	.200 a/		
Air Force	Kunsan Air Base		4.010	
	Add to and Upgrade Taxiways	3.500 a/		
	Alter Aircraft Shelters	.510 a/		
	Osan Air Base		20.730	
	Quick Turn Facility	6.000 a/		
	Aircraft Arm/Disarm Pads	1.350 a/		
	Aircraft Shelters	12.000 a/		
	Flight Simulator Training Facility	.730 a/		

	Aircraft Instrument Landing/Navigation Facility - 1 PAR	.220 a/	
	Aircraft Security System	.430 a/	
	Taegu Air Base		.510
	Unaccompanied Officer Personnel Housing	.510 b/	
Dependents Schools	Seoul, Yongsan Garrison High School Annex	3.290 b/	3.290

a/ Projects identified with improving readiness.
b/ Projects identified as housekeeping-type.

STATUS OF FORCES IN KOREA

Senator Huddleston. To what extent have these recent assessments been considered in developing the programs just described? Will they have to be altered?

Mr. Fliakas. While the threat of North Korea's military capability will always be a key factor in developing programs, the recent assessments have had no significant impact on the programs just described.

MISSION FORCES AND THE BASE STRUCTURE

Question. While many installations obviously exist primarily to support those deployed forces, others have specific operational missions. Would you describe these?

Response. Direct support to deployed forces is provided by supply depots, ship repair facilities, ammunition magazines, air stations, and similar shore establishments. The Naval Security Group activities provide direct support in addition to security functions. Communications stations similarly provide direct support as well as communications for Defense Satellite Systems and administrative functions. Oceanographic and weather activities have dual functions also. Indirect support is provided by Public Works Centers, Officers-in-Charge of Construction, medical facilities, electronic field offices and similar shore facilities.

Question. For example, what is the mission of Adak, Alaska or the communications station at Harold E. Holt, Australia?

Response. Because of its strategic location, Adak provides a base for P-3 patrol aircraft and other forces which support a primary mission of anti-submarine warfare. General communications are also provided as well as Naval Security Group functions. Harold E. Holt provides very low frequency communications for command and control of deployed forces as well as Defense Satellite Communications and high frequency radio communications for point-to-point as well as ship-to-shore circuits.

PHASING OF WITHDRAWAL

Question. What is the phasing of this withdrawal?
Answer. Original plan called for incremental withdrawal of

forces over a 4-5 year period with 1st increment consisting of 6,000 spaces scheduled for withdrawal by end of Calendar Year 1978. The Presidential announcement April 21, 1978 outlined intent to delay major portion of 1st increment withdrawals until CY 1979; 1st increment withdrawal is in two phases (increments 1A and 1B):

a. "1A" consisting of 3,436 spaces: 842 2d Infantry Division spaces and 2,594 nondivisional spaces were withdrawn/inactivated by end December 1978. The 2d Battalion, 9th Infantry redeployed to Fort Riley, Kansas, as an interim measure pending a stationing decision for the 2d Infantry Division.

b. Withdrawal of the remainder of the original 1st increment ("1B" - 2,564 spaces including 2,048 from 2d Infantry Division) will be conducted in CY 1979. The 2,048 "1B" spaces from the 2d Infantry Division include HHC, 3d Brigade; 1st Battalion, 38th Infantry; 1st Battalion, 15th Field Artillery; two provisional TOW Companies; and one company each from the divisional engineer, maintenance, and medical battalions.

The April 21 announcement did not alter plans for subsequent withdrawals. The 2d increment of approximately 9,000 spaces including (deleted) from the 2d Infantry Division is to be withdrawn by July 1, 1980.

The 3d increment calls for the redeployment/inactivation of approximately (deleted) spaces (deleted) which will then leave a total ground residual force of approximately 6,000 spaces.

The following summarizes by fiscal year the major unit transfers/inactivations/conversions/decrements:

a. Units returning to CONUS.
(Deleted)

b. Unit inactivations/conversions/decrements.
FY 1978 - Inactivation of non-divisional Honest John Battalion and Nike Hercules Battalion, Approximately 1,000 spaces.
(Deleted)

NORTH KOREA REASSESSMENT

Question: Is this plan being reconsidered in light of intelligence reassessments of North Korean forces?

Answer: We are currently reassessing our plans for withdrawal in light of the new North Korean Order of Battle information. We expect to complete the reassessment by late spring and would expect to brief key committees of the Congress of the results by early summer. As the President has indicated, the remaining withdrawals are being held in abeyance pending completion of the reassessment of North Korean ground forces. The one exception is the Honest John battalion which will continue because that battalion is the last HJ unit in the U.S. Army and was scheduled for phaseout long before the withdrawal was decided and because the equipment will be turned over to the ROK so that there will be no reduction in military capability.

PETROLEUM STORAGE FACILITY, WAKE ISLAND

Question. A total of $11.4 million is requested to repair and expand fuel storage capacity on Wake Island. Would you elaborate and explain the mission needs which generate a given storage capacity requirement?

Answer. Wake Island figures prominently in (deleted) as an emergency field. PACAF and MAC have identified a requirement for (deleted) bbls of fuel at Wake Island to support the first (deleted) the most demanding plans in the Pacific. At present, there is about 142,000 bbls of usable storage on Wake Island. This project builds 100,000 bbls new and refurbishes 161,000 bbls for a total of 403,000 bbls of usable storage upon project completion. The additional POL requirements will be programmed in the future Military Construction Program.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. I want to thank all of you. I appreciate your coming. I am getting an education, if nobody else is, at these sessions.

We will have additional questions. Other members of the subcommitee may, also.

Mr. FLIAKAS. We will respond.

Senator HUDDLESTON. Thank you very much.

[Whereupon, at 3:55 p.m., Friday, March 9, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

WEDNESDAY, MARCH 21, 1979

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

The subcommittee met at 9:10 a.m. in room 1114, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston, Sasser, and Laxalt.

DEPARTMENT OF DEFENSE

NATIONAL GUARD AND RESERVE FORCES

BUDGET REQUEST

Senator HUDDLESTON. The subcommittee will come to order.

Our subject this morning is the fiscal year 1980 military construction program for the Guard and Reserve components. The Guard and Reserve now constitute about 30 percent of our fighting force, and they have also assumed many new missions traditionally performed by the active forces.

The fiscal year 1980 budget request for these components is some $100 million, approximately 40 percent below last year's appropriations. The Deputy Assistant Secretary of Defense has advised the subcommittee that this reduction, and I quote him, "should not be interpreted as a lack of support of the Guard and Reserve Forces program, but rather, a proportionate share of an austere military construction request."

Quite frankly, we are less concerned with the equity or proportion of the request than with its adequacy to meet even minimum construction needs. Today's hearing should offer some insight into that question.

Our witnesses this morning include the Chief of the National Guard Bureau, and the Chiefs, or their representatives, of the various Reserve components. We will also be receiving testimony from the Reserve Officers Association, the National Guard Association of the United States, and the Adjutants General Association of the United States.

Since there are so many witnesses, and since much of the questioning will be generic in nature, I think we could expedite things if we receive all the statements in turn before questioning begins. Perhaps we can begin with the Army and Air Guard, followed by the Army, Navy, and Air Force Reserves, and concluding with our

public witnesses from the ROA, Guard Association, and the Adjutants General Association of the United States.

Before proceeding, I would like to defer to Senator Laxalt, the ranking minority member.

Do you have any comments at this time, Senator?

Senator LAXALT. thank you, Mr. Chairman.

I look forward to hearing the testimony of these gentlemen here today with regard to the construction needs of the Guard and Reserve.

Gentlemen, I am well aware, from my own experience as Governor, of the vital role that the Guard and Reserve play in the total force concept of our defense. I am also aware, as you are, of the drastic cut that you have taken in your fiscal year 1980 budget request for military construction. I share your concern over these cuts, considering the declining strength figures in the Guard and in the Reserve.

I think that you are probably in a "Catch-22" situation, since you need every inducements possible to recruit and retain individuals for your units.

Senator HUDDLESTON. thank you, Senator.

We will begin, then, with Major General Weber.

NATIONAL GUARD BUREAU

STATEMENT OF MAJ. GEN. LAVERN E. WEBER, CHIEF, NATIONAL GUARD BUREAU

PREPARED STATEMENT

General WEBER. Mr. Chairman, and Senator Laxalt, it is a privilege to appear again this year before this distinguished committee to present our 1980 military construction budget request for the Army and the Air National Guard.

With the committee's permission, I would like to submit, for the record, the formal statement, and refer very briefly to some notes that I have made.

Senator HUDDLESTON. Thank you, General. Your entire statement will be included in the record, without objection.

[The statement follows:]

STATEMENT OF MAJ. GEN. LAVERN E. WEBER

Mr. Chairman and members of the committee, it is a privilege to appear before this distinguished committee to present the fiscal year 1980 Military Construction, Army National Guard Budget request.

The National Guard's efforts to develop an integrated force structure that can and will deploy in support of the Army's Total Force requirements have stabilized. The number of affiliated Army National Guard and Army Reserve battalions now stands at 93. Currently 77 units, or more than 82 percent of the participating units, are from the Army National Guard. The Army National Guard has implemented the new Force Packaging Programing Methodology which places emphasis on those projects which relate directly to early deployment units.

The increase in the emphasis on early deployability also means that these units must be adequately equipped. The current dollar value of equipment issued during the period 1 October 1977 to 30 September 1978 was in excess of $351 million, based on standard Army prices. The bulk of this equipment was in the form of tanks and other combat vehicles. The $20.0 million fiscal year 1980 Budget Plan provides for the following:

Estimated Federal cost

[Dollars in millions]

21 armory projects	$11.6
5 nonarmory projects	3.0
Minor construction	2.9
Planning (A/E)	2.5
Total	20.0

The $20.0 million requested in fiscal year 1980 represents a 62 percent reduction when compared to the $52.2 million appropriated in fiscal year 1979. This program will support mission requirements in 11 States and Puerto Rico. The five nonarmory projects consist of two projects at training sites and three vehicle maintenance facilities. All of these projects are urgently needed to support improved training and unit readiness. The increased requirements for maintenance and storage facilities, coupled with the need for advanced training and the decrease in available funding, has created a construction backlog, which currently stands at $672 million.

This backlog does not include cost escalation which has been running about 8 percent; therefore, any reduction in the current level of backlog is highly unlikely.

We obligated 93 percent of the available funds during fiscal year 1978. We were left with $4.2 million to carry over into fiscal year 1979. Our current fiscal year 1979 Appropriation of $52.2 million provides an obligation target of $52.0 million. We expect to reach this target; therefore, we would have a carryover of $4.4 million into fiscal year 1980. We plan to obligate $22 million during fiscal year 1980, which would then give us $2.4 million to carry over into fiscal year 1981. 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 Army National Guard Forces. This concludes my prepared statement. If there are any questions, I will be pleased to furnish any information that you may require.

BIOGRAPHICAL SKETCH

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, Oklahoma Army National Guard; 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. He was reappointed for a second term on 22 August 1978.

General WEBER. As background for the addressing of our budget request, the Army and the Air National Guard has had a very rewarding and worthwhile participation in the total force during the past year. We have had unusual difficulties maintaining our strength. The Air National Guard has done quite well, remaining well over the 91,000 strength.

The Army National Guard has devoted an awful lot of effort to acquiring new enlistees, and maintaining the strength that we have, but nonetheless during the year we lost almost 16,000 from our strength.

In readiness—we have had some very real gains in readiness, both for the Army and the Air National Guard. For the second consecutive year, the Air National Guard completed its operational readiness inspections satisfactorily. For the past 2 years we have gone with total satisfactories across the board in the Air National Guard, and the number of inspections now exceeds 180.

Likewise, in the equipment area that is so important to our readiness, the Army National Guard last year was issued in excess of $350 of new equipment. That brings our total equipment to 75 percent of our requirements, and of this 75 percent, 99 percent of that equipment is deployable. We are in very good shape on the equipment.

Notwithstanding, we do have some shortages in some critical areas in equipment, but our overall picture looks good.

In the Air National Guard, this year, we are undergoing 13 conversions to newer and more modern weapon systems. This is a great improvement to our structure. At the end of this year, we

will have only 24 of our squadrons that remain in old, obsolete aircraft.

Our budget request for 1980 addresses 6 additional conversions, and that will reduce the number to 18, only 20 percent of our fleet that will be in obsolete aircraft.

The committee would also be interested, I am sure, to know that the Guard has had a banner year in 1978 in the addressal of its State mission. During the year, we had 298 callups for 290,000 mandays for which the State provided the budgetary support. They provided in excess of $6 million to support this state role.

With the equipment that came into our inventory, which I addressed a bit earlier, came a drastic and tremendous impact on our construction requirements, in that it requires new maintenance and storage facilities. It also requires new and advanced training facilities for this more sophisticated equipment.

So, this added to our previous backlog, we now have in our backlog of the Army $672 million. That is significant.

Our budget request for 1980 is $20 million. This represents almost a 62-percent reduction from the $52 million that the Congress appropriated for us in 1979. The $20 million in our request covers only 21 armory projects, 5 nonarmory projects. We will be doing this in 11 States and Puerto Rico. This is the smallest budget that we have had since the very early 1970's.

We continue to perform in the Army National Guard at a very high rate of obligation. Last year, in 1978, we obligated 93 percent of the available funds. That is an all time high for us, and we are very proud of that.

The $672 million in the backlog is of tremendous concern to us. It would require $60 million a year to even address the inflation and the cost escalation factor. So with the $20 million that we have requested for 1980, we will not make any impact on the backlog for the Army National Guard.

Those are the general comments about the Army National Guard, and I will now ask General Conaway, the Deputy Director of the Air National Guard, to cover the Air National Guard construction budget request.

AIR NATIONAL GUARD

STATEMENT OF BRIG. GEN. JOHN B. CONAWAY, DEPUTY DIRECTOR, AIR NATIONAL GUARD

PREPARED STATEMENT

General CONAWAY. Thank you, General.

Mr. Chairman, and distinguished members, I have a formal statement, for the record, also, on behalf of the Air National Guard, if you would allow that.

Senator HUDDLESTON. Your statement will be received and entered into the record, without objection.

[The statement follows:]

STATEMENT OF BRIG. GEN. JOHN B. CONAWAY

Mr. Chairman and members of the Committee

It is again my pleasure, and privilege, to appear before this distinguished committee with the Air National Guard Military Construction Request for fiscal year 1980. The projects in this request the will satisfy only a portion of Air Guard's most severe facility requirements. All are essential in the continuing program to modernize the weapon systems, training processes, and support functions required by the Air Guard's role in today's Total Force.

Success in this Total Force role demands the use of complex procedures, and state-of-the-art equipment. The lack of adequate facilities to support new weapon systems, and the continued deterioration and obsolescence of the existing physical plant will reduce the weapon system reliability, impair the recruiting and retention of personnel, and restrict the training required to sustain Air National Guard combat readiness.

The Air National Guard is very proud of its combat readiness, its genuine role in today's Total Air Force, and the fact that thousands of its members are daily participating in such demanding missions as air defense, tactical fighter, tactical reconnaissance, strategic refueling, airlift, and rescue. During the past year, Air National Guard fighter and reconnaissance aircraft have made six deployments to Europe and one to Alaska without incident. While in Europe they participated in joint exercises with Allied Forces. In addition, Air National Guard tactical fighter (A-7) units and tactical airlift (C-130) units were deployed to Howard AB, Canal Zone on a rotational basis, to augment the active Air Force in support of Southern Command. Sixteen Air National Guard units participated in eight separate Red Flag exercises in Nevada. This is excellent training for both

aircrews and ground crews, but, in addition, it is a viable demonstration of Air Guard abilities to function in a hostile combat environment. The operational readiness inspection 100 percent pass rate of 1977 has continued through 1978, bringing the number of successful ORI's to 107 in 2 years, and clearly shows Air National Guard mission readiness measured against active Air Force criteria.

The Air National Guard provides a significant share of the Air Force total combat capability. Some 60 percent of the USAF air defense capability; more than one-half of the tactical reconnaissance; almost a third of the tactical airlift; one quarter of the tactical fighter capability; and over 60 percent of the tactical air control system of the USAF are provided today by the Air National Guard. This has been made possible through a continuing program of equipment and weapon system modernization. During the period FY 1975 through FY 1980, almost 75 percent of the Air Guard flying units (67 of 91) will have been upgraded. In spite of this modernization, 20 percent of the Air National Guard flying units will continue in FY 1980 with weapon sysems nearing obsolescence.

The new or modified facilities on which the weapon system conversions were directly dependent, for the most part, have been made available through our annual Military Construction Programs. However, the total requirement for facilities in which to train our people, maintain our equipment, support our functions, and mobilize our forces remains at a very high level. The total facility requirement after the FY 1980 program is completed will have grown to an unprecedented $378 million. A large portion of the Air National Guard is still operating in inadequate or obsolete facilities to perform their mission and support functions.

The Air National Guard has been able to respond favorably and rapidly to vital weapon system modifications and conversions, including

last minute program revisions, solely through your support of our Military Construction Programs and the flexibility which you have permitted us through the lump sum authorization and appropriation process. To preserve this privilege of being able to react quickly to satisfy urgent, unanticipated requirements, the current procedures of clearing projects with congressional committees prior to invitation for bids, will be closely followed. Cost estimates adjusted according to final design, will be used in the clearance requests. Only absolutely essential changes in the Air National Guard program have been and will be made.

REQUEST FOR MILITARY CONSTRUCTION APPROPRIATION

The Air National Guard request for our FY 1980 Military Construction Program has been limited to $30 million, a 33 percent reduction from the $44.75 million appropriated last year. It includes $23.5 million for major construction, $3.5 million for minor construction, and $3.0 million for planning and design. This program will provide for only a portion of the most severe of our facility requirements needed to maintain unit combat readiness, with many mission related projects remaining unfunded. The program is composed of 48 major projects at 33 locations in 28 States. It includes 28 projects at 22 installations supporting weapon system conversion, equipment modernization, or unit relocation. All projects incorporate modern engineering techniques, coupled with energy saving designs, equipment, and materials.

Our FY 1978 and FY 1979 programs are progressing satisfactorily. The majority of our FY 1978 MCP is under construction with the small number of projects remaining, currently in the procurement phase. The first increment of the FY 1979 MCP containing $21 million, or over 50

percent of the program, also is in the procurement phase. The second increment covering the remainder of the program, has been submitted for congressional clearance.

Inflation and other cost increases experienced during FY 1978 required that project programmed amounts should be revised. Five major factors contributed to this cost growth. These were: extreme shortages and large increases in cost of certain construction materials / higher than anticipated rates of inflation experienced on both labor and materials / increases in freight and shipping costs / and a construction season during FY 1978 saturated with work. There are no indications of relief during the FY 1979 season and beyond. As a result, the estimated costs for all projects for FY 1979 and later, have been evaluated and necessary adjustments have been made to obtain correlation with current construction industry indicators.

The Air National Guard end-FY 1979 construction backlog of $330 million reported in last year's hearings has grown to the previously mentioned $378 million. This growth has come about because of the rapid increases in construction costs, an unforeseen aircraft conversion with associated unit move, and newly identified projects related to facility obsolescence and deterioration.

Even though costs have risen across the board, we continue to find the policy of using the State U.S. Property and Fiscal Officers, whenever feasible, for project design, procurement and construction management to be responsive, efficient, and cost effective. The services of the Army Corps of Engineers and the Navy Facilities Engineering Command will continue to be used on installations where these agencies are managing construction.

COMMITTEE SUPPORT

This committee has provided Military Construction support that has been highly responsive to Air National Guard construction needs. Your recognition and support of the Air National Guard Military Construction requirements, and the privilege of the lump sum system of authorization and appropriation, have substantially assisted us in rapidly achieving unit combat readiness and in maintaining a high state of overall ANG readiness, which has become the hallmark of the Air National Guard.

The FY 1980 Military Construction appropriation request of $30 million will help us meet only part of our most severe facility requirements. Even with approval of this amount the overall backlog will continue to grow and mission related projects will remain unfunded.

CONCLUSION

Mr. Chairman, this concludes my statement in support of the Air National Guard fiscal year 1980 Military Construction Request. This committee's interest and support of our growing needs is sincerely appreciated.

BIOGRAPHICAL SKETCH OF BRIG. GEN. JOHN B. CONAWAY

Brigadier General John B. Conaway was born in Henderson, Kentucky, on 23 August 1934. After graduating from Bosse High School, Evansville, Indiana, in 1952, he attended the University of Evansville and received a Bachelor of Science degree in Business Administration in 1956. He continued graduate work at the University of Louisville School of Business and the University of Kentucky School of Business. In 1975, he received a masters degree in Management and Human Relations at Webster College, St. Louis, Missouri.

While attending the University of Evansville, General Conaway entered the ROTC cadet program and upon graduation was commissioned a second lieutenant in the Air Force on 4 June 1956. Upon completion of undergraduate pilot training at Greenville AFB, Mississippi in 1957, he then attended Advanced Combat Crew Training at Perrin AFB, Texas, graduating in 1958. He was then assigned as a F-102 Fighter Interceptor Pilot in the Air Defense Command at K. I. Sawyer AFB and Kincheloe AFB, Michigan.

In 1960 General Conaway joined the West Virginia Air National Guard as a SA-16 aircraft pilot performing a special forces operations mission. In 1963 he transferred to the Kentucky Air National Guard as a RB-57 pilot and in 1965 became an air technician flying training instructor in operations. He was called to active duty with the Kentucky Air National Guard in 1968 and served in Alaska, Panama, Japan and Korea. Upon deactivation in 1969 he returned to the Kentucky Air National Guard as Operations Officer. During the next four years General Conaway completed USAF Commanders Safety School, 1969; Air Command and Staff College, 1971; Air University Commanders School, 1972; and Industrial College of the Armed Forces, 1973.

On 22 October 1972, General Conaway was appointed as Air Commander of the Kentucky Air National Guard. On February 1975, he was promoted to Colonel. He served as the Vice Commander of the 123rd Tactical Reconnaissance Wing which has units in Kentucky, Arkansas, Nevada, and Idaho. Previous assignments include, Wing Director of Operations, Wing Chief of Safety, Wing Chief of Standardization, Group Commander, Group Deputy Commander for Operations and Squadron Operations Officer.

General Conaway was promoted to Brigadier General on 29 March 1977 and became Deputy Director, Air National Guard on 1 April 1977.

General Conaway is a command pilot with 4,800 hours of flight time. His awards and decorations include the Legion of Merit, Armed Forces Meritorious Service Medal, Air Force Commendation Medal, Armed Forces Expeditionary Medal, Combat Readiness Medal, Armed Forces Reserve Medal, National Defense Service Medal, and Kentucky Distinguished Service Medal.

41-638 O - 79 - 14

General CONAWAY. The Air National Guard request for fiscal year 1980 construction program has been limited to $30 million. This is a 33-percent reduction from the $44.75 million appropriated last year. This budget includes $23.5 million for major construction, $3.5 million for minor construction, and $3 million for planning and design.

This program will satisfy only a portion of our most severe facility requirements needed to maintain unit combat readiness, with several mission related projects remaining unfunded.

The program is composed of 48 major projects at 33 locations in 28 States. It includes 28 projects at 22 installations supporting current weapon system conversions, equipment modernization and unit relocations.

The size of our request is very meaningful, particularly when the cost escalation in the construction industry is applied to the Air National Guard's $330 million backlog that we reported last year at the hearing. The cost growth alone, due to inflation, is nearly $40 million. This cost escalation of our construction backlog is $16.5 million greater than our entire major construction request for this year.

The current facilities that were designed to meet the state-of-the-art technology of 20 to 30 years ago cannot, under the most austere conditions, satisfy the needs of our modern weapon systems.

The use of present day complicated, high-voltage avionic test equipment in cramped and environmentally uncontrolled facilities will not only be hazardous to our maintenance personnel, but would also eventually lead to degradation of our weapon systems.

Many of our existing squadron operation facilities at units converting from single-place to two-place aircraft provide less than half the space required to obtain and sustain aircrew readiness.

Sir, the success of every function that the National Guard performs in its total air force role demands the use of complex procedures and modern equipment. I might add that the Air National Guard has been able to respond favorably and rapidly to vital weapon system modifications and conversions, including last minute revisions primarily through your support of our military construction programs, and the flexibility which you have permitted us through the lump sum authorization and appropriation process.

We strongly desire to preserve this privilege of being able to react quickly to satisfy urgent and unanticipated requirements. The current procedure of clearing projects with congressional committees prior to invitation for bids will be closely followed.

Cost estimates, adjusted according to final design, will be used in the clearance requests. Only absolutely essential changes in the Air National Guard program have been and will be made. This procedure has helped us to achieve the combat readiness state that the Air National Guard has reached, and helps it maintain its overall high state of readiness.

The physical plant, when repaired and updated, greatly enhances the recruiting and retention, and the training of our personnel. These are restricted, of course, whenever we have a curtailment of our military construction program.

The high state of overall Air National Guard readiness has become a hallmark that we are proud of.

The fiscal year 1980 military construction appropriation request of $30 million will help us meet only part of our most severe facility requirements. Even with approval of this amount, our overall backlog will grow to an unprecedented $378 million, and mission-related projects will remain unfunded.

Mr. Chairman, if you have no objection, I have one change to our fiscal year 1980 MCANG list of projects that I would like entered for the record. We would like to add project: site preparation, access roads, parking and utilities; Bradley Field, Conn.; programed amount, $525,000. To provide space in the program to accommodate this change, we would like to remove project: base engineer maintenance facility; General Mitchell Field, Wis.; programed amount, $525,000.

The Bradley Field project was inadvertently omitted from the original project list and was assumed during subsequent program reviews to be included in the separate Bradley Field projects. It must be added to the Bradley construction package to provide the necessary construction support. The Mitchell Field project will be deferred to fiscal year 1981 unless other funds become available in the interim.

Mr. Chairman, this concludes my statement in support of the Air National Guard fiscal year 1980 military construction request. We greatly appreciate your committee's support of our construction budget last year and in previous years. Your interest in our growing needs is certainly appreciated.

Senator HUDDLESTON. Thank you very much.

We will move on to General Mohr.

ARMY RESERVE

STATEMENT OF MAJ. GEN. HENRY MOHR, CHIEF, ARMY RESERVE

PREPARED STATEMENT

General MOHR. Thank you, Mr. Chairman, and distinguished members of this committee.

Mr. Chairman, I also have a formal statement, for the record, and with your permission I would like to submit that for the record, and speak from notes?

Senator HUDDLESTON. Without objection, it will be inserted in the record in its entirety.

[The statement follows:]

STATEMENT OF MAJ. GEN. HENRY MOHR

Mr. Chairman and members of the committee, it is a pleasure to appear again before this Committee to present the fiscal year 1980 Military Construction Army Reserve budget request.

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 for rapid mobilization, expansion, and deployment.

These units are to be of types and numbers to meet the requirements of the total force—each with its own wartime mission. In addition, the Army Reserve is tasked to provide, through the Individual Ready Reserve, qualified personnel for the Total Army. These personnel are to be used as fillers or to replace combat losses. That individual manpower pool is badly depleted since discontinuation of Selective Service. No feasible solution has been found to the shortage of about one-half million needed in the early days of a major conflict.

I have stated before the Armed Services Committees of Congress that incentives for enlistment and retention similar to those provided long ago to the active forces, plus increased attention to family and employer support, are key elements that are necessary for our Selected Reserve strength in Reserve units to rise to the 260,000 men and women Congress has stated is required in Army Reserve units in peacetime to meet our wartime structure requirement of 276,000. It is obviously essential that adequate training and maintenance facilities also must be provided. 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. The Army Reserve construction program is programed to provide the needed facilities, on a priority basis, within available funding.

Today we have a backlog of $715 million of needed construction involving over 800 of the more than 1,100 Reserve centers and maintenance facilities. The magnitude of this backlog adversely impacts on our ability to be a ready part of the total force. Facilities alone do not insure a ready force. The lack of adquate training facilities does affect readiness by hampering the commander's ability to conduct proper training and to maintain his equipment. Our prognosis for the construction backlog is not optimistic. It is expected that the backlog will increase. The level of funding appropriated in fiscal year 1979 and the amount included in the fiscal year 1980 request will not accommodate current requirements that are about $62 million per year to stay even. Below that level of funding adds to the backlog of required construction and retards readiness of the Army Reserve.

Our request for fiscal year 1980 totals $25 million. This is $12.1 million less than that appropriated by Congress for fiscal year 1979. The total request will provide $19,824,000 for major construction; $2,085,000 for minor construction; and $3,091,000 for planning and design work.

Within these constraints, we are proposing 13 major projects in 10 states. These major construction projects include five new centers, three expansions and/or alterations to existing facilities, four maintenance facilities with equipment storage sites, and a field training site improvement. Two of the new centers are joint projects, one of which is with the National Guard and the other is with the Marine Corps Reserve. Detailed descriptions of the projects we are proposing for construction are included in the justification books which have been provided to the Committee.

Minor construction will provide for security, energy conservation, pollution abatement, health and safety projects.

The design effort is for project planning and design of the fiscal year 1981 program and a portion of the fiscal year 1982 program. This effort must be started in fiscal year 1980 to insure that our projects will be designed and ready for bid, once funds have been appropriated and authorized by the Congress.

The effects of inflation have an adverse impact on our ability to execute the program. As an example, bids received and contracts awarded on eight projects since the start of this fiscal year (1 October 1978) have averaged ten percent more than the current working estimate. In addition, we have requested, or are in the process of requesting, deficiency authorizations on four additional projects where the cost increases average 48 percent more than originally estimated. If this trend continues, we will be unable to award contracts for one or more of the remaining fiscal year 1978 projects which are not yet awarded. We will not then be able to accomplish all of the projects we have identified in our justification data book for fiscal year 1979.

Notwithstanding problems we face, I wish to express my appreciation for the improvements to facilities that are and have been made possible by the actions of this Committee. I again seek your support of our fiscal year 1980 construction program. If there are questions, I will be happy to answer them at this time.

MISSION OF ARMY RESERVE

General MOHR. Sir, it is a pleasure to appear again before this committee, to present the fiscal year 1980 military construction Army Reserve budget request.

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 requires, units, organized, trained, and, equipped for rapid mobilization, expansion and deployment.

We have, in my opinion, become a genuine part, an integral part of the total Army and the total force. We have made excellent gains in areas involving unit readiness. Our units are of all types and numbers to meet the requirements of the total force, each with its own wartime mission.

In addition, the Army Reserve is tasked to provide, through the individual Ready Reserve, qualified personnel for the total Army. These personnel are to be used as fillers to form units that are not now on the ground, or to replace combat losses early in any future conflict.

That individual manpower pool is badly depleted since discontinuation of Selective Service. No feasible solution has yet been found to the shortage of about one-half million needed in the early days of a major conflict.

However, due to management initiatives, the strength of the individual Ready Reserve, I should report with some pleasure, and I am sure the committee will be pleased, has been increasing. It is now up to about 180,000, about 42,000 of those being officer personnel.

I have stated before the Armed Services Committees of the Congress that incentives for enlistment and retention similar to those provided long ago to the Active Forces, plus increased attention to family and employer support, are key elements. These are neces-

sary for our selected strength reserves to rise to the 260,000 men and women Congress has stated are required in peacetime to meet our wartime structure requirement in the vicinity of 276,000

Our strength drops over the past years have seemed to level off, and I can report to you that we have shown gains in our strength in units in the last 2 months. It is obviously essential that adequate training and maintenance facilities must be provided. 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 the equipment, and vehicles, and for the security of weapons and other equipment.

The Army Reserve construction program is designed to provide the needed facilities on a priority basis within available funding.

Today we have a backlog of $715 million of needed military construction, involving over 800 of the more than 1,100 Reserve centers and maintenance facilities that we have today. The magnitude of this backlog adversely impacts on our ability to be a ready part of the total force.

Facilities alone, of course, do not assure a ready force. But the lack of adequate training facilities does affect readiness by hampering the commander's ability to conduct proper training and to maintain his equipment.

Our prognosis for the construction backlog is not optimistic at current funding levels. It is expected that the backlog will increase. The level of funding appropriated in fiscal year 1979, and the amount included in fiscal year 1980 request will not accommodate the current construction requirements that are about $62 million per year merely to stay even. Below that level of funding adds to the backlog of required construction and retards readiness of the Army Reserve.

Our request for fiscal year 1980 totals $25 million. This is $12.1 million less than that appropriated by Congress for fiscal year 1979. The total request will provide $19,824,000 for major construction, $2,085,000 for minor construction, and $3,091,000 for planning and design work.

Within these constraints, we are proposing 13 major projects for 10 States. These major construction projects include five new centers, three expansions and/or alterations to existing facilities, four maintenance facilities with equipment storage sites, and a field training site improvement.

Two of the new centers are joint projects, one of which is with the National Guard, and the other is with Marine Corps Reserve. Detailed descriptions of the projects we are proposing for construction are included in the justification books which have been provided to the committee.

Minor construction, of course, provides for security, energy conservation, pollution abatement, health and safety projects.

The design effort is for project planning and design of the fiscal year 1981 program, and a portion of the fiscal year 1982 program. This effort must be started in fiscal year 1980 to assure that our projects will be designed and ready for bid, once funds have been appropriated and authorized by the Congress.

The effects of inflation have had an adverse impact on our ability to execute the program. As an example, bids received and con-

tracts awarded on these projects since the start of this fiscal year, October 1, 1978, have averaged 10 percent more than the current working estimates. In addition we have requested, or are in the process of requesting, deficiency authorizations on four additional projects where the cost increases average 48 percent more than originally estimated.

If this trend continues, we will be unable to award contracts for one or more of the remaining fiscal year 1978 projects which are not yet awarded. We will not then be able to accomplish all the projects we have identified in our justification data book for fiscal year 1979.

Notwithstanding problems we face, we have made a lot of progress, and I wish to express appreciation for the improvements to facilities that are and have been made possible by actions of this committee.

Mr. Chairman, I believe this committee might be interested in knowing that funds Congress has authorized for the Reserve are well invested. Many testimonials have been expressed by active Army commanders and evaluators about Reserve components, that is the Guard and Reserve.

Through the record of our performance during the course of unit training in the last year, the image of the Army Reserve is definitely becoming a positive one. Typical of these comments on the image that we are attaining, are comments included in the report by the Deputy Chief of Operations, Headquarters, U.S. Army-Europe, and I quote:

> Misconceptions entertained by active personnel regarding Reserve components capabilities prior to their association, were quickly dispelled as Reserve component units performed assignments in a superior manner.

This pertained to the training of our units in Europe during this last year.

CORRESPONDENCE

Mr. Chairman, with your permission, I would also like to enter into the record, for the committee's review, a letter from General Blanchard, Commander-in-Chief, U.S. Army in Europe, to the Chief of Staff that includes an evaluation of Reserve Force perfomance and the value of our training in Europe this year.

Senator HUDDLESTON. Without objection, that will be entered into the record.

[The information follows:]

LETTER FROM GEORGE S. BLANCHARD

27 December 1978

General Bernard W. Rogers
Chief of Staff
United States Army
Washington, D.C. 20310

Dear General Rogers:

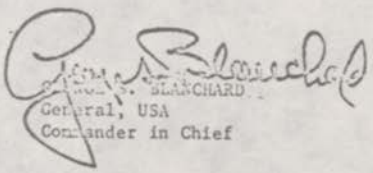
The purpose of this letter is to inform you of the success of the FY 78 Reserve Component (RC) Deployment Training Program in USAREUR. This past year we hosted 60 high priority RC units for their annual active duty training. Overall, these units improved/maintained their levels of readiness, helped USAREUR maintain its readiness posture, and earned our renewed respect for their dedication and professionalism. The comments of some USAREUR/RC unit commanders and evaluators at Inclosure 1, and the comparative readiness data at Inclosure 2 testify to the success of this year's program.

Using the DA originated "gaining command" concept, some RC units reviewed and updated the plans and SOPs of their USAREUR sponsor units while tailoring their own plans to support USAREUR's mission. Their performance of this task was indeed impressive.

We also obtained encouraging results from the pilot program for the training of lower priority Reserve Component combat units. In the months prior to training, the recruiting efforts of these units resulted in an 18.6 percent increase in personnel strength. While they were here, these units familiarized themselves with field operations on the NATO battlefield. Sixty percent of these units improved their readiness conditions while others maintained their previous readiness levels.

Improved readiness is the tangible benefit of our OCONUS program. A significant intangible benefit derived from this program in USAREUR is the mutual respect developed between active and RC unit personnel. The RC units' professional competence has strengthened our confidence in their ability to meet their wartime commitments. I believe the OCONUS Reserve Component Deployment Training Program is a real winner, and this FY we will expand the program to about 75 RC units. We will give our total support to their training as we have in the past, and we will appreciate your continued support for continuance of this vital program in FY 80 and beyond.

Sincerely,



GEORGE S. BLANCHARD
General, USA
Commander in Chief

COMMENTS

Commander, 21st SUPCOM. "Reserve Component (RC) units have flown over from CONUS, without equipment, assembled at 21st SUPCOM activities and commenced productive operations at once. They benefited from extensive hands-on experience maintaining a wide variety of military equipment. This is an experience they do not normally enjoy, either during weekend assemblies or during annual training. As a result of the FY 78 OCONUS program success, we are increasing our sponsorship from 14 to 24 RC units during FY 79. We are presently developing a training program which will be challenging and beneficial to the RC units, 21st SUPCOM and USAREUR. Some RC units will assume the missions of their sponsoring units, making time available for several combat service support units to execute ARTEPS."

Unit Evaluator, 3631st MEM Co. "As an innovative approach to sponsoring a RC unit, the 66th Maint Bn relocated a company to the field for two weeks, leaving the 3631st to assume the company's mission. It was hoped that they could produce enough work to keep our maintenance backlog from increasing. To our surprise, the 3631st dramatically reduced the backlog in every maintenance commodity."

Unit Evaluator, 900th MEM Co. "Unit personnel displayed an extremely high level of technical expertise in assigned MOS. Personnel were able to accomplish difficult tasks with a minimum of supervision. In some instances, workloads programmed to last a week were accomplished in a single day."

Commander, 1/13 Inf Bn, 8th Inf Div, Host Unit for Co C, 3/18 Inf.
"While the Reserve and sponsor unit did not actively conduct joint training, the professionalism demonstrated by the reservists gave this battalion a more appreciative insight to the capabilities of the Reserve Components and set a higher personal readiness goal for the Active Army soldier to strive to achieve."

Commander, 11th Aviation Group. "In 1978, RC aviation units participated in a REFORGER exercise on a large scale for the first time. It was a worthwhile learning experience for the Reserve Component and active component units. All active duty aviators were very impressed with the professionalism and capabilities displayed by our Reserve Component aviators."

Commander, 18th Engineer Brigade. "During FY 78 RC units provided this brigade valuable assistance in planning wartime requirements and exercising a system vital to USAREUR engineers in wartime. The brigade has requested and received approval for RC units in FY 79 so as to continue essential wartime planning. OCONUS training contributes to the readiness posture of USAREUR and must continue."

Commander, 168th Engr Gp. "I consider the OCONUS training period to have been very successful and beneficial to the 168th Group. The mission assigned was real and afforded a training opportunity for staff planning impossible to duplicate in CONUS. The planning required for the move itself was a valuable training exercise

Commander, 3669th MEM Co. "I feel this AT period has been the most educational and meaningful since I have been commander these past four years. The support received was the best received since I have commanded the unit. We hear often about the 'One Army Concept' I feel this year we saw this concept come true, and it will have a lasting impression on every member of the 3669th MEM Co."

Comparison of FY 77 and FY 78 Data for Reserve Component Units Training in USAREUR in FY 78

TRAINING READINESS CONDITION

	C-1	C-2	C-3	C-4
FY 77	34%	38%	19%	9%
FT 78*	55%	30%	15%	0%

MOS READINESS CONDITIONS

	C-1	C-2	C-3	C-4
FY 77	43%	30%	20%	7%
FY 78	59%	22%	15%	4%

Personnel increase since FY 77 - 5.9%

Personnel Gains last 12 Months	Personnel Losses last 12 Months
1800	1700

RC Units are at 96.3% of authorized strength:

Authorized Strength	Assigned Strength
5635	5425

* REDCOM for FY 78 are based on AT Evaluator's assessment which may be revised by the ARR.

General MOHR. Thank you, Mr. Chairman.

Again, I thank this committee for its tremendous support and what you have made possible for us to do. Again, we seek your support in the budget that we have submitted. If there are questions, we are prepared to answer them at your convenience.

Senator HUDDLESTON. We will have questions of the entire panel in a few minutes. But now we will move on to Rear Adm. Thomas A. Kamm, Deputy Director of Naval Reserve.

STATEMENT OF REAR ADM. THOMAS A. KAMM, DEPUTY DIRECTOR, NAVAL RESERVE

PREPARED STATEMENT

Admiral KAMM. Good morning, Senator. I also have a formal statement, which I would like to enter into the record.

Senator HUDDLESTON. Without objection, it will be inserted in the record in its entirety.

[The statement follows:]

Statement of Rear Adm. Thomas A. Kamm

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE:

IT IS MY PLEASURE TO APPEAR BEFORE YOU TO PRESENT THE MILITARY CONSTRUCTION REQUIREMENTS OF THE NAVAL AND MARINE CORPS RESERVE FOR FISCAL YEAR 1980.

OUR REQUEST TOTALS $15 MILLION OF WHICH $12.29 MILLION IS FOR SPECIFIC PROJECTS, $0.5 MILLION IS FOR ENERGY CONSERVATION PROJECTS, AND $2.21 MILLION IS FOR MINOR CONSTRUCTION AND PLANNING AND DESIGN. THIS REQUEST IS FOR $6.85 MILLION LESS THAN THE PROGRAM AUTHORIZED BY THE CONGRESS FOR FISCAL YEAR 1979.

THIS FISCAL YEAR 1980 MILITARY CONSTRUCTION NAVAL RESERVE PROGRAM INCLUDES FIVE PROJECTS TOTALLING $6.98 MILLION IN SUPPORT OF THE NAVAL AND MARINE CORPS AIR RESERVE AND THREE PROJECTS TOTALLING $5.31 MILLION IN SUPPORT OF THE NAVAL SURFACE AND MARINE CORPS GROUND RESERVE.

THE NAVAL AND MARINE CORPS AIR RESERVE PORTION OF THE PROGRAM INCLUDES ONE PROJECT FOR CONSTRUCTION OF PARKING APRON AND ELIMINATION OF SAFETY CRITERIA VIOLATIONS AT THE NAVAL RESERVE AIR DETACHMENT POINT MUGU, CALIFORNIA; ONE PROJECT FOR THE CONSTRUCTION OF A JET ENGINE TEST CELL AT THE NAVAL AIR STATION DALLAS, TEXAS; ONE PROJECT FOR THE IMPROVEMENT OF AIRCRAFT MAINTENANCE FACILITIES AT THE NAVAL AIR STATION WILLOW GROVE, PENNSYLVANIA; AND TWO PROJECTS AT THE NAVAL AIR STATION NEW ORLEANS LOUISIANA WHICH WILL IMPROVE THE ELECTRICAL DISTRIBUTION SYSTEM AT THAT INSTALLATION AND IMPROVE AN EXISTING UNACCOMPANIED PERSONNEL HOUSING FACILITY TO MEET CRITERIA. ONE ENERGY CONSERVATION PROJECT IS ALSO INCLUDED IN SUPPORT OF THE NAVAL AND MARINE CORPS AIR RESERVE.

THE NAVAL SURFACE AND MARINE CORPS GROUND RESERVE PORTION OF THE PROGRAM INCLUDES THREE PROJECTS TO PROVIDE MODERN AND EFFECTIVE FACILITIES FOR THE TRAINING AND ADMINISTRATION OF RESERVISTS AT EBENSBURG, PENNSYLVANIA; MIDDLETOWN, NEW JERSEY AND KNOXVILLE, TENNESSEE. TWO ENERGY CONSERVATION PROJECTS ARE ALSO INCLUDED IN SUPPORT OF THE SURFACE AND GROUND FORCES.

$ ONE MILLION IS REQUESTED TO FUND MINOR CONSTRUCTION PROJECTS COSTING UNDER $100,000 EACH. $1.21 MILLION ARE REQUESTED TO FUND PROJECT PLANNING AND DESIGN. THE REQUIREMENTS FOR PROJECTS PROPOSED IN THIS PROGRAM ARE EXPECTED TO REMIAN FIRM.

THE BACKLOG OF CONSTRUCTION DEFICIENCIES FOR NAVAL AND MARINE CORPS RESERVE FACILITIES TOTALS $199 MILLION. THIS BACKLOG REPRESENTS NECESSARY CONSTRUCTION TO MEET REQUIREMENTS GENERATED BY IMPROVED EQUIPMENT AND TRAINING METHODOLOGY WHICH REQUIRE MORE SOPHISTICATED FACILITIES SUPPORT; THE CONTINUED DETERIORATION OF OUR OVERAGE FACILITIES; AND THE EFFECTS OF INFLATION ON CONSTRUCTION COSTS IN RECENT YEARS. THIS FY 1980 PROGRAM IS FORMULATED TO PROVIDE A REQUIRED UPGRADING OF INADEQUATE RESERVE FACILITIES AND TO IMPROVE THE MOBILIZATION READINESS ON THE NAVAL AND MARINE CORPS RESERVE.

THE NAVY AND MARINE CORPS CONTINUE TO SUPPORT THE POLICY OF JOINT UTILIZATION OF RESERVE FACILITIES. AGAIN, THIS YEAR, ALL OF THE PROJECTS PROPOSED ARE FOR SITES JOINTLY UTILIZED BY THE NAVAL AND MARINE CORPS RESERVE, WITH RESERVE COMPONENTS OF THE OTHER SERVICES OR WITH UNITS OF THE REGULAR NAVY.

THE STATUS OF OUR PRIOR YEAR PROGRAMS IS EXCELLENT. ALL OF THE FY 1977 AND 1978 PROJECTS HAVE BEEN AWARDED. ALL OF THE FY 1979 PROJECTS ARE SCHEDULED FOR AWARD DURING THE CURRENT FISCAL YEAR.

THE JUSTIFICATION DATA BOOKS WHICH HAVE BEEN FURNISHED CONTAIN DETAILED PROJECT DESCRIPTIONS AND SUPPORTING INFORMATION. ALL PROPOSED PROJECTS WILL IMPROVE OPERATIONAL, TRAINING, MAINTENANCE OR PERSONNEL SUPPORT FACILITIES ACTIVELY UTILIZED BY THE NAVAL AND MARINE CORPS RESERVES. THESE PROJECTS WILL CONTRIBUTE SUBSTANTIALLY TO THE IMPROVED READINESS AND RESPONSIVENESS OF THE NAVAL RESERVE AND MARINE CORPS RESERVE. WE APPRECIATE THE PAST SUPPORT OF THIS COMMITTEE AND EARNESTLY SEEK YOUR APPROVAL OF THE REQUIRED PROJECTS THAT COMPRISE THIS PROGRAM.

THIS CONCLUDES MY STATEMENT, MR. CHAIRMAN. I WILL BE HAPPY TO ANSWER ANY QUESTIONS AND TO PROVIDE ANY ADDITIONAL INFORMATION THAT MAY BE DESIRED.

Admiral KAMM. I would like to summarize briefly for the committee that statement on the 1980 military construction requirements for both the Naval and the Marine Corps Reserves.

In fiscal year 1980, we are requesting $15 million, of which $12.3 million is earmarked for specific projects. We have a half a million for energy conservation projects, and $2.2 million is for minor construction and planning and design.

This request of $15 million is $6.9 million less than was approved by the Congress in 1979.

The fiscal year 1980 military construction Naval Reserve program includes five projects which total $7 million in support of the Naval and Marine Corps Air Reserve, and three projects totalling $5.3 million in support of the Naval surface and Marine Corps ground Reserve. The requirements for these projects will remain firm.

The backlog of Naval and Marine Corps Reserve construction deficiencies now totals $199 million. The fiscal year 1980 program is formulated to provide an upgrading of inadequate Reserve facilities and to improve the mobilization readiness of the Naval and Marine Corps Reserve.

We, in the Naval and Marine Corps Reserve, are continuing to support a policy of joint utilization. The support facilities proposed in this request are for sites to be utilized either by the Navy or the Marine Corps Reserve with elements of Reserve components of other services or with the Regular Navy.

The status of our prior year programs is quite satisfactory. The funded 1977 and 1978 projects have been awarded, and by the end of this year we are scheduled to have awarded all of the fiscal year 1979 projects. We expect to do well again in the 1980 program, if authorized.

The detailed justification books which have been provided contain project descriptions in support of this request. All projects requested will contribute substantially to the readiness and responsiveness of both the Naval and the Marine Corps Reserve.

We most certainly appreciate your past support and earnestly seek your approval of the projects included in this year's program, Mr. Chairman.

This concludes my summary statement, and I am available for any questions that the committee may have.

Senator HUDDLESTON. Thank you very much, Admiral.

We will now hear from General McAdoo.

Air Force Reserve

STATEMENT OF BRIG. GEN. JAMES E. McADOO, AIR FORCE RESERVE

PREPARED STATEMENT

General McAdoo. Sir, I am representing the Chief of Air Force Reserve this morning, Maj. Gen. William Lyon, who was called away for a family emergency this week.

I do have a formal statement, which I would like to submit, for the record.

Senator Huddleston. Without objection, it will be included in the record.

[The statement follows:]

41-638 O - 79 - 15

STATEMENT OF MAJ. GEN. WILLIAM LYON

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Again, and I might interject as one of my last official duties as Chief of Air Force Reserve, I am pleased to meet with you to seek your continued support and countenance of the Air Force Reserve Military Construction Program.

Over the past four years, I have taken special interest in stabilizing and enhancing the Reserve's Facility Construction Program to insure that the requirements presented to this and the other congressional committees represent minimum dollar expenditure to accomplish and support our mission. Over the years we have made maximum use of existing facilities, often by extensive maintenance, repair and alterations to accommodate our ever-expanding role in the Total Force. But, as our aircraft have become more sophisticated and as our missions have expanded and grown, some of these existing facilities have now reached their useful limit so that Reserve requirements can only be economically met by construction of new facilities, tailored to our needs. In an effort to fully meet these needs, the Air Force Reserve has established a facility requirements program based on a three-part framework of repair, alteration or new construction, where each component interacts to insure a well balanced, economical and better managed program.

The first component--Repair--Is a major ongoing activity at all Reserve installations. Based on a backlog of facilities maintenance and repair (or BMAR) of $1.6 million for FY 79, our maintenance floor has been established at $12.0 million. Given the Reserve's emphasis on upgrading existing facilities, we have projected a steady increase in this maintenance floor to obtain a reduction in the backlog.

Alteration of facilities, the second component of the requirements program framework, can be funded based on project scope, from either the maintenance/repair program or from the Military Construction Program. The Reserve maintenance/repair program is used to accomplish a large share of the alteration projects in lieu of new construction. In FY 78, $1.04 million was expended for 52 projects for alteration of Reserve facilities with estimates for FY 79 of $805,100 for 40 projects and in FY 80 $1.05 million for 57 projects. As part of the Military Construction Program, alterations can be accomplished with both minor and major construction funding. In the FY 80 program, 100 percent of the minor construction projects and approximately 11 percent of the major construction projects will be devoted to altering existing facilities.

New construction, the third component of the facility requirements program, constitutes the largest dollar share of the framework. This component includes facility

replacement and facility modernization which embodies the entire scope of the new facility construction request.

All in all the program framework of repair, alteration, or new construction provides a well balanced, better managed concept that achieves a maximum programming capability with the limited funds available. Each framework component is considered, weighed and compared with the others and every facility need is considered to assure adequate, economical and timely solutions in support of the combat readiness of the Reserve force.

With this quick look at the overall Air Force Reserve facility requirements program as a foundation, I would now like to focus on the FY 80 Military Construction Program being presented for your support today. The major construction part of the program totals $7.5 million in authorization which is $3.9 million less than approved in the FY 79 program. The FY 80 program consists of 12 projects at 8 installations in 7 states. Projects emphasize maintenance facilities, about 51 percent of the program, with training, support and operational projects, in that order, making up the remaining 49 percent.

In support of new aircraft and missions we are requesting two projects at Homestead Air Force Base, Florida, as follow-on construction to a conversion beddown. This conversion replaces the EC-121T airborne early warning and control mission, with fighter aircraft,

the F-4C, and a new tactical mission. At Eglin AFB, a new mission for existing AC-130 gunships necessitates construction of electronic countermeasures POD Shop and storage facility. This project, along with the installation of a solid state instrument field landing system also being requested, should enable the gunship unit to achieve more realistic night-time training.

Other projects in this program support established missions which were forced to utilize temporary or crowded shared facilities to assure timely aircraft beddown. At Greater Pittsburgh International Airport, for example, two projects are being requested that will allow for demolition of an outmoded facility beyond economical repair. One of these projects will be a completely new facility while the other project, by taking advantage of a similar operation, will be accomplished by an addition to an existing facility. By using an addition in lieu of a new facility, common use areas, utilities and site work can be minimized for a considerable overall savings in construction cost.

As I have mentioned before, the Air Force Reserve is striving to get the maximum for the defense dollar, and so far we have managed to stretch that dollar about as far as possible. Now, however, more new construction is needed. The program presented today represents only a very small part of the overall long-term cost, if replacement of antiquated facilities are to be realized. New missions, often assigned at short notice, and soar-

ing construction costs have depleted any uncommitted funds we may have been able to fall back upon in past years. We foresee and welcome new mission assignments but we can also foresee rising new construction costs in the future. Thus, to meet this future growth and yet retain the same high combat readiness we have worked so hard to accomplish, the Air Force Reserve must expand its new construction commitment if present and future needs are to be fulfilled.

The Air Force Reserve continues to explore all possible means of satisfying facility needs. Repair, alterations and new construction programs have been viewed as a whole to insure that every means of providing facility support is investigated. The bottom line, however, is clear. We can only satisfy facility needs if there are enough dollars to fulfill those needs by continually strengthening and expanding the Air Force Reserve Military Construction Program in the future.

Gentlemen, the Air Force Reserve is fulfilling its peacetime mission and is ready to fulfill its wartime mission. We have the people and we are well on the way to obtaining the equipment. Now we need the facilities to house, train, maintain and operate these elements. The Reserve FY 80 Military Construction Program provides some of our most essential facility needs. Your continued support in meeting these needs is solicited.

Mr. Chairman, this completes my prepared statement.

General McADOO. I have a summary statement, which I would like to read, and also at the conclusion of my summary statement, I have a request that I would like to submit to the committee for consideration, sir.

Senator HUDDLESTON. You may proceed.

General McADOO. I am pleased to meet with you to seek your continued support of the Air Force Reserve military construction program.

We have taken special interest in stabilizing and enhancing the Reserve's facility construction program to ensure that the requirements presented to this and other congressional committees represent minimum dollar expenditures to accomplish and support our mission.

Over the years we have made maximum use of existing facilities, often by extensive maintenance, repair, and alterations to accommodate our ever-expanding role in the total force. But as our aircraft have become more sophisticated and our missions have expanded and grown, some of these existing facilities have now reached their useful limit so that Reserve requirements can only be economically met by construction of new facilities, tailored to our needs.

Our program of providing for Reserve facility needs by repair, alteration, or new construction insures a well balanced, better managed concept that achieves a maximum programing capability with the limited funds available.

As a component of meeting facilities requirements, the military construction program plays a major role. The fiscal year 1980 Air Force Reserve military construction program totals $10 million in appropriation and $7.5 million in authorization.

The program consists of 12 projects at 8 installations in 7 States. Projects emphasize maintenance facilities, about 51 percent of the program, with training, support and operational projects, in that order, making up the remaining 49 percent.

In support of new aircraft missions, we are requesting two projects at Homestead Air Force Base, Fla., as follow-on construction to a conversion beddown.

At Eglin Air Force Base, a new mission for existing AC–130 gunships necessitates construction of a new facility along with the installation of an updated solid state instrument landing system.

Our new facility and alteration projects in this program support established missions which were forced to utilize temporary or crowded facilities to assure timely aircraft beddown.

Through the use of maximum shared common-use areas, and rehabilitation of structurally adequate facilities, the overall construction costs has been reduced while mission needs are still provided.

As I have mentioned before, the Air Force Reserve is striving to get the maximum for the defense dollar, and with innovative planning and use of advanced design techniques we have managed to stretch that dollar about as far as possible. But new missions, often assigned on short notice, and soaring construction costs have depleted any uncommitted funds we may have been able to fall back on for unforeseen construction contingencies in the past years.

We foresee and welcome these new mission assignments. However, we can also foresee rising costs not only in construction but in all areas of providing for defense in the future. The bottom line is clear.

We can only satisfy our needs if there are enough dollars to fulfill those needs. By continually strengthening and expanding the Air Force Reserve military construction program in the future, these basic facility needs can be met.

Gentlemen, the Air Force Reserve is fulfilling its peacetime mission, and is ready to fulfill its wartime mission. We have the people and we are well on the way to obtaining modernized aircraft. Now we need your continued support of the military construction program to obtain some of the most essential facilities to house, train, maintain, and operate these elements.

Mr. Chairman, this concludes my prepared statement. At this time I do have a request that I would like to submit to the committee for consideration.

Senator HUDDLESTON. We would like to hear it.

General MCADOO. In the fiscal year 1980 military construction program books, the Air Force Reserve proposed construction of a rocket checkdown and assemble building at New Orleans Naval Air Station in Louisiana in the amount of $1 million.

This project is a requirement for follow-on of the beddown of A-37 aircraft which seemed at the time to be the highest in priority of the three projects for this location. However, now we have adjusted that priority. I, therefore, request consideration of a substitution of the two other projects for the same dollar amount which would replace the rocket checkdown and assemble building.

PROGRAMING DOCUMENTS

The projects to be substituted are a fuel cell maintenance shop at $320,000, and an electronic parts shop and storage at $680,000. Programing documents are available on both projects, and are submitted at this time.

Thank you.

[The information follows:]

1. CONGRESSIONAL	FY 1980 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		15 MAR 79

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
NEW ORLEANS NAVAL AIR STATION NEW ORLEANS, LOUISIANA	ELECTRONIC COUNTERMEASURES POD SHOP AND STORAGE

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
59396F	217-713		680

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
ELECTRONIC COUNTERMEASURES POD SHOP AND STORAGE	SF	6,700	74.30	548
SUPPORTING FACILITIES				66
ELECTRIC	LS			(5)
WATER, SANITARY SEWER	LS			(4)
SITE IMPROVEMENT	LS			(2)
SPECIAL FOUNDATION (PILES)	LS			(52)
ROADS, PARKING AND WALKS	SY	232	11.50	(3)
TOTAL COST				614
CONTINGENCY (5%)				31
ESTIMATED CONTRACT COST				645
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				35
TOTAL REQUEST				680

10. DESCRIPTION OF PROPOSED CONSTRUCTION Concrete masonry walls with brick veneer reinforced concrete slab on pile supports, metal roof framing, built-up roof, metal doors, suspended ceiling and vinyl floor tile. Facility includes pod maintenance stations, bench stock, pod loading, unloading and storage areas, radar warning receiver area and office space; support space and utilities.
Air Conditioning - 20 Tons.

11. REQUIREMENT: 6,700 SF ADEQUATE: 0 SUBSTANDARD: 0
PROJECT: Construct a new electronics countermeasures pod shop and storage facility.
REQUIREMENT: An adequate, properly configured facility is required to perform maintenance and provide secure storage of electronic countermeasures pods and associated equipment. The maintenance shop must provide a controlled environment to inspect, maintain and repair pods, radar receivers and other equipment. The storage area must contain a bridge crane, loading and unloading space for lifting and transporting equipment and provide space for pod storage racks.
CURRENT SITUATION: No adequate space is available to locate the required equipment and pods for maintenance and storage in a secure controlled environment.
IMPACT IF NOT PROVIDED: Mission capability will be severely hampered without an adequate facility.

COMPONENT USAFR	FY 1980 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 15 MAR 79

3. INSTALLATION AND LOCATION

New Orleans Naval Air Station, New Orleans, Louisiana

4. PROJECT TITLE	5. PROJECT NUMBER
Electronic Countermeasures Pod Shop and Storage	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 10 ($000)

B. NUMBER OF ADDITIONAL PERSONNEL NECESSARY TO CARRY OUT THE FUNCTION OF THE PROPOSED FACILITY..... 0 (PEOPLE)

C. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE PROPOSED FACILITY..... 717 ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... -- ($000)

E. DESIGN STATUS (ESTIMATED): %

1. Design Started 31 Jan 1979 (date)

2. As of January 1, 1979 (% complete)..... 50

3. As of October 1, 1979 (% complete)..... 100

4. Design Completed 30 Sep 1979 (date)

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

EQUIPMENT NOMENCLATURE	PROCURING APPROPRIATION	FISCAL YEAR APPROPRIATED OR REQUESTED	COST ($000)
- NONE -			

1 COMPONENT	FY 1980 MILITARY CONSTRUCTION PROJECT DATA	2 DATE
USAFR		15 MAR 79

3 INSTALLATION AND LOCATION	4 PROJECT TITLE
NEW ORLEANS NAVAL AIR STATION, LOUISIANA	FUEL SYSTEM MAINTENANCE DOCK

5 PROGRAM ELEMENT	6 CATEGORY CODE	7 PROJECT NUMBER	8 PROJECT COST ($000)
59396F	211-179		320

9 COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
FUEL SYSTEM MAINTENANCE DOCK	SF	11,000	22.80	251
SUPPORT FACILITIES				38
ELECTRIC				(8)
WATER, SANITARY SEWER, GAS				(8)
STORM DRAINAGE				(6)
SITE IMPROVEMENT				(8)
SPECIAL FOUNDATIONS				(8)
TOTAL COST				289
CONTINGENCY (5%)				14
ESTIMATED CONTRACT COST				303
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				17
TOTAL REQUEST				320

10 DESCRIPTION OF PROPOSED CONSTRUCTION A fuel system maintenance dock and corrosion control facility. Metal walls, pilings, concrete foundation and floor slab, metal roof. Facility includes wash rack-dock, bladder maintenance, mechanical equipment and utilities control areas, tool storage and administrative area, and latrines; includes necessary ventilation and fire protection, apron access, all utilities and necessary support.
Air Conditioning - 13 tons.

11. REQUIREMENT: 11,000 SF ADEQUATE: 0 SUBSTANDARD: 0
PROJECT: A fuel system maintenance and corrosion control facility for fighter aircraft.
REQUIREMENT: This is a joint Air National Guard-Air Force Reserve requirement. This facility is required to provide maintenance areas necessary to inspect, maintain and repair aircraft fuel systems and to perform corrosion control.
CURRENT SITUATION: Required fuel system maintenance is performed on an open aircraft wash rack subject to adverse weather conditions.
IMPACT IF NOT PROVIDED: Failure to provide this facility will degrade aircraft maintenance and maintenance training for both the Guard and Reserve units, resulting in an adverse impact on mission readiness. This represents Air Force Reserve participation in an Air National Guard project. Total cost is $915,000.

1. COMPONENT	FY 1980 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		15 MAR 79

3. INSTALLATION AND LOCATION

New Orleans Naval Air Station, New Orleans, Louisiana

4. PROJECT TITLE	5. PROJECT NUMBER
Fuel System Maintenance Dock	

SUPPLEMENTAL DATA

A.	ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY.....	6 ($000)
B.	NUMBER OF ADDITIONAL PERSONNEL NECESSARY TO CARRY OUT THE FUNCTION OF THE PROPOSED FACILITY.....	0 (PEOPLE)
C.	ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE PROPOSED FACILITY.....	373 ($000)
D.	ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT.....	-- ($000)
E.	DESIGN STATUS (ESTIMATED):	%
	1. Design Started 31 Jan 1979 (date)	
	2. As of January 1, 1979 (% complete).....	5
	3. As of October 1, 1979 (% complete).....	100
	4. Design Completed 30 Sep 1979 (date)	

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

EQUIPMENT NOMENCLATURE	PROCURING APPROPRIATION	FISCAL YEAR APPROPRIATED OR REQUESTED	COST ($000)
- NONE -			

Senator HUDDLESTON. We will receive that request, and give it, of course, full consideration.

General MCADOO. Thank you, Mr. Chairman.

Senator HUDDLESTON. I want to commend you, gentlemen, as I have others of the Defense Department who have appeared before this subcommittee, and other subcommittees I serve on, for the thoroughness of your presentation.

We hear a lot about austerity in our budget this year. The reductions that you are presenting to us this year go somewhat beyond austerity, if I might say so.

We now have the public witnesses that we want to hear. I think that perhaps we would be better able to pose our questions—and you to answer them—after we hear their comments, if that is agreeable to the panel.

Senator Laxalt, would you agree with that?

Senator LAXALT. Yes.

Senator HUDDLESTON. Good. Let us then hear from Maj. Gen. Francis B. Greenlief, executive vice president of the National Guard Association of the United States.

NONDEPARTMENTAL WITNESSES

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

General Greenlief. Good morning, Mr. Chairman, and members.

I am Maj. Gen. Francis Greenlief, executive vice president of the National Guard Association of the United States. I appreciate very much the privilege of appearing before your subcommittee in support of the military construction programs of the Army and Air National Guard.

With your permission, I would like to summarize my statement by presenting only the underlined sentences that are shown in your copy.

Senator Huddleston. The complete statement will be made part of the record, without objection.

[The statement follows:]

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RET.)

Mr. Chairman, and members, I am Major General Francis Greenlief, Executive Vice President of the National Guard Association of the United States. I appreciate the privilege of appearing before your subcommittee in support of the Military Construction Programs of the Army and Air National Guard.

GENERAL

You have heard outstanding testimony in support of the Military Construction Program (MCP)/Army National Guard (ARNG) and Air National Guard (ANG). However, that testimony has been constrained by DoD/OMB budget restrictions. The views which I present are the views of the 48,000 members of our Association -- the officers of the Army and Air National Guard.

The business of the National Guard is to produce readiness -- readiness to serve either State or nation on call. Facilities are an important ingredient in the production of readiness. Without adequate facilities, it is difficult to convince prospective recruits to join, or current members to stay. Without adequate facilities, we cannot store and maintain equipment, and we cannot train effectively.

This committee has understood our problem and has been generous in support of our program. We are particularly grateful for the FY '79 add-on of $2.5 million to the MCARNG program and $3.25 million to the MCANG program.

CONSTRUCTION MANAGEMENT

Management of National Guard Military Construction Programs by the National Guard Bureau (NGB) and the States continues to be outstanding. The NGB had $56.2 million available for MCARNG in FY '78, and obligated $52 million, leaving a carryover of only $4.2 million for FY '79.

Funds available for the FY '78 MCANG program totalled $38.5 million. Of that amount, $24.8 million had been obligated by 30 September 1978, and $31.9 million had been obligated by 31 December 1978. Carried over from FY '78 to FY '79 was $13.7 million.

STATE PARTICIPATION

The National Guard Military Construction Program produces more brick, mortar and steel for the federal dollar than any other Military Construction

Program. In the armory construction program, the States provide the real estate, equip the armories, and pay for the operation and maintenance of the armories in addition to providing 25 percent of the cost of construction authorized by the federal government. Additional savings of federal dollars are achieved because the States do the planning, designing and supervision of ARNG construction and part of ANG construction.

FACTORS IMPEDING PROGRAM EXECUTION

Unfortunately, a number of factors, beyond the control of the States, are seriously impeding execution of the National Guard Military Construction Program.

Inflation

The MCARNG program experienced an inflation rate of 8½ percent in FY '78. Even though the NGB obligated $52 million for MCARNG in FY '78, the construction backlog stood at $657 million at end FY '78 -- an increase of $71 million during the year.

The MCANG program experienced an average rate of inflation during FY '78 of 12 percent. During the year the estimated cost of the MCANG backlog increased from $296 million to $330 million, while $25 million was being placed under contract. Any action which slows programmed construction increases the ultimate cost.

Reprogramming

FY '79 Appropriations Act language required that certain projects not included on the list of projects submitted with the FY '79 Budget Request, and projects for which the current working estimate exceeds 125 percent of the previously reported costs, be submitted to the Appropriations Committees for reprogramming approval. We understand the committees' need for this information, and we agree that the information should be provided. However, the time delay which this process has produced is a serious impediment to program execution.

The NGB submitted a list of 12 MCARNG projects totalling $14 million for reprogramming action on 16 November 1978. Approval was not received until 1 March 1979. Although your subcommittee acted within two weeks time, the

total time delay was three and one-half months. Recognizing an annual 8½ percent inflation rate, the delay can be expected to increase federal costs by $350,000, plus additional State costs. A similar delay in action on an MCANG reprogramming request also had the effect of increasing federal costs.

In addition, these long delays retard program execution, and will lower obligation rates. We urge that reprogramming action be completed within the same 30-day time period which is required for clearance with the Armed Services Committees.

Force Packaging Methodology

All ARNG units are included in the Army's Total Force — all are required by this nation's war plans. The States are required to house all ARNG units. They base their construction planning on the basis of unit needs and the availability of real estate and State funds. However, current DoD programming policy authorizes construction of MCARNG projects only if the projects relate directly to very early deploying units. Considering that changes do, and will, occur in deployment schedules and unit priorities, it makes no sense at all to program 25-year facilities on the basis of the current deployment schedule. Deployment schedules may have changed by the time a given construction project has been completed. Facilities should continue to be programmed on the basis of unit need, available real estate and available State funds.

If DoD persists in ignoring State needs and concerns in programming the construction of ARNG armories, State legislatures will become understandably reluctant to continue to provide their 50 percent share of the costs. Unless DoD modifies its insistence on 100 percent control of armory programming, I can visualize the National Governors' Association informing DoD of their intent to withdraw from the program -- giving DoD 100 percent of the cost to go with 100 percent control.

Authority for Construction of Facilities

Section 2233, title 10, U.S.C, authorizes the Secretary of Defense to contribute funds to States to:

(1) Expand, rehabilitate, or convert facilities owned by the State for use jointly by units of two or more Reserve Components.

(2) Expand, rehabilitate, or convert facilities owned by the State, or to acquire, construct, expand, rehabilitate or convert additional facilities made necessary by the conversion, redesignation, or reorganization of units of the ARNG or ANG.

(3) Acquire, construct, expand, rehabilitate, or convert additional facilities which are required by any increase in strength of the ARNG or ANG.

The rationale expressed by Congress in adopting 10 U.S.C. 2233 was that the federal government, by increasing the structure and strength of the National Guard, had created a construction requirement beyond the capability of the States to support. For 29 years the Congress and DoD have authorized construction of National Guard armories where existing armories were inadequate. Now 29 years later DoD has reinterpreted the criteria for authorization of construction of facilities to make them much more restrictive. DoD deleted an armory project from the FY '80 program on the basis that: (a) the project was not a joint utilization project; (b) the unit had never been converted, redesignated or reorganized; (c) the unit had never been required to increase in authorized strength.

In our view, the construction should have been authorized because criteria (3) above addresses strength increase of the ARNG or the ANG without relating the strength increase to any specific unit.

How many units might be denied construction because of the application of criteria (3) is not known, but to the extent that the new rule is applied, needed unit construction will be denied -- contrary we believe, to the intent of Congress.

FY 1980 MCARNG PROGRAM

The FY '79 Budget Request for MCARNG, submitted to the Congress by DoD, listed $58 million as the FY '80 MCARNG requirement. A November 1978 DoD decision on the FY '80 MCARNG Budget reduced the program to $37.25 million. That DoD decision was followed by an OMB decision which further reduced the FY '80 MCARNG Budget Request to $20 million.

If the end FY '79 MCARNG backlog is $672 million, and if inflation occurs in FY '79 at the rate of 8½ percent, an FY '80 MCARNG program of $57 million would be required just to accommodate inflation. In our view, an annual MCARNG program of $60 million is required.

The NGB testimony supports a $20 million program, and includes a list of 26 projects.

Attached to my statement is a list of 64 urgently needed additional MCARNG projects, involving 29 States with a total cost of $40 million. Each of these projects has already been designed, or is being designed. State matching funds and real estate are now available. Each of these projects could be put under contract in FY '80.

FY 1980 MCANG PROGRAM

NGB's original budget submission, based on the approved DoD Program Objective Memorandum (POM), was $61.68 million. During the budget review process, DoD deferred two projects totalling $3.4 million to later years, and deleted an $8.98 million project, reducing the FY '80 Budget Request to $49.3 million. The Office of Management and Budget further reduced the FY '80 Budget Request to $30 million. The OMB reduction forced the deferral of 18 projects from the DoD-approved FY '80 MCANG program.

After completion of the planned FY '80 MCANG program, and if inflation continues at 12 percent, the MCANG backlog at end FY '80 will be $378 million, up $18 million from the currently-estimated end FY '79 backlog of $360 million.

The NGB testimony supports a $30 million program and includes a list of 49 projects.

Attached to my statement is a list of 40 additional urgently needed MCANG projects in 22 States with a total cost of $47 million. This list includes projects deferred from FY '78 and FY '79, plus projects that were deferred because of the DoD/OMB budget reductions.

SUMMARY

Mr. Chairman, and members, we deeply appreciate the generous support your committee has always given our program. We ask that you recommend an MCARNG Appropriation of $60 million and an MCANG Appropriation of $61 million for FY 1980. Further we ask your support in eliminating factors which impede National Guard Military Construction Program execution.

I will be pleased to attempt to answer your questions.

ATACHMENT #1 -- MCARNG FY 1980 PROJECT LIST

STATE	LOCATION	PROJECT	COST($000)
NC	Morganton	Armed Forces Reserve Center	294
AL	Ozark	Operational Maintenance Shop	132
	Arab	Operational Maintenance Shop	188
	Telledega	Operational Maintenance Shop	211
LA	Vidalia	Armory	489
TN	Milan	Unit Training Equipment Site/ Weekend Training Site	1,078
SC	West Columbia	Armory	613
NC	Raleigh	Division Logistics System	249
	Raeford	Armory	406
	Edenton	Armory	347
TX	San Antonio	Army Aviation Support Facility	478
LA	DeQuincy	Armory	568
IA	Dubuque	Armory	647
RI	North Kingston	Army Aviation Support Facility	1,404
	North Kingston	Armory Addition	122
FL	West Palm Beach	Armed Forces Reserve Center	738
	West Palm Beach	Operational Maintenance Shop	159
MN	Owatonna	Armory	528
	St. Peter	Armory	475
ND	Devils Lake	Unit Training Equipment Site	1,392
OH	New Philadelphia	Armory	555
OK	Stillwater	Armory	961
UT	Camp Williams	Operational Maintenance Shop	291
	Mt Pleasant	Armory	590
VT	Ethan Allen Range	Dispensary	146
WY	Cheyenne	Army Aviation Support	458
	Gillette	Armory	518
LA	Oakgrove	Armory	547
AL	Ft McClellan	Training Facility	1,997
KY	Williamsburg	Armory	462
VT	Camp Johnson	United States Property & Fiscal Officer Addition	107
TN	Catoosa	Range	400
	Memphis	Armory	1,048
	Memphis	Operational Maintenance Shop	162
MN	Camp Ripley	Combined Support Maintenance Shop Addition	521
CA	Camp Roberts	Training Facilities	1,000
MI	Big Rapid	Armory	641
	Camp Grayling	Logistic Support Facility	1,551
MO	Jefferson City	Army Aviation Support Facility	1,500
VA	Staunton	Operational Maintenance Shop	184
TN	Ripley	Armory	599
	Rockwood	Armory	232
NY	Ronkonkoma	Army Aviation Support Facility	710
	Ronkonkoma	Armory	159
	Ronkonkoma	Operational Maintenance Shop	201
VI	St. Thomas	Armory	468
NC	Albemarle	Armory	137

MI	Saginaw	Armory	584
CA	Long Beach	Combined Support Maintenance Shop	234
AL	Ft McClellan	Unit Training Equipment Site Addition	166
PA	Ft Indiantown Gap	Aviation Complex	1,235
VI	St. Croix	Armory	676
MS	Monticello	Division Logistics System	132
NY	Fort Drum	Training Facilities	2,381
CT	New Britain	Armory	763
OR	Ashland	Armory	617
AL	Huntsville	Armory Addition	320
MA	Camp Edwards	Training Facilities	262
	Camp Edwards	Unit Training Equipment Site	182
MI	Camp Grayling	Ammunition Facility	1,501
TN	Smyrna	Armory	458
NY	West Chester	Armory	1,095
	West Chester	Operational Maintenance Shop	293
NV	Carson City	Operational Maintenance Shop	174
		Total major construction	37,528
		*Minor construction	2,472
			40,000

*The minor construction funds are to support the Energy Conservation Investment Program (ECIP). The $2.9 million in the program for minor construction is totally inadequate to support projects and ECIP. It is estimated the total ECIP requirement will be approximately $30 million.

ATTACHMENT #2 -- MCANG FY 1980 PROJECT LIST

PROJECTS DEFERRED FROM FY '78

STATE	LOCATION	PROJECT	COST($000)
HI	Hilo/Keaukaha Mil Reservation	Reserve Forces Comm-Elec Training Facility	1,375
		Auto Maint/Supt Equipment Shop	1,030
IN	Terre Haute/ Hulman Field	Add/Alter Weapons Release Systems Shop	890
MA	Worcester/ Worcester AGS	Support Equipment Shop	570
		Subtotal - $3.865 M	

PROJECTS DEFERRED FROM FY '79

STATE	LOCATION	PROJECT	COST($000)
AZ	Phoenix/Sky Harbor IAP	Convert Dock to Fuel System Maint Dock	360
CA	Mountain View/ Moffett NAS	Add/Alter Para Dinghy Shop	600
CT	Windsor Locks/ Bradley AGB	Alter Complex to Weapons Release and Storage	465
GA	Marietta/Dobbins AFB	Rocket Stor/Checkout/Assembly	835
		Avionics/Weapons Release Shop	735
IL	Springfield/ Capital MAP	Add to Jet Fuel Storage	235

STATE	LOCATION	PROJECT	COST ($000)
MD	Baltimore/Glenn L. Martin State Apt	Composite Squadron Opns Facility	1,050
MA	Westfield/Barnes MAP	Fuel System Maintenance Dock	920
		Avionics/Weapons Release Shop	1,245
MI	Mt. Clemens/ Selfridge AGB	Squadron Operations Facility	1,260
NM	Albuquerque/ Kirtland AFB (ANG)	Composite Maintenance Facility	1,030
ND	Fargo/Hector Field	Fuel System Maintenance Dock	805
OH	Springfield/ Springfield MAP	Fuel System Maintenance Dock	960
TX	Houston/Ellington AFB (ANG)	Alter Bldgs 1290 & 1287 for Auto Maint/ Refuel Vehicle Shop/POL Opns	515
UT	Salt Lake City/ Salt Lake City IAP	Reserve Forces Comm-Elec Tng Facility	1,445
MI	Mt. Clemens/ Selfridge AGB	Avionics/Weapons Release Shop	825
MO	St. Joseph/Rosecrans Memorial Airport	Aerial Port Training Facility	770
TN	Knoxville/McGhee-Tyson Airport	Maintenance Control	515
MA	Westfield/Barnes MAP	Squadron Operations Facility	640
		Subtotal - $15.[illegible] M	

FY '80 PROJECTS DEFERRED FY '80 DOD/OMB BUDGET CUTS

Classified Location			8,985
RI	Providence/Quonset State Apt	Jet Fuel Storage	900
MI	Mt. Clemens/ Selfridge AGB	Base Supply and Equipment Warehouse	2,500
AZ	Tucson/Tucson IAP	Composite Sqd Opns/Academic Tng Fac	1,375
CA	Fresno/Fresno IAP	Support Equipment Shop/Storage	550
CT	Windsor Locks/ Bradley AGB	Composite Squadron Operations	1,100
DC	Andrews AFB	ANG Support Center	3,000
IN	Ft Wayne/Ft Wayne MAP	Squadron Operations/Telecomm Center	1,300
MD	Baltimore/Glenn L. Martin State Apt	Auto Maintenance/Refuel Vehicle Shop	850
MA	Wellesley AGS	Support Equipment Shop	450
MS	Meridan/Key Field	Base Supply and Equipment Warehouse	1,145
MO	St. Louis/Lambert-St. Louis Apt	Reserve Forces Opns & Tng Facility	2,500
NY	Roslyn AGS	Add/Alter Vehicle Maintenance Shop	475
	Westchester County Apt	Add/Alter Maintenance Hangar	600
OH	Springfield/ Springfield MAP	Base Engineer Maintenance Facility	450
UT	Salt Lake City/ Salt Lake City IAP	Add to Base Supply	680
WA	Everett/Paine Field	Reserve Forces Comm-Elec Tng Facility	990
		Subtotal - $27.850 M	
	TOTAL		$ 47.0 M

General GREENLIEF. This subcommittee has understood our problem and has been generous in support of our program. We are particularly grateful for the fiscal year 1979 add-on of $2.5 million to the Army Guard construction program, and $3.25 million for the Air Guard construction program.

The National Guard military construction program produces more brick, mortar and steel for the Federal dollar than any other military construction program. In the armory construction program, the States provide the real estate, equip the armories, and pay for the operation and maintenance of the armories in addition to providing 25 percent of the cost of construction authorized by the Federal Government.

Additional savings of Federal dollars are achieved because the States do the planning, designing and supervision of Army Guard construction and part of the Air Guard construction.

Unfortunately, gentlemen, a number of factors, beyond the control of the States, are seriously impeding execution of the National Guard military construction program.

First, inflation—The MCARNG program experienced an inflation rate of 8.5 percent in fiscal year 1978. Even though the NGB obligated $52 million for MCARNG in fiscal year 1978, the construction backlog stood at $657 million at end of fiscal year 1978—an increase of $71 million during the year.

The Air Guard program experienced an average rate of inflation during fiscal year 1978 of 12 percent. During the year the estimated cost of the MCANG backlog increased $296 to $330 million, while $25 million was being placed under contract. Any action which slows programed construction increases the ultimate cost.

Reprograming: Fiscal Year 1979 Appropriations Act language required that certain projects not included on the list of projects submitted with the fiscal year 1979 budget request, and projects for which the current working estimates exceed 125 percent of the previously reported costs, be submitted to the Appropriations Committees for reprograming approval.

We understand the committees' need for this information, and we agree that the information should be provided. However, the time delay which this process has produced is a serious impediment to program execution.

The NGB submitted a list of 12 MCARNG projects totaling $14 million for reprograming action on November 16, 1978. Approval was not received until March 1, 1979. Although your subcommittee acted within 2 weeks time, the total time delay was 3½ months.

Recognizing an annual 8.5-percent inflation rate, the delay can be expected to increase Federal costs by $350,000, plus additional state costs. A similar delay in action on an MCANG reprogramming request also had the effect of increasing Federal costs.

If DOD persists in ignoring State needs and concerns in programming the construction of ARNG armories, State legislatures will become understandably reluctant to continue to provide their 50 percent share of the costs. Unless DOD modifies its insistence on 100 percent control of armory programing, I can visualize the National Governors' Association informing DOD of their intent to withdraw from the program giving DOD 100 percent of the cost to go with 100-percent control.

The rationale expressed by Congress in adopting 10 U.S.C. 2233 was that the Federal Government, by increasing the structure and strength of the National Guard, had created a construction requirement beyond the capability of the States to support.

For 29 years the Congress and DOD have authorized construction of National Guard armories where existing armories were inadequate. Now, 29 years later, DOD has reinterpreted the criteria for authorization of construction of facilities to make them more restrictive.

DOD deleted an armory project for the fiscal year 1980 program on the basis that: (a) The project was not a joint utilization project; (b) the unit had never been converted, redesignated or reorganized; and (c) the unit had never been required to increase in authorized strength.

To the extent that that new rule is applied, needed unit construction will be denied, contrary, we believe, to the intent of Congress.

Fiscal year 1980 MCARNG program—The fiscal year 1979 budget request for MCARNG, submitted to the Congress by DOD, listed $58 million as the fiscal year 1980 MCARNG requirement. A November 1978 DOD decision on the fiscal year 1980 MCARNG budget reduced the program to $37.25 million. That DOD decision was followed by an OMB decision which further reduced the fiscal year 1980 MCARNG budget request to $20 million, notwithstanding that DOD had recognized the requirement for $58 million. In our view, an annual MCARNG program of $60 million is required.

Attached to my statement is a list of 64 urgently needed additional MCARNG projects, involving 29 States with a total cost of $40 million. Each of these projects has already been designed, or is being designed. State matching funds and real estate are now available.

NGB's original budget submission, based on the approved DOD program memorandum, the POM, was $61.68 million. During the budget review process, DOD deferred two projects totaling $3.4 million to later years, and deleted an $8.98 million project, reducing the fiscal year 1980 budget request to $49.3 million. The Office of Management and Budget further reduced the fiscal year 1980 budget request to $30 million. Again, the reduction has no apparent relation to the previously approved DOD requirement.

Attached to my statement is a list of 40 additional urgently needed Air National Guard projects in 22 states, with a total cost of $47 million.

Mr. Chairman, and members, we deeply appreciate the generous support your committee has always given our program. We ask that you recommend an MCARNG appropriation of $60 million, and an MCANG appropriation of $61 million for fiscal year 1980. Further we ask your support in eliminating factors which impede National Guard military construction program execution.

Mr. Chairman, I will be pleased to attempt to answer any of your questions.

Senator HUDDLESTON. Thank you, General.

General Roberts, would you like to proceed?

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

PREPARED STATEMENT

General ROBERTS. Mr. Chairman, we are very pleased to be here with you this morning to review the proposed budget for the reserve forces. With your permission, I would like to submit the entire statement for the record.

Senator HUDDLESTON. Without objection, so ordered.

[The statement follows:]

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS RET.

Mr. Chairman and Members of the Committee:

We are most appreciative of the opportunity to appear before this committee on behalf of the Reserve Officers Association of the United States. This committee knows we represent the composite voice of 115,000 military officers, many of whom are community leaders nationwide, and that we speak within the context of our Congressionally Chartered objective - to support a military policy for the United States that will provide an adequate national security.

Mr. Chairman, the ROA is in accord with the time-worn but time-proved truism "People are our most important asset." We also understand that to be effective in a wartime environment people need hardware - ships, tanks, aircraft, and myriads of other items from exotic weapons systems to typewriters. However, we are concerned that too often the acceptance of warfighting and preparation requirements tends to stop with these more obvious necessities. Especially in times of a monetary crunch, the more mundane and less glamorous but equally important support requirements are often given scant consideration. That is why we are here. We know, as do all members of this subcommittee, that FY 1980 will be a tough year for Reserve Forces Recruiting and that already the Army Guard and Reserve are suffering in Selected Reserve strength. We believe that if people are to be expected to join and remain with Reserve units they must see evidence that their Service cares about them enough to provide proper housing for their training activities and for proper maintenance of weapons systems upon which their lives may one day depend.

ROA well understands austerity in the Defense budget. But just as the third leg is absolutely necessary for a three-legged stool, so a realistic construction program is vital to complement the requirements for personnel and equipment.

ARMY

The USAR has serious strength problems which impact directly on their mission readiness. The majority of these have been addressed to the Congress. Recommended solutions are being considered such as reenlistment bonuses, expansion of the full time manning program, man day support of local and reserve recruiters, and expanded overseas training. All these are necessary, but in addition there is a need for a satisfactory location for Reservists to conduct training, store equipment and hold their meetings.

At the present time there are over 1,000 USAR training centers located throughout the United States. The replacement or reconstruction of these facilities is planned at the normal rate of 42 each year. This replacement is based on a life span of 25 years per facility. During the years 1972 to 1977 the USAR averaged 40 replacements per year. The FY 1980 budget will reduce that figure to 13, and at the current funding levels USAR construction backlog will increase. Modern and functional facilities enhance training and impact favorably upon recruitment, retention, and stature in the civilian communities in which they are located. The USAR, in order to maintain its facility inventory by replacing these facilities which have deteriorated or become obsolete, would require 61.5 million dollars in FY 1980.

As a minimum we recommend that the FY 1980 budget for major construction in the USAR to be increased over the OSD proposal by 23.9 million. A list of the projects that could be accomplished with these additional fundings is listed as follows:

MILITARY CONSTRUCTION, ARMY RESERVE
POTENTIAL PROJECTS
FY 1980

STATE/INSTALLATION/PROJECT	ESTIMATED COST ($000)
Alabama	
Knox Field	
600-Member US Army Reserve Center/Organizational Maintenance Shop/Area Maintenance Support Activity/ Equipment Concentration Site	2,743
California	
Los Alamitos	
600-Member US Army Reserve Center and Alteration of Existing USAR Buildings	3,240
Illinois	
Joliet	
Joliet Weekend Training Site	1,025
New Jersey	
Edison	
Expand to 600-Member US Army Reserve Center (Inkster, Michigan project was originally in the FY 80 program, however, it has been expedited and replaced Edison, New Jersey in the FY 79 program. Edison will not be ready for bid until FY 80.)	2,231
New York	
Fort Totten	
2400-Member US Army Reserve Center with Medical Wing/ Command and Control Area/Organizational Maintenance Shop/Area Maintenance Support Activity/DS-GS Maintenance Shop/Area Equipment Compound	9,918
Texas	
Houston	
1200-Member US Army Reserve Center with Medical Wing/ Organizational Maintenance Shop/Area Maintenance Support Activity	3,985
Port Arthur	
Expand to 200-Member US Army Reserve Center with Organizational Maintenance Shop	878

NAVAL AND MARINE CORPS RESERVE

Mr. Chairman, as you know the Navy's Selected Reserve has for the past three years suffered traumatic attacks by the Administration in that in each of these years the Secretary of Defense has endeavored to slice 35,000 to 40,000 from the strength of these forces. Axiomatically, such arbitrary action caused unrest among the Reservists resulting in consequent difficulty in maintaining authorized strength. Compounding the uncertainty of strength authorizations has been the weakened morale associated with performance of drills in inadequate and unwholesome surroundings. Certainly drilling amid dryrot, lack of air conditioning in summer, and inadequate space for training does not enhance enthusiasm for remaining in the Reserve unit.

While it is understood that all Services' Reserve construction requests are sharing some reductions for FY 1980, a 45 percent slice for the Naval Reserve is considered unrealistic. The proposed cut of 13 million dollars will force deferment of two sorely needed Reserve Centers, a structured fire fighting building for a large air station, and other requirements for the Naval and Marine Corps Reserve. With a $200 million construction backlog this cut means that other critical building requirements must also wait.

ROA believes that while some belt-tightening is understandable, loss of such a large increment of a relatively small construction request could be disastrous in its effect on maintenance of strength, training capability and safety for the Reserve forces; we therefore urge restoration of the $13 million to the military construction budget for the Naval and Marine Corps Reserve.

AIR FORCE

The Air Force FY 1980 Military Construction Budget was reduced by the OSD at the last moment before the budget was submitted. The USAFR share of the reduction was 5.5 million of a 15 million dollar program. This represents a one-third reduction which in our opinion is unacceptable for a small appropriation. The USAFR backlog of projects is of a magnitude that the current 5 year program will not reduce the backlog at all - due to inflation, age of facilities, and mission changes that are tied to modernization. The real effect is that the backlog will increase unless significant support is forthcoming from this Committee.

It is our understanding that the FY 1980 program reduction resulted in a 50% elimination of planned projects. This elimination will impact on the already extensive maintenance and repair program that has been ongoing for far too many years in order to provide bare existence in many substandard facilities. It is

the opinion of the ROA that among the ingredients which produce combat readiness, adequate facilities play a very important role. Proper training facilities and suitable working areas are fundamental to maintain morale, improve training and enhance retention and training of personnel. As you know, Mr. Chairman, the retention of people is extremely cost effective and absolutely necessary in order that the Reserve components can meet their manning goals.

The lump sum funding concept that the Reserve Forces presently utilize should continue. Because of the effort and cooperation by the Air Force to modernize the Reserve components, there have been and probably will continue to be last minute program ajustments based on budgetary constraints which effect the forces assigned to the Reserves. The Reserve components need the lump sum concept in order to have the flexibility to make programmatic adjustments in the military construction program.

Mr. Chairman, due to the many management initiatives instituted by Maj. Gen. Lyon, which are too numerous to elaborate on at this time, the Air Force Reserve has been successful in exceeding its authorized strength for FY 1978 and in producing combat ready units braced and ready to fulfill their wartime mission. Your continued support in meeting the FY 1980 military construction program requirements is urgently needed and solicited.

In summation, Mr. Chairman, ROA believes that in the severe Reserve Manpower shortage situation we now face it is a good investment to enhance those programs that will draw prospective Recruits and retain current Selected Reservists--not slash them. The severe cuts in Military Construction budgets for FY 1980 will not only disallow projects needed to support higher morale, better public image, more adequate training capabilities and enhanced safety, but will, in fact, be a regression in the Services' programs to attack the huge backlog of required Construction projects. We urge this subcommittee's earnest consideration to restore funding to the Reserve Military Construction budget to provide all of the urgent projects which were cut in the current budget.

General ROBERTS. In the interest of time, I would like to review some excerpts from it, and some comment.

We have heard a good bit this morning about details. I would like to comment briefly about the philosophy.

Mr. Chairman, the Reserve Officers Association is in accord with the long proven truism that people are our most important asset. We also understand that to be effective in a wartime environment, people need hardware, ships, tanks, aircraft, myriads of other items, from exotic weapon systems to typewriters.

However, we are concerned that too often the acceptance of war fighting and preparation requirements tend to stop with these more obvious necessities. Especially in times of a monetary crunch, the more mundane and less glamorous but equally important support requirements are often given scant consideration. That is why we are here.

We know, as do all members of this subcommittee, that fiscal year 1980 will be a tough year for Reserve forces recruiting, and that already the Army Guard and Reserve are suffering in selected reserve strength. We believe that if people are to be expected to join and remain with Reserve units they must see evidence that their service cares about them enough to provide proper housing for their training activities and for proper maintenance of weapons systems upon which their lives may one day depend.

ROA well understands austerity in the Defense budget. But just as the third leg is absolutely necessary for a three-legged stool, so a realistic construction program is vital to complement the requirements for personnel and equipment.

With regard to the Army Reserve, the requirement there is actually in the order of $62 million per year. This budget asks for approximately $25 million. We believe that that figure is far too low to do the realistically.

We have submitted with our statement a list of seven additional projects which we believe have priority consideration. These total $23.9 million, and this, when added to $25 million, would still be substantially below the requirement. So we ask your consideration for these additional projects which we believe are very vitally needed, and which would still be below what the requirement is, in the philosophy of prudence at this time, in this especially constrained year.

With regard to the Navy, they have a $200 million construction backlog, and the $13 million cut which has been proposed, we believe, is too much for the Navy Reserve, including the Marine Corps. We ask that you restore the $13 million.

The Air Force has shown a requirement for a $15 million program, which has been reduced by $5.5 million. We believe that this, again, is too severe a cut in proportion, and we ask that that figure be restored.

We also ask, in the case of the Air Force, that you continue to authorize the lump sum concept which is needed for flexibility, because as times and conditions change, so do the requirements, and they should have the flexibility to meet this situation.

In summary, on our philosophy, we believe that Reserve Forces are more vitally needed that at any time prior in our history. We have a very urgent problem of strength maintenance, particularly

in the Army. We believe that the facilities needed to train this force are as important as some of the weapons which these forces would use.

For that reason, we ask for careful consideration of our request.

I will be happy to answer questions later on.

Senator HUDDLESTON. Thank you very much, General.

We will now hear from General Wallace. As I mentioned earlier, Senator Sasser, a very valued member of this subcommittee, has a particular interest in military construction problems all over the United States, and around the world, as a matter of fact. Since you come from his State, he may have some comments that he would like to make.

Senator SASSER. Thank you, Mr. Chairman.

I would just like to welcome Gen. Carl Wallace to this committee this morning. General Wallace is, in my judgment, one of the most able adjutant generals in the National Guard. He is president of the Adjutants General Association of the United States, and is doing an admirable and outstanding job as the adjutant general of the Tennessee National Guard.

As a matter of fact, General Wallace, we have even discussed your good work, in your absence, before this committee in the past. I want to welcome you before the committee, and say that we look forward, particularly, to hearing your testimony.

General WALLACE. Thank you very much, Senator Sasser.

ADJUTANTS GENERAL ASSOCIATION OF THE UNITED STATES

STATEMENT OF MAJ. GEN. CARL D. WALLACE, PRESIDENT, ADJUTANTS GENERAL ASSOCIATION OF THE UNITED STATES

PREPARED STATEMENT

General WALLACE. Senator Sasser, we in Tennessee are also very proud of you, especially from the Guard standpoint, of your help, interest, and support. What we have before you today is very critical to us.

I am also very happy, Mr. Chairman, to have the opportunity to represent a State as well as the adjutants general across the States, and see what impact it has on Tennessee.

I also have a prepared statement, which I would like to have submitted for the record.

Senator HUDDLESTON. Without objection, it will be inserted in the record.

[The statement follows:]

STATEMENT OF MAJ. GEN. CARL D. WALLACE

Mr. Chairman, and members of the committee, I am Major General Carl Wallace, President of the Adjutants General Association of the United States and Adjutant General of Tennessee.

I appreciate very much the opportunity to appear before your committee, and I am mindful of the great support this committee has provided to the National Guard Military Construction Program in past years.

The severe reductions which would be imposed on the Army and Air Guard construction programs by the Fiscal Year 1980 Budget Request will impede readiness improvement of the National Guard. In addition, new rules imposed by the Department of Defense will make State management of the Army National Guard Military Construction Program almost impossible.

My purpose today is to comment briefly on the impact of the budget cuts and the new rules on the program nationally, and to demonstrate the impact on the State of Tennessee.

National Guard units with a strength of about 300,000 were mobilized for World War II.

After World War II, the Federal government asked the States to organize and maintain a much larger force structure, i.e. more units, with a strength requirement in excess of 500,000. Readiness requirements were increased. Equipment inventories became so large that storage and maintenance could not be accomplished in the pre-World War II facilities which had been provided by the several States. Recognizing that the States would be unable to finance all of the construction costs which had been generated by the increase in size and structure of the National Guard, Congress passed Public Law 783 in 1950. This law authorized the Secretary of Defense to contribute funds appropriated by Congress for the construction of National Guard armories and other facilities. P.L. 783 provides for a Federal contribution of 75 percent of the cost of construction of an armory. The State provides the real estate, pays for 25 percent of the cost of constructing an armory, and agrees to maintain the armory for a period of 25 years. The State pays all of the operating costs, e.g. heat, light, water, etc. The result is that the State provides more than 50 percent of the life cycle costs of an armory.

41-638 O - 79 - 17

In programming armory construction in his State, the Adjutant General must consider unit needs, available real estate, willingness of the State legislature to appropriate State funds and the interests of the many communities of the State. The Adjutant General must provide adequate facilities for all of the units which the Federal government has asked his State to organize and maintain. New DoD rules will permit Federal contribution for the construction of armories for only those units which are scheduled for very early deployment overseas.

I question that State legislatures will be willing to continue appropriating State funds for the construction, operation and maintenance of National Guard armories if State authorities are to be denied the opportunity to have any say about what projects are to be built in their State. The dictatorial attitude of the DoD may well cause the States to suggest that if the Federal government demands full control, they should pay the full cost.

Last year, DoD advised the Congress that the FY 1980 military construction requirement for the Army National Guard was $58 million. The FY 1980 Budget Request is for only $20 million. Last year, the DoD-approved FY 1980 Air National Guard construction requirement was $61 million. The FY 1980 Budget Request for Air National Guard construction is only $30 million. These budget cuts are so severe that the proposed annual programs are smaller than the amount of cost increase that occurs each year due to inflation. The result is that the backlog of required construction is increasing rather than decreasing. I question that the FY 1980 program can even build the facilities required to support already planned Air National Guard conversions.

Now I'd like to put this in the perspective as it applies to one State -- Tennessee.

The National Guard Bureau and the State of Tennessee had planned to build seven Army National Guard facilities in FY 1980. Those projects included one Unit Training Equipment Site, one Range Complex, one Organizational Maintenance Shop and four armories. The State of Tennessee has the real estate. State funds are available, and the projects are already designed or under design. The total Federal cost of the facilities is about $4 million.

The National Guard Bureau and the State of Tennessee planned to build a badly needed maintenance control facility for the Air National Guard KC-135 Refueling Group at Knoxville. This unit stands alert for, and flies refueling missions for, the Strategic Air Command. It needs the maintenance control facility to properly maintain its aircraft for this important Air Force mission, but the DoD cuts in the Air National Guard construction program deleted the facility.

Today's cost of the Tennessee National Guard construction backlog of required, but unfunded, facilities is over $22 million for the Army National Guard and is over $17.5 million for the Air National Guard.

Mr. Chairman, I apologize for presenting such a bleak picture. However, the construction programs of the Army and Air National Guard can never provide even minimum essential facilities when annual appropriations are not even as large as annual cost increase due to inflation. Secondly, it is my opinion that many States may be unwilling to continue support of the Army National Guard construction program if States are not permitted to build facilities as dictated by the facilities priorities within each State.

Mr. Chairman, and members, I thank you for the opportunity to present my views as President of the Adjutants General Association and as the Adjutant General of Tennessee. I will be pleased to attempt to answer your questions.

BIOGRAPHICAL SKETCH OF MAJ. GEN. CARL D. WALLACE

Major General Carl D. Wallace
Date of Birth: 20 May 1931
Home Address: 205 Bartonwood Drive, Lebanon, Tennessee 37087
Military Assignment: The Adjutant General, State of Tennessee

General Wallace's military career began when he enlisted in the U. S. Air Force in 1951. He then transferred to the U. S. Army and was commissioned a Second Lieutenant upon completion of OCS at Ft. Sill, Oklahoma.

He served with the 47th Infantry Division at Ft. Rucker, Alabama before being assigned to the 45th Infantry Division in Korea.

General Wallace joined the Tennessee Army National Guard in 1955 and organized an Engineer Company in Waverly, Tennessee, serving as company commander. He later commanded a replacement detachment before becoming Command Information Officer on the Adjutant General's Staff. He served in that capacity until his appointment as the 70th Adjutant General of Tennessee on January 18, 1975.

He was elected president of The Adjutants General Association of the U. S.on June 18, 1977, and serves in that capacity at the present time.

Decorations and Awards - Meritorious Service Medal, Good Conduct Medal, National Defense Service Medal, Korean Service Medal with two bronze stars, Armed Forces Reserve Medal with hour-glass device, Army Reserve Components Achievement Medal. Republic of Korea Presidential Unit Citation, United Nations Service Medal, Tennessee National Guard Commendation Ribbon with Oak Leaf Cluster, Tennessee National Guard Commendation Ribbon with two Oak Leaf Clusters, Governor's Meritorious Unit Citation with two Service Stars, Tennessee National Guard Distinguished Unit Commendation with one Oak Leaf Cluster, Tennessee National Guard Service Ribbon with Bronze Service Star, and three Oak Leaf Clusters, and the Tennessee National Guard Volunteer Ribbon.

Civic Affiliations - Lions Club; American Legion; Veterans of Foreign Wars; State Crusade Chairman American Cancer Society from 1965-1970; Board of Directors of Castle Heights Military Academy, Lebanon, Tennessee; State Heart Fund Chairman, 1978; member Board of Directors, Regional Medical Program; member of Board of Associates, University of Tennessee at Nashville; former member of Lebanon Tennessee Planning Commission and Wilson County Election Commission; thirty-second degree Scottish Rite Mason; member First Baptist Church, Lebanon, Tennessee; member Board of Directors of Muscular Dystrophy Association.

Civilian Education - Attended the Stewart County High School, Austin Peay State University and the University of Tennessee.

Military Education - Food Service School, Ft. Knox, KY; Chemical Bacteriological and Radiological (CBR) School, Kure, Japan; Artillery Officer Basic School, Ft. Sill, Oklahoma; Engineer School, Ft. Bolivar, Virginia; Adjutant General School, Ft. Benjamin Harrison, Indiana; Command and General Staff College, Ft. Leavenworth, Kansas; The Defense Strategy Seminar, National War College at Ft. McNair, Washington, D. C.

Civilian Occupation - Prior to entering active military service, General Wallace was a reporter for the Clarksville Leaf Chronicle . Upon release from active duty, he resumed his career in journalism and was named editor of the Waverly News-Democrat, 1954. In 1964, he became the editor of the Lebanon-Democrat and remained in that capacity until being placed on military leave status to accept the appointment as the Adjutant General of Tennessee in 1975.

Marital Status - General Wallace is married to the former Yvonne Sanders of Clarksville and Paris, Tennessee. They have one son, Carl Douglas, Jr., a graduate of Castle Heights Military Academy and is presently studying at Carson Newman College.

General WALLACE. The severe reduction which would be imposed on the Army and Air Guard construction by the fiscal year 1980 budget request will impede readiness improvement of the National Guard. In addition, the new rules imposed by the DOD will make State management of the Army National Guard military construction program almost impossible.

My purpose today is to comment briefly on the impact of the budget cuts and on the new rules of the program nationally, and to demonstrate the impact, specifically on the State of Tennessee.

Let me just review for a meet the law. The National Guard units with a strength of about 300,000 were mobilized for World War II. After World War II, the Federal Government asked the States to organize and maintain a much larger force structure, more units with a strength requirement in excess of 500,000.

Readiness requirements were increased. Equipment inventories became so large that storage and maintenance could not be accomplished in the pre-World War II facilities, which had been provided for several States. Recognizing that the States would be unable to finance all of the construction costs which had been generated by the increase in size and structure of the National Guard, Congress passed Public Law 783 in 1950.

This law authorized the Secretary of Defense to contribute funds, appropriated by Congress, for the construction of National Guard armories and other facilities. It might be interesting to note here that prior to that time, many States took funds out of their own budgets, and built those facilities for the National Guard, and we still have many of them in Tennessee today.

Public Law 783 provides for a Federal contribution of 75 percent of the cost of construction of an armory. The State provides the real estate, pays for 25 percent of the cost of constructing the armory, and agrees to maintain that armory for a period of 25 years.

The State pays all of the operating costs, the heat, the light, the water, telephone. The result is that the State provides more than 50 percent of the life-cycle costs of an armory.

In programing an armory construction in his State, the Adjutant General must consider the unit needs, available real estate, willingness of the State legislature to appropriate State funds, and the interest along with additional funds of the many communities of the State.

The Adjutant must provide adequate facilities for all of the units which the Federal Government has asked his State to organize and maintain. Now, the new DOD rules will permit Federal contribution for the construction of armories for only those units which are scheduled for early deployment overseas. A new guideline, a new rule, a new game.

I question just how long the State legislatures will be willing to continue to appropriate State funds for the construction, operation and maintenance of National Guard armories if States are going to be denied the opportunity to have any say about where the projects ought to be built in their State.

The dictatorial attitude of the DOD may well cause the States to suggest that if the Federal Government demands full control, they should pay the full cost.

Last year, DOD advised the Congress that fiscal year 1980 military construction requirements for the Army National Guard was $58 million. This is what we planned on. The fiscal year 1980 budget request is only for $20 million.

Last year, the DOD approved fiscal year 1980 Air National Guard construction requirement of $61 million. Again that is what we planned on. The fiscal year 1980 budget request for Air National Guard construction is only $30 million.

These budget cuts are so severe, Mr. Chairman, that the proposed annual programs are smaller than the amount of cost increase that occurs each day due to inflation. The result is that the backlog of required construction is increasing rather than decreasing.

I question that the fiscal year 1980 program can even build a facility required to support already planned Air National Guard conversions.

Now, let me, if you will, just for a moment put this into perspective for one State, and that is the State of Tennessee. The National Guard Bureau in the State of Tennessee had planned to build seven Army National Guard facilities in fiscal year 1980. These projects included one unit training equipment site, one range complex, one organizational maintenance shop, and four armories.

The State of Tennessee has the real estate. The State of Tennessee has the money, and these projects are already designed or under design. I will be happy to furnish you a list of those, Senator Sasser, if you would like to know those particular locations.

Senator SASSER. I would like to very much.

General WALLACE. In addition, on March 5, we were also notified that seven additional projects were to be canceled. The total amount of these projects, or the impact on the State of Tennessee, is approximately $11 million.

In addition to that, the National Guard Bureau in the State of Tennessee planned to build a badly needed maintenance control facility for the Air National Guard KC-135 Refueling Group at Knoxville.

This unit stands alert for, and flies refueling missions almost on a daily basis for the Strategic Air Command. It needs the maintenance control facility to properly maintain its aircraft, but the DOD cuts in the Air National Guard construction program deleted this facility.

Let me just mention briefly the backlog. Today's cost of the Tennessee National Guard's backlog of required, but unfunded facilities is over $22 million for the Army National Guard, and it is over $17.5 million for the Air National Guard.

Projects needed, projects directed by the DOD, given to the State, but yet the construction is unfunded. I will be happy, Mr. Chairman, to furnish you a list of those, if you so desire.

Senator HUDDLESTON. Yes.

General WALLACE. I think that it is important, especially in a State, to keep in mind the symbolic importance of the National Guard armories in the local communities, particularly the small town of rural America. This is the heartland of support for American defense, and the source of many of our volunteers, both for the Army and the National Guard.

Here, the National Guard armory is not only the social center for its community, it is the place where most of the social events are held, and those ranging from charity bazars to Boy Scout banquets. A center of many civic projects, emergency or disaster relief, and probably the largest public hall in the community.

Almost every National Guard Armory is, in principle, if not the only direct communication that the U.S. Army has with the entire community, of all ages, and interests. To most citizens, traditionally, the National Guard is the Army.

Unfortunately, as our training becomes directed to early mobilization and deployment, our troop structure and management control are more exacting, and the urgent needs of the defense demand priority use for military training.

We can see less consideration being allowed for community needs. Couple that with the skyrocketing increase in the cost of real estate, which we require the local governments to contribute, I think in fairness DOD and Congress should consider funding 100 percent of the cost of this construction.

To an increasing degree, almost with every project, the Federal constraints dictate our construction, from the design to the labor costs, contract provisions, minority and environmental considerations, the usage and energy conservation requirements. These are becoming Federal facilities.

It hardly seems fair for the State and local governments to contribute not only valuable land, removed from the tax rolls, but 25 percent of the construction costs, and carry the entire heavy burden of maintenance after construction for the life of that armory.

Mr. Chairman, I apologize for presenting such a bleak picture. The construction programs of the Army and Air National Guard can never provide even minimal, essential facilities when annual appropriations are not even as large as annual costs.

Second, it is my opinion that many States may be unwilling to continue support of the Air National Guard construction program, if the States are not permitted to build facilities, as dictated by the facility priorities within each State.

I urge you to restore no less than the $40 million taken away by the Department of Defense.

Mr. Chairman, and members, I thank you for the opportunity to present my views as President of the adjutants general association, and as the adjutant general of Tennessee. I will be most happy to attempt to answer any questions which you might have.

Senator HUDDLESTON. Thank you, General.

Now, let us see if we can get the panel back around the table, and Senator Sasser and I have some questions and comments.

I just have a few questions, and then it will be necessary for me to go to another committee meeting. Senator Sasser will continue with this committee for as long as he desires.

COMMITTEE CONCERNS

First, gentlemen, it has been alluded by some of you, and I think the record indicates, that the subcommittee has been receptive to the proposals that have been submitted by members of the services

during our hearings. We have tried to be responsive to needs, to the extent that we were able to.

Since I have been a member of the subcommittee, I think that we have recognized the importance of the Guard and Reserve. We talk frequently with the active counterpart about the capability and readiness of our forces, and in every instance there is always the insistence that it is the Guard and Reserve that gives us the ability to meet challenges that may occur all around the world.

So we are concerned that you have the facilities, the equipment, the personel and other things necessary to maintain the kind of strength that you need to fulfill your mission.

This is an austere year. I am concerned about the percentage of cuts. I am concerned about the backlog. I am concerned that you have what is necessary to attract people to fill your ranks. We are very interested in getting all the information we can relating to these particular subjects.

EFFECTS OF CONSTRUCTION ON PERSONAL LEVELS

What correlation is there between having good facilities and being able to attract the personnel that you need and keep the personnel strength up to necessary standards?

Can you pinpoint a definite correlation there? I will start with General Weber.

General WEBER. I will start by saying that as the National Guard entered its role in the total force, as the new and more modern equipment came into our units, we did, in fact, emphasize the nonarmory construction as having priority for providing facilities for the new equipment, training areas to support them, and that type of thing.

So for a period of 5 or 6 years, during the 1970's, we did emphasize the nonarmory construction. We were busy doing that. Of necessity, we gave improper attention to our armories.

As we have conducted surveys across the United States, and as we have had the various meetings and dealings with the problems associated with acquiring new people for the Guard, the proper training facility has surfaced continually as a major contributor to getting people, keeping people, and using their time to good advantage.

We feel very strongly that there is a definite correlation between the facilities in which our troops train and operate, and our strength figures.

Senator HUDDLESTON. Let me add to that question whether or not we get into a "Catch-22" situation when we have a project that may be deferred or eliminated because a unit does not achieve a certain strength level, whereas if it had that particular facility, it might be in a better position to enhance its strength. Is this a problem?

General WEBER. Very definitely, sir. Our surveys have supported that contention as well.

Senator HUDDLESTON. Would the other components like to comment on these two questions?

General CONAWAY. Mr. Chairman, a very specific example—the Air National Guard unit that you would be close to is in Kentucky.

There is a Kentucky Air National Guard unit at Louisville, which has completed a squadron operations facility, a fuel cell maintenance facility, and an avionics building in the last 3 or 4 years.

This unit prior to construction was having to double people up to find room to perform missions and conduct training. There were very crowded conditions for most of the training that took place. This did impact both recruiting and retention. These young people came in from from all over Kentucky to participate in crowded conditions, trying to maintain combat ready organizations.

Today, with these new facilities, people can come out and work in the avionics shop, or come out and work in operations, personal equipment, life support, whatever they are in. They can perform their specialty in a facility designed and constructed for that purpose. With the conversion to the RF–4 aircraft in Louisville, they are now a C–1 organization. I credit a great part of that to the facilities.

They have very good people, and good management as well. They are one of our high priority organizations in the Air Force. They are also today 104-percent manned. That has a very definite correlation to obtaining new facilities.

Senator HUDDLESTON. What do you mean by C–1?

General CONAWAY. C–1 is the highest combat ready status that you can have in the Department of Defense for the Air Force. C–4 is non-combat ready. C–3 is partially. C–2 is combat ready with limitations. C–1 is a fully combat ready organization with no limitations, ready to go, as this unit is, in 24 hours to any location that they desire to.

In the State of Tennessee, where we have a backlog, as we do in all states including Kentucky, a very definite example that our facilities have impacted our training is the Air National Guard's Professional Education Center in Knoxville, which trains personnel for Officer Candidate School, NCO Academy, and leadership training from all over the United States, the 50 States, the District of Columbia and Puerto Rico.

They have just gone into some remodeled older facilities, and these facilities are going to greatly enhance the training of Guardsmen throughout the United States. The facilities that they are in are conducive to better training.

So we have many vivid examples of that throughout the country, where it has helped us, and where we need the help also for units that are converting, which have people on top of each other, so to speak, as they convert to these complex weapon systems.

So those are two examples.

Senator HUDDLESTON. General Mohr?

General MOHR. Yes, sir. I think that you have touched on a very critical point insofar as the people and this matter are concerned. We have done some surveys that tell us why many of our people leave the Reserve and what the causes of their dissatisfaction with the Reserve are.

A lot of that relates to the training facilities, the ability to train properly, especially in home stations. This relates, of course, to the adequacy of the training centers, and the training facilities that we have to offer during both annual training and during the home-station training phase.

I will give you an example of a training center at 601 Hardesty in Kansas City, which was formerly used for the storage of casualties returned from combat. An active railroad track and a siding run on both sides of that building. This is an Army Reserve Training Center today, and this is the kind of situation that we are working to correct.

You can not conduct proper training and people get dissatisfied and leave. It does not give the proper image of the Federal Government or the Army Reserve to the people who might be coming into the units, nor does it encourge them to stay.

I think that you have hit on a very critical point that I think deserves a great deal of attention. I also point out to you that even with funding at the stay-even point of $62 million per year we will not be able to work at eliminating our construction backlog. New recruits enlisting today at locations may not even see their new training center started for perhaps 20 years. By then they will have served the necessary number of years to retire.

So you see, we have quite a situation here, and the people interest thing, I don't think could be over emphasized. Those who have touched on that, I certainly commend them, and agree with them.

Senator HUDDLESTON. Thank you.

Admiral Kamm?

Admiral KAMM. I agree with the other speakers in everything they have said. I think that this is very important to all of us. Recruiting and retention of personnel are among our gravest problems in the Reserve and Guard forces.

Within the Naval Reserve and the Marine Corps Reserve, we have $199 million in deficiencies, and we have tried, within the fiscal constraints of the budget, to address the programs which will help us, not only in retaining people, but also, of course, in increasing the personnel readiness of the units.

Among the things we have tried to to do, is the construction of new centers to replace old and inadequate centers where we did not have facilities to support the type of sophisticated training programs which are essential to readiness. For example, we are proposing to construct a modern and efficient training center with the capability to support a shipboard simulation trainer at Knoxville, Tenn.

Another example of the personnel readiness aspect and the combat unit readiness aspect is the project we have proposed to you for our engine test cell at the Naval Air Station in Dallas, which is to test the J-79 engine which is in the F-4 aircraft, belonging to two Reserve Navy fighter squadrons, and one Marine fighter squadron.

Also important, for the standpoint of readiness, is the attenuation of noise levels at our air stations to make it possible for personnel to work near the flight line. Relief of community objections to the environmental impact of this operation is also important. These just are a couple of examples of both personnel retention and recruiting, and of course most importantly readiness of the Reserve and the Guard forces, which are most directly related, I would say, to facility construction.

Senator HUDDLESTON. Thank you.

General McAdoo?

General McADOO. Sir, I agree with the comments of the other witnesses. As a previous wing commander, I am convinced that adequate, clean facilities do, in fact, enhance the morale of the reservists. Because of the pride which favorably affects the training and competence of the unit members, I do, in fact, believe that the readiness of that unit is improved.

Senator HUDDLESTON. Let me suggest that it may be helpful to this subcommittee if your written presentation would cite some specific instances that would stress this correlation between the facilities and personnel retention and recruitment.

We are going through a period now where the draft is being considered again. There is very grave concern in Congress about personnel, and the force level for our military forces. I think that this might be helpful in making determinations on how funds are going to be spent.

General WEBER. Mr. Chairman, I have a suggestion along this line, which the committee might find useful. Almost in the shadow of the Capitol, over here in Anacostia, you have a brandnew, tremendous facility, a combined Armed Forces Reserve center, which is being used by elements of the Navy, the Coast Guard, the Marine Corps, the Army National Guard, and the Army Reserve. I don't believe that the Air Force is there, but just about everyone else is.

This is a very intensive facility. It might be useful to ask the services to give you the strength figures for those units in that center 1 year prior to occupancy, which I understand was last October, and see where it is now. Then next October, see where it is again.

Now, of course, you cannot reach a definite conclusion because other factors are at work. But this center is about one of the finest in the country. I think that it might be well worthwhile to get some statistics on it.

Senator HUDDLESTON. Does anyone else want to comment on this particular question we are dealing with?

General WALLACE. Other than to say, I agree totally with what has been said, Mr. Chairman. I think that it could be brought down to the bottom line. A good community, with a good armory, is going to have an increase. That which is on a back street, that which is not in public view, loses its incentive. Without that, we cannot continue to operate readiness units.

General GREENLIEF. Mr. Chairman, I think that they have said it all, and they have said it very well.

Senator HUDDLESTON. Thank you, General.

KENTUCKY PROGRAMS

My time is running out, but if Senator Sasser will permit me a parochial question.

Senator SASSER. Mr. Chairman, I am going to ask a couple myself.

Senator HUDDLESTON. I would not be surprised. [Laughter.] I would like to review the construction projects in the budget request

that we are considering, for the State of Kentucky. We will start with General Weber.

General WEBER. Mr. Chairman, one that we are considering in Kentucky is at London, Kentucky, a 100-person armory for the Army National Guard. There is nothing in the Air Guard's budget this year.

Senator HUDDLESTON. You have something at Bowman Field—land acquisition that is going on there under reprograming.

General MOHR. Sir, I will cover the construction projects that we have in the State of Kentucky. We have a project for a maintenance facility at Fort Thomas which was awarded in October 1978 for $815,000; at Lexington, we have a 400 member joint center, with the Navy that was completed in February of 1979, $1,581,000 is our share and the Navy's share is $955,000. At Bowman Field we had a land acquisition project for $500,000. This required deficiency reprograming approval from the Appropriations Committees, which was received on March 6, 1979. On that site we have ongoing construction of an 800-member Army Reserve center awarded in August 1978 for $2,253,000.

We have under design, at Madisonville, a 100-member Army Reserve center expansion for $740,000. Design is now estimated to be completed in August. In our fiscal year 1980 request we have a maintenance facility at Fort Knox for $1,336,000. Design completion is scheduled for September of this year.

Included in our unprogramed requirements, we have projects at Bowman in Louisville, Ky., for an administrative area for $650,000; a maintenance shop at Maso, Ky., for $758,000. Going down the line, sir, we have facilities, also unprogramed, at Paducah, Owensboro, Ashland, Lexington, Hopkinsville, Frankfort, Bardstown, Fort Thomas, Georgetown, Richmond, Shelbyville, Lexington—an upgrading there—also Bowling Green.

We have a substantial number, but within the constraints under which we are now operating, these are unprogramed. I will be glad to submit this for the record.

Senator HUDDLESTON. I would like to have that for my own benefit. You missed my hometown, but we are very close to Fort Knox, and anything we do there will help.

General WALLACE. Senator, you may be surprised, but we have Kentucky projects. We have a project at Fort Campbell.

Senator HUDDLESTON. Fort Campbell is in Kentucky.

General GREENLIEF. There is a Kentucky project on our list of projects, one that is required. It is at Williamsburg, and the price is $462,000 for the Federal contribution.

General WEBER. Senator Huddleston, in the State of Kentucky, the State has a backlog of $13.3 million for 18 different projects, and one of those happens to be in Elizabethtown.

Senator HUDDLESTON. We will see if we can give you all the support that you might require when that one comes up.

General WEBER. It is also appropriate to tell you, to emphasize what General Greenlief has just said, that Bowling Green and Fort Knox were lost in the reduction down to the $20 million figure that is in our package.

NATIONAL GUARD CONTRIBUTIONS IN PEACETIME

Senator HUDDLESTON. There have been references made to the National Guard's services to the States. We have been beset in Kentucky, and other States, too, from time to time, with a series of natural disasters in recent years. The tornadoes that we had back in 1973 or 1974, the serious flooding years. I just don't know how we would have made it without the National Guard, whose services to our citizens have been inestimable. That alone, I think, makes the service extremely valuable, besides what it would mean in any kind of mobilization that we may be confronted with.

Gentlemen, if you will excuse me, I will now turn the Chair over to Senator Sasser. Let me express my gratitude to you, gentlemen. I hope that you will do well with your authorizations, and we will do the best we can here.

General CONAWAY. Thank you.

General MOHR. Thank you.

FISCAL CONSTRAINTS

Senator SASSER. Gentlemen, certainly each member of this committee, and certainly the chairman is concerned with the readiness of the National Guard and Reserve. Quite a bit of attention was focused on that operational readiness in the last few months, as speculation began on whether or not there should be some changes in the military service.

The chairman and this committee are very much concerned about the slowdowns and cuts in military construction. There is no doubt about that. The chairman indicated that these are lean budget years. Indeed, they are.

As my own adjutant general knows, our State legislature has passed a resolution calling for a balanced budget. Our new Governor has indicated that he favors a balanced budget. My senior colleague in the Senate from Tennessee has stated he favors a constitutional amendment calling for a balanced budget.

I get literally hundreds of letters from people in my State saying, "Cut the budget."

So we must try to prioritize Federal spending. I am hopeful, and I intend to do what I can to see that the military standards, particularly the Reserve and the National Guard, do not get the short end of the stick when we start prioritizing Federal spending.

PRIORITY FOR EARLY DEPLOYING UNITS

I was encouraged to learn from the statements that have been given here today that there appears to be a considerable priority assigned to units that have early mobilization deployment capabilities.

Does the fiscal year 1980 budget request take care of all outstanding deficiencies for units proposed for deployment within the first 30 days of a conflict, and if not, where are the major shortfalls?

I presume that we should start with the Army in asking that question.

General WEBER. I can answer the question in the reverse. All of the projects we have in the fiscal year 1980 program fall within the early deployment.

To answer the Senator's question more directly, it does not take care of our outstanding deficiencies. As we are now putting together the 1981 budget, we can deal in that year only with 38 States. So we are far short of meeting the requirements for the high priority early deployment.

General MOHR. For the Army Reserve, sir, I can respond to this in connection with the early deploying units, and whether or not they are all taken care of. I would say that the needs of the early deploying units relate to the statement that I made a while ago, we do need to see some improvements in our training facilities, and in our reserve centers to do that.

We have not been able within the budgetary constraints to take care of all these requirements. However, we are doing the best that we can to do that.

I would urge a work of caution in placing all of our eggs in the high priority basket, and the reason for that is that as you research the history of the past two mobilizations, you will find, from the Reserve point of view, it was not our early deploying units, or the units that we anticipated would be mobilized first, which were actually mobilized first.

So there is some reason for caution in that area, in that all of our units in our force structure within the Army Reserve are required for a specific mission, or in sustaining our training base for the Army.

So all of these units are required, and I would say within a relatively short time frame. So if we restrict ourselves to consideration of what is required in the first 30 days, we may well be cutting off our ability to sustain ourselves if the war lasts to day 31, or day 61, or day 91.

I would be very concerned if the United States were forced into a consideration at that point because we have failed to provide for those units that are required, because they all are required.

General CONAWAY. Mr. Sasser, in the Air National Guard, all of our 91 flying units and 231 nonflying units have a 72-hour mobilization commitment, and are all ready to go within that period of time, may of the units have a priority within that priority, and are mobilized within 24 hours.

Units, such as the unit at Knoxville, Tenn., the KC–135 unit, our SAC units, are performing Active Air Force missions on a daily basis. So the facilities required for these organizations are all high priority.

Our $30 million in projects that we have are all needed for the high-priority mobilization of these units. This is where we are in our request at this time.

General WALLACE. Senator, let me add one thing. Out in the field we are concerned about reorganization, and it becomes, very frequently, that a reorganization can change the mission of that outfit, and just because today it does not fit into the day 30, but tomorrow it might because it falls into the full structure change.

That has not only hampered us in Tennessee, but helped us in a lot of cases. I think, when you consider the total problem, you must

consider the fact the force structure of what is going to be needed in a future year is there, and it is very realistic to those of us who have to deal with it.

Senator SASSER. Thank you.

Admiral KAMM. The Selected Naval Reserve has a requirement for 100,000 people; however, only 87,000 are funded at the present time, and all are in the category of early deployment units. This is based on the first 30-day needs under the various scenarios that have been prescribed by the Office of the Secretary of Defense, and most of our units would actually deploy anywhere from 72 hours to 2 weeks. I would suggest to you, sir, that all of our projects are related to early deployment in that respect.

Senator SASSER. What is the readiness category of the Naval Air Station in Tennessee, do you have that information available today?

Admiral KAMM. They fit under this category.

It is in transition phase right now, having had P-3A aircraft for about 6 months. The Marine A-4 squadron is also required in the first 30 days.

Senator SASSER. Gentlemen, perhaps all of you would wish to elaborate on the record, on the specific questions that I have asked, and supply some additional specifics that might be helpful to us.

NAVAL AIR STATION, MEMPHIS, TENN.

While I am on the subject of naval air stations, Admiral Kamm, which is a subject that is near and dear to my heart, I would like to ask you about the Millington facility which is presently the home of two naval air squadrons. Would you tell us what squadrons are located at the facility in Millington, and what basically is the mission of these air squadrons?

Admiral KAMM. There are two naval air reserve squadrons. One is a VR transport squadron flying the C-118 aircraft, and the other is a nine plane P-3 squadron, which is a maritime air patrol, anti-submarine warfare squadron.

In addition to that, there is a Marine Corps Air Reserve Unit which has an attack squadron made up of A-4E, jet aircraft. In addition to the Naval and Marine Corps Air Units there are several other Reserve units onboard, and I will provide a list for the record.

[The information follows:]

The Naval and Marine Corps Reserve units that utilize NAS Memphis are listed below along with their authorized and on-board strengths and aircraft assignments:

NAVAL RESERVE UNITS

	Authorized	Onboard	Aircraft
VR (Transport Squadron) 53	150	123	3C118B
VP (Patrol Squadron) 67	343	246	9P3A
NR Basic Training Unit M1	0	16	.....
NR Volunteer Training Unit Intelligence 123	0	0	.....
NR Volunteer Training Unit 7979	0	0	.....
NR Records Review NAS Memphis	0	0	.....
NR VP (Patrol Squadron) 4748	175	101	.....
NR First EURLANT 1379	51	46	.....

NAVAL RESERVE UNITS—Continued

	Authorized	Onboard	Aircraft
NR Advanced Base Functional Component H9A	85	66	
NR Naval Investigative Service Office 1779	12	8	
NR NAF Misawa 0779	114	103	
NR Mobilization Basic Control Group 7979	0	0	

MARINE CORPS RESERVE UNITS

	Authorized	Onboard	Aircraft
VMA (Attack Squadron) 124	140	120	12A4E
MABS (Air Base Squadron) 41	96	72	1TA4J
DET MATCU (Air Traffic Control Unit)	32	14	
DET HMS (HQ and Maintenance Support) 42	40	26	
Staff Group	33	20	

Senator SASSER. Would you provide, for the record, the number of Reserve aircraft that fly into this facility on a yearly basis?

[The information follows:]

Except for the assigned Naval and Marine Corps Reserve aircraft consisting of twelve A4E, nine P3A, three C118B and one TA4J aircraft; the Navy does not distinguish between Active and Reserve aircraft operations at NAS Memphis. All other operations are considered to be made by station or transient aircraft. Approximately 700 station and transient aircraft are accommodated annually at NAS Memphis.

Senator SASSER. Let me say that it is my understanding that the reserve units utilize the runway there only twice a month. You might care to comment on that now, and perhaps supply figures later for the record.

Admiral KAMM. Do you want that for all aircraft, or just reserves?

Senator SASSER. You might break that out by squadrons that operate there, and then transient.

Admiral KAMM. Yes, sir, we can provide that.

[The information follows:]

Aircraft operations at NAS Memphis occur seven days per week. Assigned Naval and Marine Corps Reserve aircraft make an average of 180 take-offs and 180 landings per week at NAS Memphis. Transient aircraft operations include approximately 116 take-offs and 116 landings per week.

Senator SASSER. Last year, the Navy indicated that the flight support facility at Millington should be upgraded in order to continue air operations of the base. We were told that over the long term $28 million in military construction funds would be needed to prevent the Reserve squadrons from being moved to another location.

I had thought that that figure of $28 million was a little high, so I asked the Navy to visit the Millington to assess the urgent needs of the facility. We have received a preliminary report, which indi-

cates that the Navy will be able to scale down the amount of funding, which will be needed to meet the most urgent needs.

It appears, for instance, that the runway at Millington is not as damaged as earlier thought. I toured that runway with one of the Assistant Secretaries a few weeks ago. Would you give us an updated report on the situation at Millington with respect to the runway?

Admiral KAMM. Yes, Senator, As you are aware, the Director of the Shore Facilities Programing Division of the Office of the CNO in Washington was asked to make a physical inspection of the facilities and I believe he completed his inspection on the 13th of this month.

He is presently analyzing the data obtained during the visit and our CNO has asked for a report by the first of April as to the results, and in particular to reassess the needs.

Senator SASSER. Could you advise the committee, Admiral, as soon as that data is available?

Admiral KAMM. Yes, sir, we will ask the CNO's staff to get in touch with you.

[The information follows:]

AIR OPERATIONS AT NAS MEMPHIS

On April 3, 1979, the Secretary of the Navy announced that air operations will continue at NAS Memphis. This decision was based upon the results of the study, which reevaluated the requirements necessary to support air operations there. Projects were validated and listed in two categories. The list of projects required in the next three to five years totalled approximately $13 million, and those beyond that timeframe totalled approximately $5.5 million. It is my understanding that these projects will be scheduled for accomplishment consistent with their relative priority Navywide and limits imposed by available funding. It is not likely that any projects will be funded prior to fiscal year 1982. Many of the projects involved are under the sponsorship of the Chief of Naval Education and Training and would therefore be addressed in the Regular Navy's Military Construction program. Projects that are under the sponsorship of the Chief of Naval Reserve and would be included in the Military Construction Naval Reserve program are: Aircraft Maintenance Hangar at $4.43 million, Administration and Technical Training Building at $2.14 million, a Jet Engine Test Cell at $1.23 million and an Aircraft Rinse Facility at $0.5 million.

Senator SASSER. As you stated earlier, the marines also have a squadron at Millington, and I was told that the Marine Reserve is fully satisfied with the base, and really do not want to leave. We will try to make the Navy happy also.

Still on the subject of Millington, I understand that one-third of the reserve squadrons there are called in for drill from outside of the Memphis area. This is at Navy expense. Two-thirds of the members are from the Memphis area. So if these reserve squadrons are moved out of Millington Naval Air Station, there would be a substantial increase in transporting the Memphis area reserves to any alternative location.

I think the Navy has discussed, at one point, perhaps moving the reserve squadrons. This would be a matter of concern to me. One concern is the cost of transporting the Memphis Reserves to another location to train.

I serve on the Legislative Appropriations Subcommittee, and we have developed testimony that indicated that $7.9 billion is consumed per year in transporting Government personnel and materi-

al. I introduced some legislation to cutback Government travel by $500 million, which is about 5 percent.

If these air squadrons were moved out, there would be a substantial increase in the cost of transporting those reservists to a new location for Reserve training.

Admiral KAMM. May I comment on a couple of numbers that have been stated here. We have made a recent survey of our people involved with the Air Reserve Units, not counting the people in the nonflying units, and approximately 50 percent of them are actually from the local area. We found that 23 percent are being airlifted from other places, and 27 percent are from outside the 100-mile radius, which is the normal commuting radius.

So within that context, although we still happen to have half the people from the Memphis area, the other half come from outside the radius. This is not to say that your remarks with respect to the costs will be ignored.

This does not necessarily indicate that we want to move out of Millington: If we had our choice, we would remain at many locations such as Memphis where we have grassroots support, but lacks the funds to solve the problems or to operate with small drill strengths. But in this regard, the Navy has some very serious problems which constrain our programs and lead to considerations driven by economics and payback opportunities.

Senator SASSER. I can assure you that I will be of all possible assistance.

TENNESSEE PROJECTS

Gentlemen, if I could just hold you for one more question about ongoing work in the State of Tennessee. As I understand it, the Army has $1.5 million worth of work in Tennessee, $240,000 at Milan Arsenal at Milan, Tenn.; $810,000 at the munition plant in Chattanooga. The Navy has $1.4 million at Millington Naval Air Station for new steam systems.

Admiral KAMM. We do not have any Naval Reserve construction projects at Millington, that is a regular Navy project.

Senator SASSER. So the only thing the Naval Reserve has is a new training center at Knoxville for $2,050,000?

Admiral KAMM. That is right.

Senator SASSER. The Air National Guard has $990,000 at Memphis International Airport.

General CONAWAY. That is correct.

Senator SASSER. Then, of course, we have Fort Campbell, Ky., budgeted at $17,210,000.

Gentlemen, for the purpose of the record, I would appreciate any amplification you might wish to make, or could make with regard to Tennessee projects.

General WEBER. The $1.5 million that we have ongoing now in 1979, are Chattanooga, an armory addition in Kingsport, a reserve center, an OMS, and in Greenville 150-person armory.

We have eight projects that are in the overprogram group that are on the list that General Greenlief provided for you.

General MOHR. On the Army side, sir, we do have at Kingsport a 400-member Armed Force Reserve center, for which bids have been

opened, and the amount is $1,125,000. This is ready for immediate award, but we do have a deficiency reprograming request pending at this particular point.

We have unprogramed requirements for construction in your State, projects ranging from $409,000 up to $2.5 million for a requirement in Nashville. We have these requirements at Nashville, Chattanooga, Knoxville, Greenville, Jackson, Memphis, and Oakridge. These are unprogramed requirements that we cannot at this time accommodate within the constraints of the budget.

Admiral KAMM. At Knoxville, we are replacing an inadequate and inefficient facility that is currently used for training and administration of reserves in that area. This project is $2,050,000. The old structure, which is to be done away with was constructed in 1949.

In addition, space will be included for the Coast Guard Reserve. We have 118 percent of our authorized allowance on board at the present time between the Navy and the Marine Corps Reserve.

General MCADOO. We have no projects in the State of Tennessee. With the Air Force Reserve, like the Air National Guard, we are capable of a 24-hour mobilization time, and a 72-hour deployment time.

Then prioritizing our listing of projects and or funding, those projects that we deem as absolutely essential for meeting those requirements are funded. In our unfunded list of projects, there are some projects that we think certainly would assist us in meeting this commitment.

We will furnish you a list of those projects unfunded that we think would help us considerably.

Senator SASSER. We will have additional questions, which we will submit to you, and ask for your usual prompt response for the record.

Let me say, again, how much we appreciate having General Wallace with us today. I thought that his testimony was very illuminating.

SUBMITTED QUESTIONS

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

BUDGET PRIORITIES

Question. It appears from your statements that a considerable priority was assigned to units which have early mobilization deployment. Does the fiscal year 1980 request take care of all outstanding deficiencies for units proposed for deployment within the first 30 days of a conflict? If not, where are the major shortfalls?

ARMY RESERVE

Answer. The fiscal year 1980 Military Construction Army Reserve Appropriation does not take care of all outstanding deficiencies for facilities used by units proposed for deployment within the first 30 days. Major shortfalls still exist in our field training sites, storage capability and adequate reserve centers for high priority units. Field training sites, of course, provide facilities which support all reserve units by providing the training to insure a ready force. Two such projects will be ready for construction in fiscal year 1980. One is a weekend training site at Joliet, Ill. for unit oriented training of approximately 16,000 Reserve component members within the Chicago metropolitan area. The other project is at Fort Pickett, Va. This

project will provide adequate administrative and barracks and support buildings for approximately 11,000 U.S. Army Reservists and 32,000 Army National Guard troops who train at Fort Pickett during the annual and weekend training periods.

As a general rule, USAR units are authorized equipment at 80 percent of what would be authorized if the units were mobilized. This equipment level will insure that units are able to operate upon mobilization or enter advanced unit training without waiting for equipment deliveries. As additional equipment is issued to the units to meet authorization levels, it must be stored and maintained. This capability is essential to insure the readiness of our units.

With regard to Reserve centers, it is estimated that approximately $55 million of the MCAR backlog is in support of early deploying units. However, not all of these projects currently meet other constraining criteria such as the availability of construction sites, the aggregate strength levels being in excess of 75 percent authorized or are affected in some way by other colocated units. In addition, these projects do not necessarily represent the most severe facility deficiencies nor are we assured that early deploying requirements will remain as presently planned over the 5 to 6 years planning-design and construction cycle to guarantee that once the facility is completed, it would support an early deploying requirement.

ARMY NATIONAL GUARD

The fiscal year 1980 request does not cover all outstanding deficiencies for units proposed for deployment within the first 30 days of a conflict. There is a shortfall of 20 projects, affecting 14 States, estimated at a cost of $14.4. None of the projects in the fiscal year 1980 program involved new missions or mission changes.

AIR NATIONAL GUARD

It does not. All units of the Air National Guard are subject to deployment within the first 30 days. Major shortfalls are those projects deleted from the budgeted fiscal year 1980 MCANG program:

Projects deleted from fiscal year 1980 ANG MCP program

[Dollars in thousands]

State/base/project	*Amount*
Arizona: Tucson IAP: Composite squadron operations/Academic training facility	$1,375
California:	
Fresno IAP:	
Support equipment shop/storage	550
Relocate Ontario to March	10,835
Connecticut: Bradley IAP: Composite squadron operations	1,100
Indiana: Fort Wayne MAP: Squadron operations/telecom	1,300
Maryland: Glen L. Martin Aprt: Automotive maintenance refueling vehicle shop	850
Massachusetts: Wellesley ANGS: Support equipment shop	450
Mississippi: Key Field: Base supply and equipment warehouse	1,145
Missouri: Lambert-St. Louis Aprt: Operational training facility	2,500
New York:	
Roslyn ANGS: Add/Alter vehicle maintenance shop	475
Westchester County Aprt: Add/Alter maintenance hangar	600
Ohio: Springfield MAP: Base engineer maintenance facility	450
Utah: Salt Lake City IAP: Add to base supply	680
Washington: Paine Field: Communication—Electronic training facility	990
Various locations: Energy Conservation Modifications	1,500

NAVY RESERVE

Mr. Chairman, by definition all of the Selected Naval Reserve units must be ready for deployment within the first 30 days of a mobilization. Therefore, the entire $199 million backlog would have to be eliminated to take care of all units proposed for deployment within the first 30 days.

Major shortfalls occur at our Naval and Marine Corps Air Reserve sites where projects are urgently required to support the safe operation and maintenance of our assigned aircraft and the modern and effective training of Air Reserve personnel and at our Naval and Marine Corps Reserve Centers to support modern and efficient training of the surface and ground Reserve personnel. Of special concern is the replacement of deteriorated and inadequate facilities, which detract from the

ability of the individual Reservist to perform his mission and result in a degradation of his satisfaction and morale. I place particular emphasis on the modernization of existing living facilities to conform to present criteria and the construction of new unaccompanied personnel housing where shortfalls exist to meet the needs of our Reservists and also the active duty personnel who support training. These deficiencies greatly undermine the image of the Naval and Marine Corps in their neighboring communities and are substantial detriments to the retention and recruitment of qualified personnel to meet mobilization requirements.

AIR FORCE RESERVE $I30Answer: Air Force Reserve units have the capability for mobilization the first 24 hours and deployment within 72 houqs. The fiscal year 1980 program request does not provide for all facilities we deem necessary to support these early deployment units during this particular time period.

There are four projects which were deleted from the originally submitted fiscal year 1980 Reserve program due to funding restrictions that, I feel, are required to support our deployable units. They are:

(a) Aerial Port Training Facility, Pope AFB, NC, $400,000.

(b) Civil Engineering Training Facility, Barksdale AFB, LA, $625,000.

(c) Alter Jet Fuel Storage Facility, Minn-St. Paul IAP, MN, $375,000.

(d) Weapons and Release Systems Shop, Elgin AFB, FL, $375,000. In addition, if approval is granted to substitute the two New Orleans projects into the proposed fiscal year 1980 program, the project that was deleted must also be considered a necessary support item for a deployable unit. This project is a Rocket Checkout and Assembly Building, New Orleans NAS, LA, $1 million.

Mission Changes

Question. Emphasis also seems to be given to units with new missions or mission changes. Would you indicate, for the record if necessary, that portion of your requests associated with such changes—and what those changes are?

ARMY RESERVE

Answer. None of the fiscal year 1980 construction projects have been included in the budget request as the result of new missions or mission changes.

NAVY RESERVE

The projects contained in the fiscal year 1980 program are for the upgrading of substandard facilities and do not result from new missions or mission changes.

AIR FORCE RESERVE

As mentioned in my statement, the projects at Homestead AFB, FL are in support of an aircraft conversion, i.e., 18 F–4C aircraft in lieu of the EC–121T airborne early warning and control mission. At Elgin AFB, FL, the mission enhancement for the existing AC–130 gunships provides the need for the projects being presented for approval.

AIR NATIONAL GUARD

Emphasis is definitely given to mission changes, that is, conversions, relocations, and other types of changes. The fiscal year 1980 MCANG projects and associated changes are included on the following list. The projects deleted from fiscal year 1980 MCANG with their associated mission changes are included immediately after.

CONVERSION RELATED PROJECTS, FISCAL YEAR 1980 MCANG

[Dollars in thousands]

State and installation and project	Conversion	Programed amount
INSIDE THE UNITED STATES		
District of Columbia: Andrews AFB—weapons and release systems shop.	F–105 to higher performance fighter aircraft	$700
Illinois:		
Chicago-O'Hare IAP—fuel systems maintenance dock	KC–97 to KC–135	2,250
Greater Peoria Airport—engine inspection and repair maintenance control.	02 to higher performance reconnaissance aircraft.	720
Kansas:		
McConnell AFB—engine inspection and repair shop	F–105 to F–4	730
Add to avionics for weapons release shop		860
Louisiana: New Orleans NAS—fuel systems maintenance dock	F–100 to F–4	610
Maryland:		
Glenn L. Martin Airport—fuel systems maintenance dock.	A–37 to higher performance fighter aircraft	2,010
Munitions maintenance storage		290
Massachusetts: Barnes MAP—munition maintenance facility	F–100 to A–10	220
North Carolina: Douglas MAP—aerial port training facility	C–124 to C–130	750
Ohio: Springfield MAP—rocket checkout/assembly storage	F–100 to A–7	475
Pennsylvania: Harrisburg IAP—engine inspection and repair shop.	F–121 to C–130E	775
Texas: Dallas NAS—aerial port training facility	KC–97 to C–130	755
Virginia: Byrd Field—add to avionics shop	F–105 to higher performance fighter aircraft	250
OUTSIDE THE UNITED STATES		
Puerto Rico: Puerto Rico IAP—alter fuel systems maintenance dock.	F–104 to A–7	425
Total		12,620

Projects deleted from the fiscal 1980 ANG MCP basic program related to conversions, relocations, and mission changes

[Dollars in thousands]

State/base/project	*Amount*
Arizona: Tucson IAP: Composite squadron operations/Academic training facility (F–100—A–7)	$1,375
California: Relocation Ontario to March (relocation)	10,835
Connecticut: Bradley IAP: Composite squadron operations (relocation)	1,100
District of Columbia: Andrews AFB: ANG Support center (relocation)	3,000
Indiana: Fort Wayne MAP: Squadron operations/Telecomm (F–100 to F–4)	1,300
Maryland: Glenn L. Martin Aprt: Automotive maintenance refueling vehicle shop (relocation and A–37 to higher performance fighter aircraft)	850
Massachusetts: Wellesley ANGS: Support equipment shop (equipment increase)	450
Missouri: Lambert-St. Louis Aprt: Operational training facility (F–100 to F–4C, and replacement due to fire loss)	2,500
New York:	
Roslyn ANGS: Add/Alter vehicle maintenance shop (equipment increase)	475
Westchester County Aprt: Add/Alter maintenance hangar (O–2A to higher performance reconnaissance aircraft)	600
Washington: Paine Field: Communications/electronic training facility (equipment increase)	990

ADEQUACY OF THE BUDGET

Question. It is obvious from all of your testimony that the fiscal year 1980 Budget will not permit reduction to the large and growing construction backlog. I'm not so sure that last year's level did either, for that matter. What would each of you consider to be an appropriate annual budget level that would enable accomplish-

ment of current mission and a reasonably phased reduction of backlog? Would these levels be accomplishable in terms of the level of construction to be undertaken and, in the case of the Guard, in terms of State participation?

ARMY NATIONAL GUARD

Answer. The National Guard Bureau and the States have demonstrated that a $60.0 military construction program can be effectively managed, and this level of funding will slow the growth of our construction backlog, which presently consists of $672 million worth of validated projects. Both the Guard and the State could accomplish the requirements placed on them at this level of funding.

ARMY RESERVE

An appropriate annual budget level that would permit accomplishment of the current mission and a 15-year phased reduction of the backlog is $80 million in constant fiscal year 1980 dollars. $62 million would provide the funding required to replace facilities which deteriorate or become obsolete annually as well as to provide for the minor construction, planning and design programs. The balance or $18 million would be devoted to the reduction of the backlog.

Since the current MCAR design effort was programmed to support approximately $60 million in major and minor construction, we would be unable to execute an $80 million program until fiscal year 1981. For fiscal year 1980 the Army Reserve could execute a $62 million program as follows (in thousands of dollars):

	Amount
Major construction	52,964
Minor construction	4,036
Planning	5,000
Total	62,000

AIR NATIONAL GUARD

A. An appropriate annual budget level which would enable accomplishment of current mission and provide a reasonably phased reduction to the backlog would be $60.0 million.

B. These levels would be accomplishable in terms of construction to be undertaken. In the case of the ANG there is no state participation in accordance with Title 10, United States Code, Chapter 133, Section 2233a(1).

NAVY RESERVE

The $15 Million in Military Construction Naval Reserve requested for fiscal year 1980 will not reduce the $199 million backlog since inflation will exceed that amount. An annual budget level of $30 million would enable the Naval Reserve and Marine Corps Reserve to accomplish their current missions and to eliminate the backlog over a 10-year program. Considering fiscal constraints, this would be a reasonably phased program level. An annual budget level of $47.5 million would eliminate the backlog within a 5-year period.

AIR FORCE RESERVE

The Air Force Reserve construction backlog at this time is estimated at $153 million. To achieve any realistic reduction, annual major construction must address at a minimum $17 million. Also, design funds must be adequate to provide the advanced planning to insure projects are ready to obligate once funding is provided. I recommend an annual planning and design budget of at least $2.5 million to assure timely accomplishment of the program.

NAVAL RESERVE

Question. As General Roberts noted in his statement, the Administration has attempted to substantially reduce the average drill strength of the Navy Reserve. Admiral Kamm, what relationship would such a reduction have on our facility requirements if it were accomplished? Would we need to close any Reserve Centers? $130Answer. A reduction of the Selected Naval Reserve Strength of this magnitude and the corresponding reductions in personnel to support the training and funds for the operation of our Reserve Centers will drive an extensive review of our Naval Reserve Shore Establishment with an eye toward consolidations so that we can continue training within these constraints. At this time there has been no decision as to how many or which Naval Reserve Centers will be disestablished as a result of this reduction. Preliminary analysis indicates that Centers whose drill strength falls below 150 to 200 will receive serious consideration for consolidation actions. Natu-

rally, the status of the physical plant is an important factor when considering Centers for closure action, and it is reasonable to predict that there would be a reduction in the $199 million backlog of required construction due to the disestablishment of deteriorated Centers. It is not possible to predict the magnitude of that backlog reduction until the number and identity of the Centers to be closed is known.

Question. Does the intended reduction in drill strength affect the size of the fiscal year 1980 request?

Answer. No, sir. The projects included in the fiscal year 1980 program support requirements that will continue at the Selected Naval Reserve level budgeted for fiscal year 1980.

Question. Has the Navy had a problem in achieving its previously assigned average drill strength targets?

Answer. Yes, the Naval Reserve has had a problem in achieving assigned average drill pay strength targets. Some reasons for this problem are:

Commencing with restructuring in 1973, and continuing through the present, there has been constant change and instability.

Budgets containing large cuts in authorized drill pay strength, that never materialized, caused many dedicated Reservists to "give up the ship."

Change from 2X6 Active Mariner Program to 3X6 Program was major reason for not attaining strength in fiscal year 1978.

Discontinuance of the draft—eliminated large portion of college type personnel from program and reduced pool of available personnel for recruiting.

Additional Requirements

Question. While both General Roberts and General Greenlief address additional funding requirements for fiscal year 1980, I would like to officially receive from each of you a list of projects—in priority order, which should be added to the budget, if authorized. As a practical matter, I believe that amounts actually enacted in fiscal year 1979 should serve as the upper limit for these deficiency lists, but this is not necessarily a constraint, if you believe additional efforts merit specific consideration.

Answer: See table below:

ARMY NATIONAL GUARD

[Dollars in thousands]

State, location, and project	*Cost*
North Carolina: Morganton—Armed Forces Reserve Center	$294
Alabama:	
Ozark—Organizational maintenance shop	132
Arab—Organizational maintenance shop	188
Talladega—Organizational maintenance shop	211
Louisiana: Vidalia—Armory	489
Tennessee: Milan—Unit training equipment site/weekend training site	1,078
South Carolina: West Columbia—Armory	613
North Carolina:	
Raleigh—Division logistics system	249
Raeford—Armory	406
Edenton—Armory	347
Texas: San Antonio—Army aviation support facility	478
Louisiana: DeQuincy—Armory	568
Iowa: Dubuque—Armory	647
Rhode Island: North Kingston—	
Army Aviation Support Facility	1,404
Armory addition	122
Florida: West Palm Beach—	
Armed Forces Reserve Center	738
Organizational maintenance shop	159
Minnesota:	
Owatonna Armory	528
St. Peter Armory	475
North Dakota: Devils Lake—Unit training equipment site	1,392
Ohio: New Philadelphia—Armory	555
Oklahoma: Stillwater—Armory	561
Utah:	
Camp Williams—Organizational maintenance shop	291

Mount Pleasant—Armory	590
Vermont: Ethan Allen Range—Dispensary	146
Wyoming:	
Cheyenne—Army aviation support facility	458
Gillette—Armory	518
Louisiana: Oakgrove—Armory	547
Alabama: Fort McClellan—Training facility	1,997
Kentucky: Williamsburg—Armory	462
Vermont: Camp Johnson—U.S. property and fiscal office addition	107
Tennessee:	
Catoosa—Range	400
Memphis—Armory	1,048
Memphis—Organizational maintenance shop	162
Minnesota: Camp Ripley—Combined support maintenance shop	521
California: Camp Roberts—Training facilities	1,000
Michigan:	
Big Rapid—Armory	641
Camp Grayling—Logistic support facility	1,551
Missouri: Jefferson City—Army aviation support facility	1,500
Virginia: Staunton—Organizational maintenance shop	184
Tennessee:	
Ripley—Armory	599
Rockwood—Armory	232
New York:	
Ronkonkoma—	
Army aviation support facility	710
Armory	159
Organizational maintenance shop	201
Virgin Islands: St. Thomas—Armory	468
North Carolina: Albermarle—Armory	329
Michigan: Saginaw—Armory	584
California: Long Beach—Combined support maintenance shop	234
Alabama: Fort McClellan—Unit training equipment site addition	166
Pennsylvania: Fort Indiantown Gap—Aviation complex	1,235
Virgin Islands: St. Croix—Armory	676
Mississippi: Monticello—Division logistics system	132
New York: Fort Drum—Training facilities	2,381
Connecticut: New Britain—Armory	763
Oregon: Ashland—Armory	617
Alabama: Huntsville—Armory addition	320
Massachusetts: Camp Edwards—	
Training facilities	262
Unit training equipment site	182
Michigan: Camp Grayling—Ammunition facility	1,501
Tennessee: Smyrna—Armory	458
New York: West Chester—	
Armory	1,095
Organizational maintenance shop	293
Nevada: Carson City—Organizational maintenance shop	174
Total major construction	37,528
Minor construction[1]	2,472
Total	40,000

[1] The minor construction funds are to support the Energy Conservation Investment Program (ECIP). The $2.9 million in the program for minor construction is totally inadequate to support projects and ECIP. It is estimated the total ECIP requirement will be approximately $30 million.

ARMY RESERVE

The following is a listing of projects in priority sequence that could be executed in fiscal year 1980 and should be added to the budget:

[In thousands of dollars]

State/Installation/Project	Current working estimate		Ready to Advertise
	Project	Cumulative	
1. Ft Totten, NY: New 2400-member USARC with Maint & Storage Facilities	9,918	9,918	Oct 79
2. Ft Pickett, VA: Annual Training Facilities	8,375	18,293	Apr 79
3. Tooele Ammunition Depot, UT New 250-member Dining Facility	435	18,728	Apr 79
4. Morganton, NC: Expand to 150-member USARC (Jt w/NGB)	195	18,923	Aug 79
5. Houston, TX: New 1200-member USARC with Maintenance Facilities	3,985	22,908	Mar 80
6. Ft Riley, KS: Maintenance Facilities (Jt w/NGB)	1,217	24,125	Apr 79
7. St. Petersburg, FL: Expand to 600-member USARC with Maintenance Facilities	1,226	25,351	Apr 79
8. Sandusky, OH: Expand to 60-member USARC with Maintenance Facilities	1,147	26,498	Apr 79
9. Bismarck, ND: Expand to 200-member USARC with Maintenance Facilities	1,134	27,632	Apr 79
10. Joliet, IL: Weekend Training Site Ranges	1,025	28,657	Dec 79
11. Weirton, WV: Expand to 100-member USARC with Maintenance Facilities	930	29,587	Jun 79
12. Knox Field, AL: Expand to 400-member USARC with Flight & Maintenance Facilities	2,473	32,060	Feb 80
13. Pasadena, TX: Expand to 300-member USARC with Maintenance Facilities	1,080	33,140	Aug 79

NAVY RESERVE

The following are our highest priority projects. It should be noted that planning and design funds in the amount of 6 percent of the total cost of the projects selected should be added.

[Dollar amounts in thousands]

Project description/location	Estimated cost		Priority
	Project	Cumulative	
Hangar Rehab, NAS So. Weymouth, MA	$1,430	$1,430	1
Flight Clearance Easement/Land Easement, NAS Willow Grove, PA	1,100	2,530	2
Fire Station Addn, NAS New Orleans, LA	560	3,090	3
Parking Apron Addn, NAS Glenview, IL	850	3,940	4
Administrative Bldg, NAS Atlanta, GA	920	4,860	5
Reserve Training Bldg, Cincinnati, OH	1,680	6,540	6
Reserve Training Bldg, San Diego, CA	4,700	11,240	7
Reserve Training Bldg, Houston, TX	2,850	14,090	8
Reserve Training Bldg, Tucson, AZ	2,600	16,690	9
P–3 Maintenance Trainer Facility, NAS Willow Grove, PA	1,425	18,115	10
Rinse Facility, NARU Point Mugu, CA	280	18,395	11
Rinse Facility, NAS So. Weymouth, MA	510	18,905	12
Rinse Facility, NARU Alameda, CA	450	19,355	13
Eng/MT Site, MARTU Fresno, CA	350	19,705	14
Vehicle Maint Shop, NMCRC Saint Louis, MO	150	19,855	15

There are four additional projects, an Aircraft Maintenance Hangar at $4.43 million, a Training and Administration Building at $2.1 million, a rinse facility at $0.5 million, and a Jet Engine Test Cell at $1.23 million at the Naval Air Station

Memphis. However, it is not considered prudent to fund for these projects until the runway at NAS Memphis, which is a facility belonging to the Regular Navy, has been upgraded to support assigned aircraft. It is my understanding that the required runway repair would cost approximately $3.3 million.

AIR NATIONAL GUARD

The following prioritized list includes all high priority additional funding requirements for fiscal year 1980.

Prioritized additional funding requirements

[Dollars in thousands]

State/City/Base Project Title	*Estimate cost*
California/Ontario IAP to March AFB Relocation [1]	$10,835
Michigan/Mt Clemens/Selfrige AGB: Avionics/Weapons Release Shop	825
Massachusetts/Westfield/Barnes MAP: Avionics/Weapons Release Shop	1,245
Georgia/Marietta/Dobbins AFB:	
Rocket Storage/Checkout/Assembly	835
Avionics/Weapons Release Shop	735
Washington/Seattle/Seattle AGS:	
Reserve Forces Communications—Electronic Training Facility	1,000
Auto Maintenance/Support Equipment Shop	600
Base Supply and Equipment Warehouse	200
Site Preparation, Roads, Parking, Utilities	500
Wisconsin/Milwaukee/General Mitchell Field: Base Engineer Maintenance Facility	525
Utah/Salt Lake City/Salt Lake City IAP: Reserve Forces Communications-Electronics Training Facility	1,445
Hawaii/Hilo/Keaukaha Military Reservation:	
Reserve Forces Communications-Electronics Training Facility	1,375
Auto Maintenance/Support Equipment Shop	1,030
Michigan/Mt Clemens/Selfridge AGB: Squadron Operations Facility	1,260
Massachusetts/Worcester/Worcester AGS: Support Equipment Shop (Add/Alter)	570
Indiana/Terre Haute/Hulman Field: Add/Alter Weapons Release Systems Shop	890
Indiana/Ft Wayne/Ft Wayne MAP: Squadron Operation/Telecommunications Center	1,300
Maryland/Baltimore/Glen L. Martin State Airport: Aircraft Engine Inspection and Repair Shop	1,050
Tennesse/Knoxville/McGhee-Tyson Aprt: Maintenance Control	515
North Dakota/Fargo/Hector Field: Fuel System Maintenance Dock	805
Massachusetts/Westfield/Barnes MAP: Fuel System Maintenance Dock	920
Ohio/Springfield/Springfield MAP: Fuel System Maintenance Dock	960
Maryland/Baltimore/Glen. L. Martin State Airport: Auto Maintenance/Refuel Vehicle Shop	850
Missouri/St Louis/Lambert-St Louis Aprt: Reserve Forces Operations and Training Facility	2,500
Illinois/Springfield/Capital MAP: Add to Jet Fuel Storage	235
Massachusetts/Westfield/Barnes MAP: Squadron Operations Facility	640
Connecticut/Windsor Locks/Bradley Field; Composite Squadron Operations	1,100
Arizona/Tucson IAP: Composite Squadron Operations/Academic Training Facility	1,375
Missouri/St Joseph/Rosecrans Memorial Aprt: Aerial Port Training Facility	770
California/Mountain View/Moffett NAS: Add/Alter Parachute/Dinghy Shop	600
Arizona/Phoenix/Sky Harbor IAP: Convert Dock to Fuel Systems Maintenance Dock	360
Mississippi/Meridian/Key Field: Base Supply and Equipment Warehouse	1,145
New York/Roslyn/Roslyn AGS: Add/Alter Vehicle Maintenance Shop	475
Washington/Everett/Paine Field: Reserve Forces Communications-Electronics Training Facility	990

California/Fresno/Fresno IAP: Support Equipment Shop/Storage	550
Utah/Salt Lake City/Salt Lake City IAP: Add to Base Supply	680
New Mexico/Albuquerque/Kirtland AFB (ANG): Composite Maintenance Facility	1,030
Texas/Houston/Ellington AFB (ANG): Alter Bldgs 1290 & 1287 for Auto Maintenance/Refuel Vehicle Shop/POL Operations	515
Ohio/Springfield/Springfield MAP: Base Engineer Maintenance Facility	450
Massachusetts/Wellesley/Wellesley AGS: Support Equipment Shop	450
Michigan/Mt Clemens/Selfridge AGB: Base Supply and Equipment Warehouse	2,500
Rhode Island/Providence/Quonset State Aprt: Jet Fuel Storage	900
District of Columbia/Andrews AFB: Air National Guard Support Center	3,000
Various Locations: Energy Conservation Modification	1,500

[1] See attached page for Project List.

Project list to support item No. 1

California/Ontario IAP to March AFB Relocation:	
Maintenance Administration, General Purpose Shops (Joint Use), Avionics/Weapons Release Shop	3,135
Alter Hangar for AFRES	540
Munitions Maintenance/Storage Facility	640
Aircraft Arresting System	250
Power Check Pad and Suppressor/Engine Test Shop	350
Composite Squadron Operations	1,340
Reserve Forces Operations and Training Facility	1,600
Fuel System Maintence Dock	1,100
Auto Maintenance Shop	680
Base Supply and Equipment Warehouse	1,200
Total	10,835

AIR FORCE RESERVE

The following priority listing of additional funding requirements for fiscal year 1980 includes 12 projects for a total of $5,355,000.

Project, title, and location:	*Cost*
Fuel System Maintenance Dock: Kelly AFB, TX	$830
Convert to Veh Maint Shop: Westover AFB, MA	770
Instrument Landing System: Westover AFB, MA	250
Aerial Port Training Fac: Pope AFB, NC	400
Alter Base Supply Admin: Gen B. Mitchell Fld, WI	160
Fire Station: Niagara Falls IAP, NY	810
Civil Engrg Tng Facility: Barksdale AFB, LA	265
ECM Pod Shop: [1] New Orleans NAS, LA	625
Alter Jet Fuel Storage: Minn-St Paul IAP, MN	315
Fuel Cell Maintenance Dock: [1] New Orleans, NAS, LA	375
Weapons & Release Systems Shop: Eglin AFB, FL	375
POL Operations: Niagara Falls IAP, NY	180
Total	5,355

[1] To be replaced by the Rocket Checkout and Assembly Building, shown in the fiscal year 1980 Air Force Reserve Military Construction Program request.

SUBCOMMITTEE RECESS

Gentlemen, we will recess until 2 p.m., tomorrow afternoon, when the committee will consider fiscal year 1980 requests for strategic systems.

The committee is adjourned.

[Whereupon, at 10:50 a.m., Wednesday, March 21, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 22.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

THURSDAY, MARCH 22, 1979

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

The subcommittee met at 2:20 p.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Sasser.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

STRATEGIC SYSTEMS

STATEMENT OF REAR ADM. D. G. ISELIN, CEC, U.S. NAVY, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

REAR ADM. D. P. HALL, PROJECT MANAGER, TRIDENT SYSTEM PROJECT OFFICE

CMDR. D. E. WHEELER, CEC, USN, ASSISTANT DIRECTOR, PROGRAM OPERATIONS, ECONOMIC ADJUSTMENT, OFFICE OF ASSISTANT SECRETARY OF DEFENSE

SUBCOMMITTEE PROCEDURE

Senator HUDDLESTON. The subcommittee will come to order.

The hearings this afternoon concern strategic systems. By "strategic systems," I am referring to land- and sea-based ballistic and cruise missiles and their support systems. Specifically, this entails the Navy's Trident and Poseidon programs and the Air Force's MX and cruise missile efforts.

These systems are the subject of a separate hearing this year because developments are underway which could result in extremely large construction expenditures. A firm understanding of the status and direction of these programs will form the basis for evaluation of specific construction needs.

Our witnesses today include Rear Adm. D. G. Iselin, Commander of the Naval Facilities Engineering Command, and Col. Richard H. Hinz, from the Air Force Directorate of Engineering and Services.

Considering our subject matter, we will have to go into executive session at some point. To keep the hearing open as much as possible, however, I believe we should start with Navy testimony on the

ongoing Poseidon and Trident programs, and go into closed session immediately after the Air Force's unclassified presentation.

TRIDENT MILITARY CONSTRUCTION

Admiral Iselin, you may proceed.

Admiral ISELIN. Thank you. I appreciate this opportunity to appear before you to address the military construction requirements for fiscal year 1980 in support of the Trident weapons system.

Under the Trident military construction program, we are, as you know, developing a new base at Bangor, Wash., to support the first 10 Trident submarines.

Other construction provides:

Missile flight test facilities at Cape Canaveral, Fla. These facilities successfully supported the Trident missile experimental pad launch series, which have been completed.

Facilities at Cape Canaveral for the Trident system demonstration and shakedown operations.

We have built facilities at Point Mugu, Calif., for follow-on missile test firings from submarines.

And we have built some conventional ordnance facilities at Indian Island, Wash., to replace the capability that was displaced at Bangor by the Trident facilities.

As of October 1, 1979, $500 million of the $539 million appropriated for Trident facility construction will be obligated.

This year we are requesting $19.8 million for Trident. Items included are: utilities and site improvements, a helipad, and community impact assistance at Bangor, and dredging of the Thames River channel in Groton/New London, Conn., to permit safe transit of the Trident submarine while conducting sea trials.

A supplement to my statement provides additional details relating to the Trident military construction program.

SUPPLEMENTAL TRIDENT INFORMATION

The Trident program, with your support, is proceeding on track toward the goal of our major new strategic force at sea in the early 1980's. The Trident military construction facilities are an essential part of this program. We request the committee's continuing support.

[The supplemental information follows:]

41-638 O - 79 - 19

23 Feb 1979

TRIDENT MILITARY CONSTRUCTION*

FY	AUTHORIZED	APPROPRIATED	CURRENT WORKING ESTIMATE
1974	118.320	112.320	115.300
1975	100.000	100.000	102.100
1976	186.967	141.967	171.000
1977	92.278	129.328	86.700
1978	106.910	75.557	82.400
1979	0	16.255	16.800
TOTALS	604.475	575.427	574.300

*Includes Community Impact Assistance

TRIDENT MILITARY CONSTRUCTION PROGRAM
CURRENT WORKING ESTIMATES
($000)

AS OF 28 FEB 1979

FY-1974

PROJECT NUMBERS		CURRENT WORKING ESTIMATE
	BANGOR	
005	UTIL & SITE IMPROVEMENTS	26,044
006	TRITRAFAC	10,895
014	REFIT PIER NO. 1	23,629
016	WAREHOUSE	426
018	EHW NO. 1	22,296
	CAPE CANAVERAL	
741	WHARF & DREDGING	30,362
742	LAUNCH COMPLEX 25	1,194
743	MISSILE C/O BLDGS	231
744	GUIDANCE/TELEMENTRY BLDG	231
	FY 1974 TOTAL	115,308

FY-1975

PROJECT NUMBERS	BANGOR	CURRENT WORKING ESTIMATE
101	VERTICAL MISSILE PACK BUILDING #2	5,556
102	MISSILE ASSY CONT BLDG	889
104	INERT COMP PROC BLDG	3,490
106	MISSILE PARTS WAREHOUSE	3,403
107	TECHNICAL SERVICES BLDG	2,080
108	ENGINEERING SERV BLDG	3,508
110	LIMITED AREA GUARDHOUSE	4,050
113	SWS SUPPLY WAREHOUSE	3,283
115	SWS MAINTENANCE SHOP	2,132
116	TRITRAFAC (2ND INCR)	24,512
118	BACHELOR ENLISTED QTRS	2,451
121	ENLISTED DINING FACILITY	3,195
122	UTILS & SITE IMPROVEMENTS	35,690
127	MISSILE ASSEMBLY BLDG #1	3,144

FY-1975 (CONT)

PROJECT NUMBERS	BANGOR	CURRENT WORKING ESTIMATE
128	WEAPONS QUALITY EVALUATION CENTER	1,387
226	USMC ADMIN & BERTHING	2,650
311	FIRE STATION	530
	COMMUNITY IMPACT ASSISTANCE	102
	FY 1975 TOTAL	102,052

FY-1976

103	NON-DESTRUCT TEST & INSPECTION BUILDING	1,938
105	TRANSFER FACILITY	392
114	DRYDOCK (PH I)	25,804
205	EXPLOSIVES COMPONENTS CHECKOUT BUILDING	466
206	RE-ENTRY BODY BLDG #2	2,814
208	FLAMMABLE STORAGE BLDG	186
209	MAINTENANCE SUPPORT BLDG	4,209

FY-1976 (CONT)

PROJECT NUMBERS	BANGOR	CURRENT WORKING ESTIMATE
211	EQUIPMENT MAINT BLDG	2,156
214	MISSILE MOTOR MAGS	2,652
215	SMALL ORDNANCE MAGS	336
232	POL TANK FARM	650
245	UTILS & SITE IMPROVEMENTS	36,953
247	MISSILE ASSEMBLY BLDG #2	3,018
252	CONTROLLED INDUSTRIAL FACILITY	3,604
253	BACHELOR ENLISTED QTRS	3,831
255A	ALARM CONTROL CENTER (1ST INCREMENT)	430
261	REFIT INDUSTRIAL FAC	18,979
266	DELTA SUPPORT FAC	4,385
309	DISPENSARY/DENTAL CLINIC	2,826
	SUBTOTAL	115,629

FY-1976
(PROJECTS REQUESTED/APPROPRIATED IN FY 1977)

PROJECT NUMBERS			CURRENT WORKING ESTIMATE
204	DOCKSIDE HANDLING BLDG		1,589
210	CONTAINER STORAGE AREA		1,125
256	COLD STORAGE FAC		566
257	SUBMART		582
270	VERTICAL MISSILE PKG BLDG #3		5,497
271	RADIOGRAPHIC INSPECTION BLDG		4,356
303	REFIT PIER NO. 2		12,526
313A	UTILS & SITE IMPROVEMENTS		21
318	MAGNETIC SILENCING FACILITY		7,882
360	FIRE STATION MODS		167
		SUBTOTAL	34,311
	INDIAN ISLAND		
268	AMMUNITION WHARF, I.I.		13,127

FY-1976 (CONT)

PROJECT NUMBERS		CURRENT WORKING ESTIMATE
	CAPE CANAVERAL	
761	DEMONSTRATION & SHAKEDOWN OPERATIONS BUILDING	1,026
	COMMUNITY IMPACT ASSISTANCE	7,000
	FY 1976 TOTAL	171,093

FY-1977

228	BANGOR	
228	BACHELOR OFFICERS QTRS	2,576
234	SUBMARINE SUPPLY ASST. TEAM BUILDING	1,022
255B	ALARM CONTROL CENTER (2ND INCREMENT)	597
263	PUBLIC WORKS FAC	10,397
264	SUBASE ADMIN FAC	6,875
301	MISSILE MOTOR MAGS (53)	12,263
313	UTILS & SITE IMPROVEMENTS	17,870

FY-1977 (CONT)

PROJECT NUMBERS	BANGOR	CURRENT WORKING ESTIMATE
317	SMALL ORD MAGS (10)	1,036
332	BACHELOR ENLISTED QTRS	4,425
350	BUS STATION	90
352	RECREATION COMPLEX	4,889
353	THEATER	986
354	LIBRARY	605
356	OUTDOOR PLAYING FIELDS	402
358	POST OFFICE	691
400	RE-ENTRY BODY MAGS (6)	441
	BANGOR TOTAL	65,165
	INDIAN ISLAND	
269A	RELOCATION OF ORD FAC TO INDIAN ISLAND	9,700
	POINT MUGU	
265	MISSILE TRACKING FACILITY	2,600

FY-1977 (CONT)

PROJECT NUMBERS		CURRENT WORKING ESTIMATE
	CAPE CANAVERAL	
771	MISSILE STORAGE FACILITIES	989
773	TRIDENT INSTR. EQUIP. INSTALLATION	232
	COMMUNITY IMPACT ASSISTANCE	8,000
	FY 1977 TOTAL	86,686

FY-1978

	BANGOR	
114A	DELTA ACCESS TRESTLE, DRYDOCK	602
114B	DRYDOCK	45,587
223	SERVICE PIER & PORT CONTROL OFFICE	10,426
230	BASE CAFETERIA	905
255C	ALARM CONTROL CENTER (3RD INCREMENT)	177

FY-1978 (CONT)

PROJECT NUMBERS		CURRENT WORKING ESTIMATE
405	UTILS & SITE IMPROVEMENTS (5TH)	3,548
429	AUTO HOBBY SHOP	1,015
430	TENNIS COURTS	209
432	CONSOLIDATED MESS	5,484
510	NAVY EXCHANGE COMPLEX	2,948
	COMMUNITY IMPACT ASSISTANCE	11,500
	FY 1978 TOTAL	82,401

FY-1979

408	REFIT SUPPORT FAC	800
502	UTILS & SITE IMPROVEMENTS	3,083
517	SUBCREW REFIT MESS	940
520	P.W. FAC (2ND INCREMENT)	1,650
	COMMUNITY IMPACT ASSISTANCE	10,300
	FY 1979 TOTAL	16,773

TRIDENT MILITARY CONSTRUCTION STATUS

(As of 31 Jan 1979)

Completed Trident Construction

Project Number	Title	Actual BOD*
	FY-1974	
005	Utilities and Site Improvements 7 contracts; 7 BOD'd	Varies
006	TRIDENT Training Facility (1st)	2 Feb 77
016	Warehouse	13 Apr 76
018	Explosive Handling Wharf #1	26 Jan 78
741	Wharf and Dredging	21 May 76
742	Launch Complex 25 (Alt)	12 Jun 75
743	Missile Checkout Buildings	26 Aug 75
744	Guidance/Telemetry Bldg	26 Aug 75
	FY-1975	
101	Vertical Missile Packaging Building #2	14 Mar 78
102	Missile Assembly Cont Building	31 Aug 77
104	Inert Component Proc Building	3 Oct 77
106	Missile Parts Warehouse	2 Sep 77
107	Technical Services Building	14 Aug 76
108	Engineering Services Building	12 Nov 76
110	Limited Area Guardhouse (one contract)	3 Jan 79
113	SWS Supply Warehouse	3 Oct 76
115	SWS Maintenance Shop	17 Jun 77
116	TRIDENT Training Facility (2nd)	2 Feb 77
118	Bachelor Enlisted Quarters	15 Apr 77
121	Enlisted Dining Facility	18 Apr 77
122	Utilities and Site Improvements 38 contracts; 33 BOD'd	Varies
127	Missile Assembly Building #1	4 Oct 77
128	Weapons Quality Evaluation Center	21 Dec 76
226	USMC Admin & Berthing	15 Apr 77
311	Fire Station	12 Jun 76
	FY-1976	
103	Non-Destruct Test and Inspection Bldg	12 Jan 78
105	Transfer Facility	14 Jul 78
205	Explosive Component Checkout Building	11 May 77
206	Re-Entry Body Building #2	27 Feb 78
208	Flammable Storage Building	2 Sep 77
209	Maintenance Support Building	23 Sep 77
211	Equipment Maintenance Building	24 Jun 77
114	Drydock Site Preparation Phase I	Oct 78
214	Missile Motor Magazines	16 Feb 77
215	Small Ordnance Magazines	16 Feb 77
232	POL Tank Farm	30 Jun 77
245	Utilities and Site Improvements 42 contracts; 22 BOD'd	Varies
761	DASO/Data Process/Support Fac (Cape Canaveral)	13 Jan 78
247	Missile Assembly Building #2	30 Jan 78
252	Controlled Industrial Facility	4 Dec 78
253	Bachelor Enlisted Quarters	2 Dec 77
261	Refit Industrial Facility	9 Oct 78
266	Delta Support Facility	10 Nov 78
309	Dispensary/Dental Clinic	7 Nov 77

*Beneficial Occupancy Date

Project Number	Title	Actual BOD*
	FY-1976/77 (Funded in FY-77 using FY-76 Authority)	
204	Dockside Handling Building	27 Oct 78
210	Container Storage Area	3 Nov 77
256	Cold Storage Facility	9 Jun 78
257	SUBMART	18 Jan 78
270	Vertical Missile Pkg Building #3	16 Aug 78
271	Radiographic Inspection Building	26 Oct 78
318	Magnetic Silencing Facility	15 Dec 78
360	Fire Station (Mod)	15 Sep 78
	FY-1977	
228	Bachelor Officers Quarters	20 Nov 78
234	SUBSAT Building	7 Jul 78
301	Missile Motor Magazines	15 Jan 79
313	Utilities & Site Improvements 29 contracts; 8 BOD'd	Varies
317	Small Ordnance Magazines	22 Jul 77
332	Bachelor Enlisted Quarters	7 Jun 78
400	Re-Entry Body Magazines	15 Jan 79
265	Missile Tracking Facility (Pt. Mugu)	1 Oct 78
771	Trident Missile Storage Facility (Cape Canaveral)	17 May 78
773	Trident Test/Instru Equip Install (Cape Canaveral)	16 Sep 77
	FY-1978	
405	Utilities & Site Improvements 9 contracts; 2 BOD'd	Varies

*Beneficial Occupancy Date

TRIDENT MILITARY CONSTRUCTION STATUS
(As of 31 Jan 1979)
Scheduled Completions

Project Number	Title	Scheduled Completions
	FY 1974	
014	Refit Pier #1 and Delta Support Platform	3/79
	FY 1976	
255A	Alarm Control Center System (1st Incr)	3/80
268	Ammunition Pier (Indian Island)	3/79
	FY 1976/FY 1977	
	(funded in FY77 using FY76 Authority)	
303	Refit Pier #2	3/79
	FY 1977	
255B	Alarm Control Center System (2nd Incr)	3/80
263	Public Works Facility	7/80
264	Subase Admin	4/79
269A	Relocation of Ordnance Facility (Indian Island)	3/80
350	Bus Station	5/79
352	Recreation Complex	8/79
353	Theater	5/79
354	Library	5/79
356	Outdoor Playing Fields	3/79
358	Post Office	4/79
	FY 1978	
114A	Delta Access Trestle, Drydock	7/80
114B	Drydock Phase II	7/80
223	Service Pier & Port Control Office	8/80
230	Base Cafeteria	12/79
255C	Alarm Control Center (3rd Incr)	3/80
429	Auto Hobby Shop	7/80
430	Tennis Courts	12/79
432	Consolidated Mess-Open	12/79
510	Navy Exchange Complex	12/79
	FY 1979	
408	Refit Support Facility	4/80
502	Utilities and Site Improvements	Varies
517	Submarine Crew Refit Mess	12/80
520	Public Works Facility (2nd Incr)	5/80

SUMMARY
FY 80 PROGRAM
TRIDENT Community Impact Assistance

1. STATE HIGHWAYS	$2,500,000
2. COUNTY ROADS	$4,600,000
3. MUNICIPAL ROADS	$ 800,000
4. SCHOOLS	$2,100,000
TOTAL	$10,000,000

1. State Highways — $2,500,000

This amount will fund the final construction increment of State Route 303. Grants have been awarded from FY's 76 thru 78 for preliminary engineering, right-of-way and construction of SR 3 as well as improvements to SR 303. All state eligibility for Section 608 highway funding has been applied to these two state road projects. When complete, the total contribution from Section 608 will be: SR 3 - $15.4 million (including $.25 million utilized for a comprehensive study); SR 303 - $4.5 million. (DOT, FHWA Program)

2. County Roads — $4,600,000

This grant will be the third of four increments for improvements to Bucklin Hill Road, a major east-west route in Central Kitsap County serving Trident communities. From FY 76 & 77 funds, $200,000 was granted for preliminary engineering. Approximately $1.9 million is estimated from FY79 funds for engineering and right-of-way acquisition. The amount requested in FY80 will be utilized for the first construction phase. Approximately $9.6 million has been identified as the total project cost, and the balance of $2.9 will be requested from Section 608 funds in FY 81. (DOT, FHWA Program)

3. Municipal Roads $ 800,000

These funds will be utilized to construct the Port Orchard and Poulsbo by-passes in Kitsap County at a cost of approximately $400,000 each. Prior year funds in the amount of $400,000will be used for traffic control systems in Bremerton bringing the total of municipal road improvements to approximately $1.2 million. (DOT, FHWA Program)

4. School Construction 2,100,000

Continuation of the school construction program that began in FY76 ($3,325,826) and FY77 ($1,034,700). In FY80 Central Kitsap school district will require $2,100,000. This category, when completed with the FY 82 request will total approximately $7.5 million. (HEW Program)

PREPARED STATEMENT

NAVAL SUBMARINE SUPPORT BASE, KINGS BAY

Admiral ISELIN. Turning, if I might, to Kings Bay, with your concurrence, I would submit my full statement for the record and highlight several elements of that statement.

Senator HUDDLESTON. That will be included in the record in its entirety.

[The statement follows:]

PREPARED STATEMENT OF REAR ADM. D. G. ISELIN, CEC, U.S. NAVY

COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM PLEASED TO HAVE THIS OPPORTUNITY TO APPEAR BEFORE YOU TO ADDRESS THE FISCAL YEAR 1980 REQUEST FOR MILITARY CONSTRUCTION AT THE NAVAL SUBMARINE SUPPORT BASE AT KINGS BAY, GEORGIA. BEFORE ADDRESSING THE STATUS OF PRIOR YEAR PROGRAMS AND THIS YEAR'S REQUEST, I WOULD LIKE TO BRIEFLY SUMMARIZE THE EVENTS LEADING TO THE MILITARY CONSTRUCTION REQUIREMENT AT KINGS BAY.

BACKGROUND

EARLY IN 1975, NEGOTIATIONS BETWEEN THE UNITED STATES AND SPAIN WERE PROGRESSING ON A CHANGE TO THE TREATY OF FRIENDSHIP AND COOPERATION. ONE OF THE SIGNIFICANT PROVISIONS OF THE 1976 AMENDED TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN WAS THAT THE UNITED STATED WOULD RELOCATE THE FLEET BALLISTIC MISSILE SUBMARINE SQUADRON FROM ITS EXISTING BASE OF OPERATIONS AT ROTA, SPAIN. THIS RELOCATION NECESSITATED THE ESTABLISHMENT OF A NEW HOME PORT FOR THE SQUADRON, PREFERABLY IN THE CONTINENTAL UNITED STATES. IN JUNE 1975, SITE SELECTION STUDIES WERE INITIATED TO DETERMINE THE BEST ATLANTIC COAST SITE NOT ONLY FOR LOCATION OF THE SQUADRON TO BE WITHDRAWN FROM ROTA, BUT ALSO THE BEST LOCATION FOR POSEIDON SSBNs WHEN BACKFITTED FOR THE TRIDENT I C-4 MISSILE, AND FOR ANY NEW SSBNs.

A FINAL ENVIRONMENTAL IMPACT STATEMENT WAS PUBLISHED IN DECEMBER 1977 AND FILED WITH THE ENVIRONMENTAL PROTECTION AGENCY ON 7 DECEMBER.

ON THE 26TH OF JANUARY 1978, THE SECRETARY OF THE NAVY ANNOUNCED THE SELECTION OF KINGS BAY FOR THE LOCATION OF THE SUBMARINE SUPPORT BASE FOR RELOCATING THE SUBMARINE

SQUADRON FROM ROTA, SPAIN AND FOR SUPPORT OF BACKFITTED POSEIDON SUBMARINES.

STATUS OF EAST COAST TRIDENT SITE SELECTION

THE EAST COAST BASING OF THE TRIDENT SUBMARINE WILL BE A SEPARATE DECISION FROM THE SITE SELECTION DECISION MADE IN JANUARY 1978 OF KINGS BAY, GEORGIA AS THE SUPPORT BASE FOR THE RELOCATED POSEIDON SQUADRON. IN ORDER TO SHOW HOW THE TWO DECISIONS ARE SEPARATE I WOULD LIKE TO REVIEW WITH THE COMMITTEE THE PROCEDURE FOR SELECTION OF THE TRIDENT EAST COAST SITE.

THE SECRETARY OF THE NAVY IS REVIEWING THE CHIEF OF NAVAL OPERATIONS RECOMMENDATIONS FOR THE EAST COAST BASING OF TRIDENT. THE FIVE FINALIST CANDIDATE SITES ARE:

NARRAGANSETT BAY, RI
CHEATHAM ANNEX, VA
CHARLESTON, SC
KINGS BAY, GA
MOSQUITO LAGOON, FL

WHEN A PREFERRED ALTERNATIVE SITE SELECTION IS MADE AND ANNOUNCED, A DRAFT ENVIRONMENTAL IMPACT STATEMENT WILL BE PREPARED AND FILED FOR THE SELECTED SITE. PUBLIC HEARINGS WILL BE HELD, AND RESPONSES TO ALL COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT WILL BE INCORPORATED IN A FINAL ENVIRONMENTAL IMPACT STATEMENT. FOLLOWING THE REQUIRED 30 DAY WAITING PERIOD, THE SECRETARY OF THE NAVY WILL ANNOUNCE HIS FINAL DECISION ON THE EAST COAST TRIDENT SITE.

PRIOR YEAR PROGRAMS

TO PROVIDE FOR THE ARRIVAL OF THE SUBMARINE TENDER IN JULY 1979, THE ARRIVAL OF THE FLOATING DRYDOCK IN JANUARY 1980, AND THE CONSTRUCTION OF REQUIRED SUPPORT FACILITIES, THREE FISCAL YEARS OF MCON PROGRAMMING WERE PLANNED. THE INITIAL

41-638 O - 79 - 20

MILITARY CONSTRUCTION PROGRAM WAS IN FY 1978, UTILIZING THE EMERGENCY CONSTRUCTION AUTHORITY OF SECTION 202 OF THE ANNUAL MILITARY CONSTRUCTION AUTHORIZATION ACT. THE TOTAL ESTIMATE OF CONSTRUCTION COSTS FOR THE FY 1978 PROGRAM AT LAST YEARS' HEARINGS WAS $23,620,000. THE CURRENT ESTIMATE IS $28.1 MILLION. INCLUDED IN THIS INITIAL YEAR OF CONSTRUCTION IS:

- DREDGING TO ALLOW THE REQUIRED ACCESS AND MOORING AT THE KINGS BAY SITE.
- CONSTRUCTION OF THE SUBMARINE TENDER MOORING FACILITIES.
- CONSTRUCTION OF THE FLOATING DRYDOCK MOORING FACILITIES.
- IMPROVEMENTS TO THE EXISTING BERTHING TO PROVIDE FOR LAYBERTHS.
- UTILITY SUPPORT SYSTEM REQUIRED TO SUPPORT THE WATERFRONT OPERATIONS.

FY 1978 CONSTRUCTION REQUIRED TO SUPPORT THE INITIAL OPERATIONAL CAPABILITY IN JULY 1979 IS WELL UNDERWAY.

FY 1979 MILITARY CONSTRUCTION PROGRAM AT KINGS BAY WAS AUTHORIZED AT $39,100,000 AND INCLUDED THE FOLLOWING CONSTRUCTION:

- DREDGING WHICH IS AN EXTENSION OF THE INITIAL FY 1978 DREDGING.
- LAND ACQUISITION.
- WATERFRONT FACILITIES REQUIRED FOR DIRECT SUPPORT OF THE REFIT OPERATION.
- PUBLIC WORKS FACILITIES,
- GENERAL SUPPORT STORAGE.
- BASE ADMINISTRATION FACILITY,
- ADDITIONAL BASE SUPPORT FACILITIES.
- UTILITY SYSTEMS NECESSARY TO SUPPORT THE BASE SUPPORT FACILITIES.

IN ADDITION, CONGRESS INCLUDED 250 UNITS OF HOUSING AT $11,505,000 IN THE FY 1979 MILITARY CONSTRUCTION BILL. SUBSEQUENTLY, DOD HAS AUTHORIZED AN ADDITIONAL $2,390,000 FOR SOLAR APPLICATIONS FOR THE HOUSING.

MOST OF THE FY 1979 PROGRAM IS ALREADY UNDER CONSTRUCTION.

THIS YEAR'S REQUEST

THE FISCAL YEAR 1980 REQUEST FOR KINGS BAY IS FOR $20.3 MILLION. INCLUDED IN THE PROGRAM ARE ADDITIONAL FACILITIES REQUIRED TO SUPPORT THE REFIT OPERATION WHICH WILL BE LOCATED IN THE BASE INDUSTRIAL AREA, A MEDICAL DENTAL CLINIC, PERSONNEL SUPPORT FACILITIES, AND UTILITIES AND ROADS FOR THE PERSONNEL SUPPORT AND FAMILY HOUSING AREAS.

PROGRAM CHANGES

COST AND SCOPE VARIATION HEARINGS WERE HELD ON THE FY 1979 PROGRAM, WHICH AUTHORIZED THE REPROGRAMMING WITHIN KINGS BAY FY 1979 FUNDING OF $997,000 FROM ROADS TO THE POTABLE WATER SYSTEM.

AT THIS TIME IT IS ANTICIPATED THAT A REPROGRAMMING REQUEST WILL BE REQUIRED FOR THE FY 1978 KINGS BAY PROGRAM. THE TOTAL COST VARIATION IS CURRENTLY BEING ANALYZED AND SHOULD BE AVAILABLE IN APRIL. THE COST VARIATION IN THE FY 1978 PROGRAM IS PRIMARILY ATTRIBUTABLE TO UNFORESEEN SUBSURFACE SOILS CONDITIONS AT THE DRYDOCK MOORING AND TRESTLE. WE CONDUCTED THE NORMAL, PRUDENT SOILS INVESTIGATION REQUIRED FOR DESIGN OF A PILE-SUPPORTED STRUCTURE, BUT DURING CONSTRUCTION HAVE ENCOUNTERED AN UNUSUAL DISCONTINUOUS LIMESTONE LAYER NOT REVEALED IN OUR EARLIER INVESTIGATIONS.

THE NAVY'S INITIAL PLAN FOR CONSTRUCTION AT KINGS BAY INCLUDED THREE FISCAL YEARS OF MILITARY CONSTRUCTION. IN MY STATEMENT DURING LAST YEAR'S HEARINGS, I INDICATED THAT THE ESTIMATE AT THAT TIME FOR FACILITIES REQUIRED IN THE FISCAL

YEAR 1980 PROGRAM WAS 28.4 MILLION DOLLARS, BRINGING THE TOTAL ESTIMATE FOR KINGS BAY CONSTRUCTION, EXCLUDING FAMILY HOUSING, TO 91 MILLION DOLLARS. THIS YEARS REQUEST AT 20.3 MILLION DOLLARS, IF FUNDED, WILL BRING THE KINGS BAY CONSTRUCTION TOTAL TO 83 MILLION DOLLARS EXCLUDING FAMILY HOUSING. ADDITIONAL FACILITIES FOR THE ROTA RELOCATION WILL BE REQUIRED BEYOND THIS YEARS' REQUEST.

I AM PROVIDING SUPPLEMENTAL INFORMATION FOR THE RECORD.

MR. CHAIRMAN, WE REQUEST YOUR CONTINUING SUPPORT OF THIS VITAL PROGRAM AT KINGS BAY.

SUPPLEMENTARY INFORMATION

KINGS BAY MILITARY CONSTRUCTION PROGRAM

FY-1980

NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA

PROJECT	AUTH AMT ($000)	FUNDED AMT ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
FY 1978 PROGRAM (SECTION 202 MCON)				
Submarine Tender Mooring	1,750	1,750	1,969	UC
Dredging	8,700	8,700	9,282	UC
Electrical Distribution System	750	750	914	UC
Floating Dry Dock Mooring Facility	6,400	6,400	9,037	UC
Berthing Wharf Improvements	600	600	739	UC
Sewage Treatment and Collection Facilities	1,850	1,850	2,277	UC
Water Treatment and Distribution Facilities	1,700	1,700	2,055	UC
Telephone Facilities	1,100	1,100	1,339	UC
Steam and Compressed Air Plant	770	770	463	UD
FY 1978 TOTALS	23,620	23,620	28,075	
FY 1979 PROGRAM (REGULAR MCON)				
Helicopter Landing Pad	170	170	252	UD
Telephone Facilities	280	280	201	UC
Transit Storage Building	790	790	624	UC
Dredging	15,600	15,600	16,558	UC
Waterfront Service Building REHABILITATION	160	160	156	UC
Staging Building	510	510	620	UD
Equipment Maintenance Bldgs	1,550	1,550	1,530	UD
Public Works Maintenance Bldgs	1,750	1,750	1,538	UD
General Supply Storage Building	830	830	837	UD
Flammable Storage Building	460	460	458	UC
Base Administration Building	1,780	1,780	1,425	UD
Base Fire and Security Facilities	730	730	836	UD
Recreation Building	230	230	224	UD
Playing Courts and Fields	220	220	397	UC
Electrical Distribution System	1,550	1,550	1,362	UC
Sewage Treatment and Collection Facilities	2,750	2,750	3,402	UC
Water Treatment and Distribution Facilities	1,800	1,800	2,797	UC
Roads	3,800	3,800	999	UC
Vehicular Parking	700	700	763	UC
Land Acquisition	3,440	3,440	3,440	IP
FY 1979 TOTALS	39,100	39,100	38,419	

*STATUS: UD = Under Design
UC = Under Construction
IP = In Progress

ROTA SQUADRON RELOCATION PROGRAM AT KINGS BAY

($000)

	78	79	80
CONSTRUCTION	23,620	39,100	20,330
DEFENSE ACCESS ROADS	--	--	2,261
FAMILY HOUSING	--	11,505*	--
	23,620	50,605	22,591

* $2.39M additional authorized for solar systems.

KINGS BAY PROGRAM REVIEW

Admiral ISELIN. Our initial construction program in 1978 of approximately $24 million permitted us to do major dredging at the Kings Bay site, to construct a submarine tender mooring facility, to construct a floating drydock mooring, and to provide some utility support for the area.

In fiscal year 1979, we had $39 million authorized for Kings Bay, with more dredging, land acquisition, waterfront facilities, public works facilities, administration facilities, and additional utilities.

In addition, the Congress included 250 units of housing in the fiscal year 1979 construction bill.

Most of the 1978 and 1979 programs is currently under construction and some of it nearing completion. The fiscal year 1980 request for Kings Bay is $20.3 million. Included in the program are additional facilities in the base industrial area, a medical-dental clinic, personnel facilities, and utilities and roads.

Mr. Chairman, Admiral Hall is with us today to help in answering questions. He is the project manager for the Trident program, and we would be pleased to respond to any questions that the committee has.

TRIDENT PROGRAM AND SCHEDULE

Senator HUDDLESTON. I think we have some questions here that can be answered in open session. The last information we had was that the first Trident submarine is scheduled for delivery in August 1981. The initial operational capability of the Bangor facility is planned for July 1981.

Are these still current dates?

Admiral HALL. Mr. Chairman, the first submarine, the *Ohio,* will be delivered at Electric Boat in November 1980. It will arrive at Bangor in July 1981 and will deploy on its initial operational patrol in August 1981. The Bangor support facilities will be ready when that ship arrives in July 1981.

Senator HUDDLESTON. Now, the program calls for 13 submarines through 1984; is that accurate?

Admiral HALL. Yes, sir.

Senator HUDDLESTON. And as it is now configured, the Bangor site can accommodate how many?

Admiral HALL. The Bangor base was designed and construction has proceeded on the basis of supporting 10 submarines. The planning and design features are such that it can be expanded easily to 20 submarines. During the steady state operation, and by that we refer to 10 submarines in one squadron, we would expect to see a submarine tying up every 9 to 10 days, which would be three submarines in port at any one time. You could add one submarine to the 10 that are planned and you would have a very difficult time seeing any impact.

With the 12th one you will see a little more, and by the time we reach 13, you would expect to see some impact on the effectiveness of that base.

Senator HUDDLESTON. So you would require additional expenditures and expansion?

Admiral HALL. Yes, some expansion work.

Senator HUDDLESTON. And if you went to 20, of course, you would have a substantial expenditure?

Admiral HALL. We would have to have a substantial change at that point, including environmental impact statements and additional facilities, particularly for personnel, and also for the industrial support.

EAST COAST BASING OF TRIDENT

Senator HUDDLESTON. I note that the Secretary of the Navy is currently reviewing recommendations for the east coast basing of Trident. Is the east coast base for the submarine a foregone conclusion, irrespective of the force level cited?

Admiral HALL. No, the east coast basing is not a foregone conclusion. It is being considered at the present time by the Secretary of the Navy. We expect a decision on that sometime in the future.

Senator HUDDLESTON. We went through the site selection process for the Poseidon boats at Kings Bay and many of the Trident considerations are the same. Doesn't that lead to the conclusion that Kings Bay would be a preferred location?

Admiral HALL. The site selection for Poseidon included a consideration for expansion to include Trident in the east coast analysis. The five east coast sites that were reviewed then were all candidates, and they are all candidates today for the Trident east coast base.

We would expect varying impact from the environmental aspects in considering those same sites today.

TRIDENT ALTERNATIVES

Senator HUDDLESTON. Given the extremely large investment cost for each Trident submarine, has the Navy undertaken any study of possible alternatives to expanding the present 13-boat program?

Admiral HALL. The present 13-ship Trident program is based on 13 ships through the 5-year defense plan. The present plan, as far as the number of Trident submarines is concerned, is to continue building Trident at a rate of three ships every 2 years. But there has been no final determination of force levels.

Senator HUDDLESTON. And what about consideration of smaller type ships?

Admiral HALL. The fiscal year 1979 Conference Report in the Department of Defense Appropriation Authorization Act, while fully supporting the continued building of Trident submarines, also authorized $3 million to support preliminary design studies of a high performance, cost effective, although not necessarily smaller SSBN.

Senator HUDDLESTON. Would that have any impact on facility requirements if you went that route?

Admiral HALL. Yes, it could, if that decision were made. The Secretary of the Navy, also in parallel with that study, is currently conducting a submarine alternative study which includes the examination of alternative SSBN design concepts.

SUBMARINE SUPPORT FACILITY, KINGS BAY

Senator HUDDLESTON. What is your current estimate for additional construction at Kings Bay beyond the request of $20.3 million this year? You have a total construction cost of about $83 million; is that correct?

Admiral HALL. Yes. Support of the Poseidon squadron at Kings Bay will require some additional facilities, Mr. Chairman. But we have not and we would prefer not to finalize that until a final decision is made on where the east coast base for Trident is to be sited. At that time we will need some bachelor quarters, and, dining and some other personnel support facilities for the people who are there.

Senator HUDDLESTON. What portion of the request is associated directly with the Trident C–4 missile?

Admiral HALL. The C–4 missile is going to be assembled at Charleston. It will be shipped to Kings Bay by ship, the same procedure we use in getting the Poseidon missile to Rota. Therefore, there are no special handling or processing facilities required at Kings Bay, because we are going to use essentially the same pipeline.

Senator HUDDLESTON. Has the backfitting program itself required specific construction?

Admiral HALL. The backfitting program does not require anything at Kings Bay.

COMMUNITY IMPACT AT KINGS BAY

Senator HUDDLESTON. Have you made an assessment of the military impact on the largely rural Kings Bay area, and what additional public services may be required?

Admiral HALL. Yes, sir; we can expect to see an overall effect on the community because we are rapidly increasing the number of people in the locale. It is a rural community and we will expect to see changes in the neighborhood, social problems from the introduction of new people. There will be different life styles, and people will come from different regions. The environmental impact statement predicts some social stress, primarily associated with housing. In addition there are the traditional things, police and fire protection and child care.

Senator HUDDLESTON. We will have a legitimate claim for some impact assistance?

Admiral HALL. There will be an impact, with 1,600 military people and about 1,900 dependents added to the area. Admiral Iselin, do you want to talk to the impact?

Admiral ISELIN. We have with us Commander Wheeler of the Office of Economic Adjustment who has worked on section 608 community impact assistance for Bangor. I would like to ask Commander Wheeler to comment on plans for Kings Bay.

Commander WHEELER. Good afternoon, Mr. Chairman.

Senator HUDDLESTON. We are glad to have you with us.

Commander WHEELER. The community has requirements for impact assistance at the present time and those requirements are being satisfied through normal funding programs administered by the various Federal agencies.

TRIDENT COMMUNITY IMPACT ASSISTANCE

Senator HUDDLESTON. How much has been appropriated through 1980 for the Trident community impact assistance?

Admiral ISELIN. To date through 1979, $36.8 million which has been appropriated and we are requesting $10 million in this year's program for a total of $46.8 million at Bangor.

Senator HUDDLESTON. That will be at Bangor?

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. You might provide for the record a listing of the impact assistance which gives the amounts funded through fiscal year 1979 and requested for 1980, and future estimates that you might have.

Admiral ISELIN. We will do so, yes, sir.

[The information follows:]

LISTING FOR IMPACT ASSISTANCE

[Dollars in millions]

	Fiscal year 1979 funded	Prior used	Fiscal year 1980 requested	Fiscal year 1981[1]
Schools	$7.0	$4.4	$2.1	.....
Roads:				
State	14.4	5.5	2.5	.....
County	5.0	0.2	4.6	.....
Municipal	0.3	0	0.8	.....
Water	2.4	1.6	.....	.....
Sewer	.3	0	.....	.....
Fire	1.2	.6	.....	.....
Law and justice	3.1	1.7	.....	.....
Social and health	.5	0	.....	.....
Libraries	.4	0	.....	.....
Parks	1.0	.1	.....	.....
Planning	1.2	.6	.....	.....
	36.8	14.7	10.0	.....

[1] Program undefined at present concerning specific projects, but total will not exceed $8.7 million.

NOTE.—Total program funding $55.5 million.

Department of the Air Force

STATEMENT OF COL. RICHARD H. HINZ, DIRECTORATE OF ENGINEERING AND SERVICES, U.S. AIR FORCE

AIR FORCE STRATEGIC PROGRAMS

Senator Huddleston. We will now move to the Air Force. Colonel Hinz, please proceed.

Colonel Hinz. I would like to give a couple of excerpts out of my statement and then file the unclassified. And if we can proceed to closed, we will continue the briefing.

It is a pleasure to appear here today to discuss with you that portion of our fiscal year 1980 construction request in support of Air Force strategic programs. This year, we are requesting funds for facilities for the air-launched cruise missile (ALCM) and the M–X. With your permission, I will briefly discuss the status of these programs and the facilities we are requesting this year.

AIR-LAUNCHED CRUISE MISSILE (ALCM)

The Air Force began the air-launched cruise missile (ALCM) program to counter the pressure of Soviet air defense development. The ALCM is a small nuclear-armed, air-to-ground missile to be carried by the B–52G. It will provide an accurate, long-range strategic capability in a standoff role while reducing B–52 exposure to air defenses.

The ALCM program has thus far been concentrated in the research, development and procurement programs. Procurement began in fiscal year 1978 with the preliminary production prototype program, followed by the fiscal year 1979 R. & D. program for $237.8 million and the fiscal year 1979 procurement program for $156.9 million.

The missile rollouts by two contractors will be completed early this spring, followed by a competitive fly-off program at Edwards Air Force Base, Calif. At the same time, 12 missiles will be purchased from each competitive fly-off contractor.

In fiscal year 1980, $364.4 million is included in the Air Force procurement program to allow purchase of an additional 225 ALCM's. A production rate of 40 ALCM's per month will be achieved during the latter part of the fiscal year 1980. The production rate and employment option are keyed to the planned B–52G modification rate of 40 bombers per year. Initially, ALCM's will be employed externally on pylons. The resulting weapons mix provides the most effective loading of gravity bombs, SRAM's and ALCM's.

The fiscal year 1980 military construction program request for $14.2 for ALCM involves the construction required to support the initial alert capability of the B–52G/ALCM. This construction in-

cludes an integrated maintenance facility as well as munitions storage igloos. Remaining construction to support the full operational capability is currently proposed for the fiscal year 1981 construction program.

Current facilities are inadequate for simultaneous support for both the SRAM and ALCM. For example, the ALCM maintenance facility will be better than three times the size of a SRAM facility. Similarly, the ALCM requires much larger storage igloos than does the SRAM. We do, however, plan to subsequently modify the existing SRAM maintenance facility to be a warhead maintenance and inspection facility in order to keep construction costs to a minimum. The timing of our fiscal year 1980 MCP request is in direct response to the initial alert and operational capability of the B-52G/ALCM. The munitions storage igloos must be completed prior to missile delivery and the integrated maintenance facility must be completed in sufficient time to allow for installation and testing of equipment, nuclear certification of the facility, and missile checkout.

M-X PROGRAM

The M-X program has been focused along two paths: Advancing the state of critical missile propulsion and guidance technology, and developing new basing concepts as alternatives to the current Minuteman and Titan fixed-silo deployment. The Air Force is now ready to provide direct facility support for the M-X in preparation for the system coming into the AF inventory.

This past year, we have made significant progress in resolving the major issues surrounding the acquisition of a follow-on land-based ICBM system. Most of the issues have focused on the basing mode.

The Air Force, after considerable analysis, determined that a multiple protective structure (MPS) basing mode consisting of vertical shelters was the favored alternative for redressing the projected vulnerability of our current Minuteman force.

However, questions have been raised about MPS regarding SALT verification, arms control compatibility, and limiting the threat. As a result, the Air Force is currently reevaluating a variant of the air mobility concept to determine its merits as an alternative to MPS.

The issues surrounding the missile itself are not as complex. This new medium throwweight missile provides significant flexibility for adaptation to future threats or SALT constraints. For example, the increased throwweight can be used to carry penetration aids without sacrificing force effectiveness. We are also incorporating the latest guidance and control technology into the system to provide an effective capability against the entire Soviet target spectrum.

Our fiscal year 1980 construction request includes $5.4 million for modification of Arnold Engineering Development Center (AEDC) propulsion test facilities required for full scale M-X rocket motor development. The next generation of large solid propellant rocket motors for the M-X missile are forecast to begin testing at Arnold in late calendar year 1981.

These ground tests are required to simulate the high altitude flight environment for the M-X stages II, III, and IV. Ground

testing has always been a necessary phase in the development of high altitude upper stage rocket motors, regardless of the missile on which they will be employed, and therefore, testing becomes increasingly important as more sophisticated technology is cranked into the system.

Currently, there are no facilities in the United States capable of altitude testing of the large M–X rocket motors. However, there are facilities at Arnold which have been used to test similar rocket motors that can be modified, at reasonable cost, to perform the tests that are essential for successful high altitude flight.

Additionally, the modified AEDC test cells could be used during the motor production phase to assess as-built performance as well as the effects of aging on motor performance.

As rocket motor testing progresses, we plan on requesting follow-on facilities in our fiscal year 1981 construction request for Vandenberg AFB. These facilities will be required to support the first missile test flights in January 1983.

Since a final basing mode decision has not yet been made, we are unable to forecast an accurate requirement for construction of M–X beddown facilities. However, once a basing mode decision is made, we foresee follow-on operational facilities in the fiscal year 1982 program.

Mr. Chairman, that is a synopsis of my statement and if we could go into closed session, I would like to have Colonel Hatch, from our Operational Requirements Directorate, give you a briefing on the M–X.

EXECUTIVE SESSION

Senator HUDDLESTON. At this time it will be necessary to close the session and request those of our visitors who do not have appropriate security clearances to depart at this point.

[Whereupon, at 2:45 p.m., the subcommittee recessed to go into closed session.]

[EXECUTIVE SESSION]

The subcommittee met in executive session at 3 p.m., Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Sasser.

STATEMENTS OF:

COL. RICHARD H. HINZ, DIRECTORATE OF ENGINEERING AND SERVICES, U.S. AIR FORCE

COLONEL HATCH, STRATEGIC FORCES DIRECTORATE, U.S. AIR FORCE

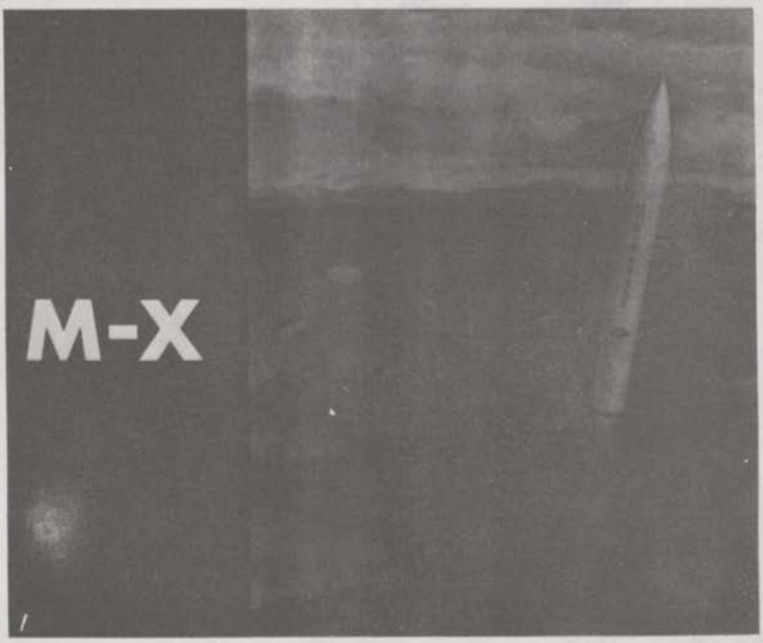
OVERVIEW BRIEFING ON M–X PROGRAM

Senator HUDDLESTON. Gentlemen, the subcommittee will be in order.

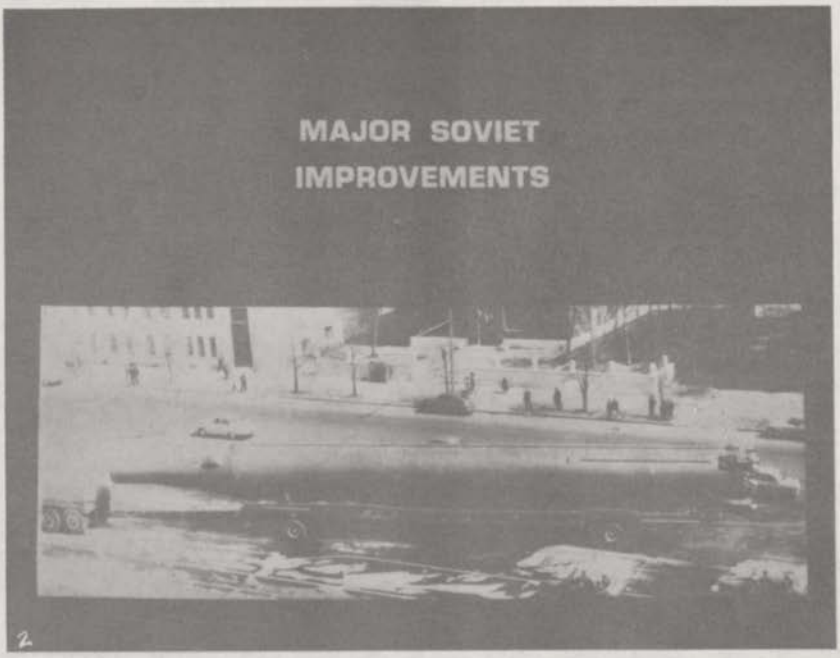
The room has been cleared and we will proceed in executive session.

I understand that Colonel Hatch will give the briefing.

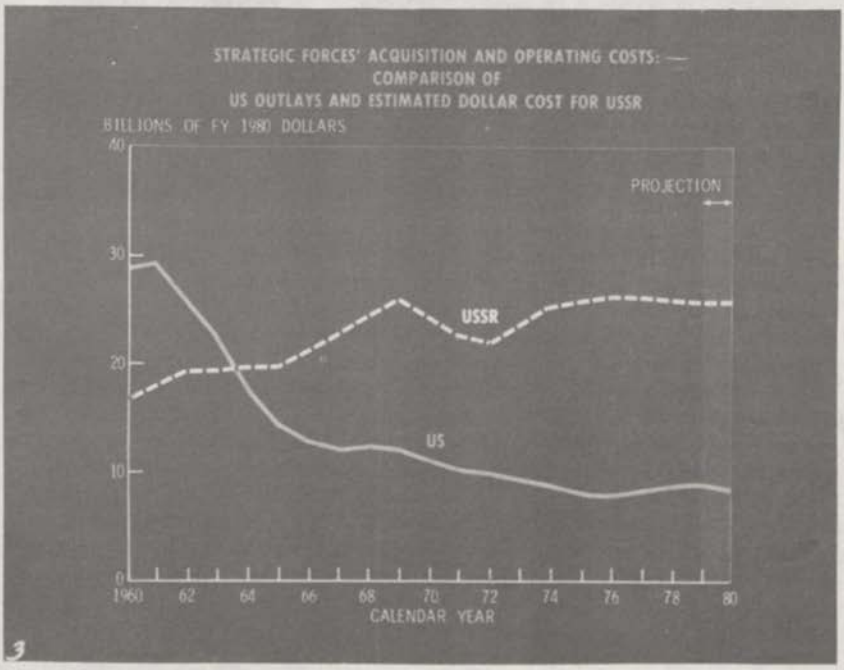
Colonel HATCH. I am Colonel Hatch, and I would like to give you an overview briefing on the M–X program.



I would like to start the briefing by stating that the United States is facing a problem. The problem is the projected increasing vulnerability of our land-based ICBM forces caused by an increasing Soviet threat.

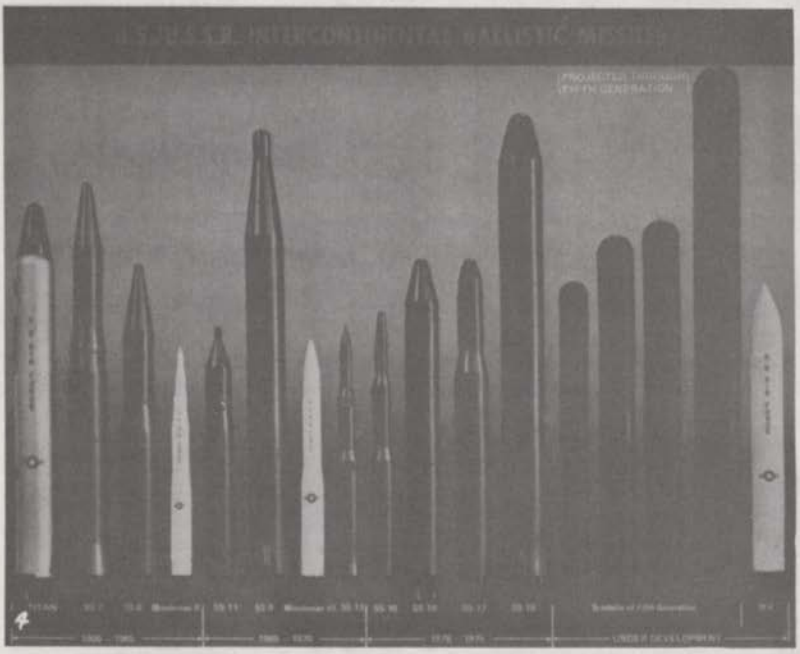


Our solution to the problem is the modernization of our own ICBM force with the deployment of an M–X missile in a survivable basing mode.



SOVIET THREAT

I will spend a few minutes with you on the Soviet threat. What causes this threat is a major investment on the part of the Soviets in their strategic forces acquisition. On the chart, vertically, I have billions of dollars and, horizontally, calendar years, and it may be a little bit difficult to see, but beginning in the late 1960's you can see that there is a disparity in investment ranging between zero and $15 billion a year on strategic forces between the Soviet Union and the United States. It is not any 1 year that makes the difference, but it is that continued investment over time that causes us a problem.

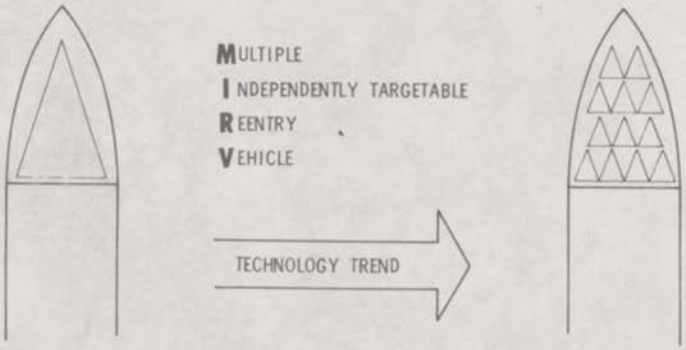


The result of that major investment on the part of the Soviet Union is a large number of ballistic missiles. What you see here depicted in light colors are the U.S. missiles, and again it is hard to see but these are time periods here, 1965, 1970, and our Minuteman III deployed in 1970, and the Soviets fourth generation ICBM's SS–17's, SS–18's, and SS–19's now being deployed with a fifth generation on the drawing board.

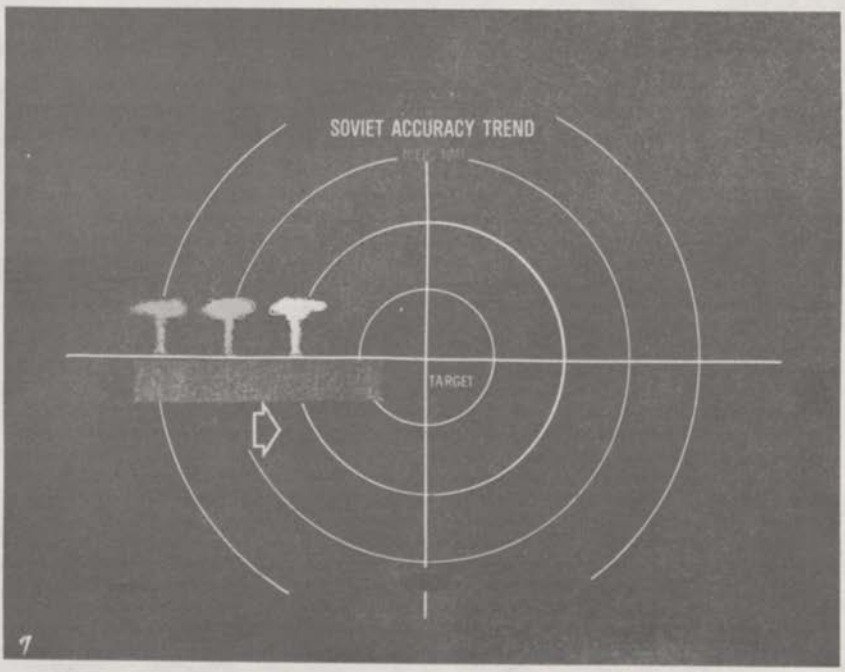
[Chart 5 deleted.]

Colonel HATCH. One example of that Soviet capability of the fourth generation is the SS–18, a very large missile, very capable missile, a MIRVed missile, 10 multiple independently targeted reentry vehicles, and with excellent accuracy, as evidenced in the [deleted] version with a circular error probable of [deleted] nautical miles.

SOVIET INITIATIVES INCREASE BOOSTER EFFICIENCY



6



7

This Soviet initiative to MIRV, combined with the accuracy trends leading to force wide accuracies on the order of [deleted]

nautical miles by 1990, combine to give them more targets covered and increase their damage potential.



[Chart 9 deleted.]

Colonel HATCH. I have on this chart depicted three things: In the upper left you can see the growth of the Soviet ICBM MIRV deployment, and beyond approximately 1983 these numbers exceed [deleted]. At the same time, as time goes on the accuracy of those missiles increases as shown here, with the resultant U.S. ICBM silo survivability depicted on the right.

Now, at approximately [deleted], and as you can see our projections out here, in [deleted] show a negative trend. This then leads to our requirements for an advanced ICBM.

ADVANCED ICBM

REQUIREMENT

RECENT DOD STUDIES ON TRIADs AND DYADs

SECRETARY OF DEFENSE: "WE HAVE CONCLUDED THAT TRIADs WITH MODERNIZED ICBMs ARE NO MORE COSTLY THAN DYADs ... OF COMPARABLE LEVELS OF CAPABILITY.

WHEN FACTORS SUCH AS FORCE DIVERSITY, DILUTION OF THE SOVIET THREAT AND OVERALL CONFIDENCE ARE CONSIDERED, I AM PERSUADED THAT OUR BEST POLICY CHOICE IS TO MAINTAIN THE TRIAD BY MODERNIZING OUR ICBM FORCES.

THIS WILL REQUIRE THE DEVELOPMENT OF A NEW MISSILE AND A NEW SURVIVABLE BASING SYSTEM"

We have completed recent studies in the Department of Defense, and as the Secretary of Defense has reported in his fiscal year 1980 posture statement, we have concluded the Triads with modernized ICBM's are no more costly than CYADS. When factors such as force diversity, dilution of the threat, and overall confidence are considered, the Secretary has been persuaded that our best policy is to maintain the Triad by modernizing our ICBM force.

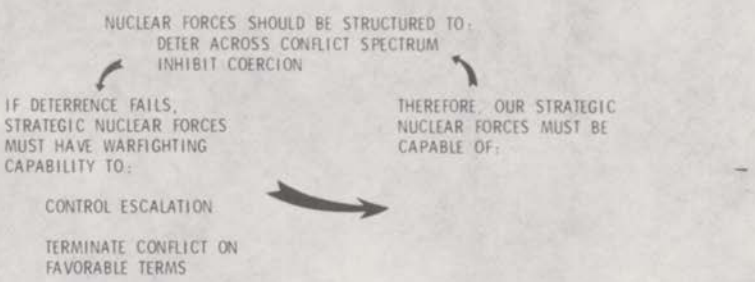
DESIRED CHARACTERISTICS OF LAND BASED ICBMs

- SURVIVABILITY
- INDEPENDENCE FROM WARNING
- NOT VULNERABLE TO SAME ATTACK MODE AS OTHER TRIAD LEGS
- ENDURING USEFULNESS
- FLEXIBILITY OR WARFIGHTING
- LOW OPERATING AND SUPPORT COSTS

U.S. POLICY

These are the desired characteristics that we wish to preserve. Survivability, independence from warning, a force which is not vulnerable to the same attack mode as other legs of the Triad, enduring usefulness, flexibility or warfighting with good command and control and low operating and support costs.

STRATEGIC NUCLEAR GUIDANCE



13

In reviewing our nuclear policy guidance with you, nuclear forces of course should be structured to deter conflict across the spectrum and if deterrence fails, these forces must have the capability to control escalation and terminate the conflict on terms favorable to the United States.

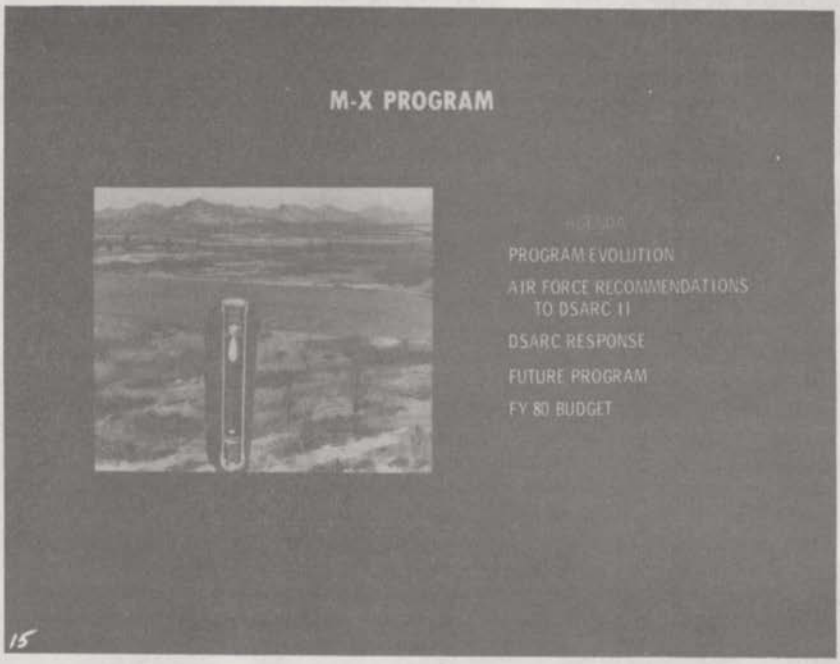
[Deleted.]

We have done a number of dynamic exchange caluculations, and I won't take you through all of the analyses but I would like to give you a summary of the results.

[Chart 14 deleted.]

These are the deficiences as we see them of our programed force with no advanced ICBM.

[Deleted.]



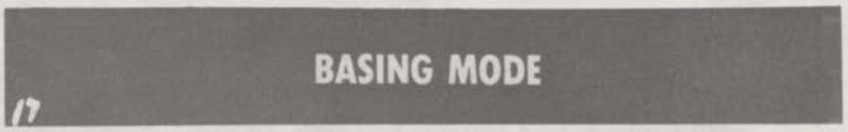
U.S. EFFORTS

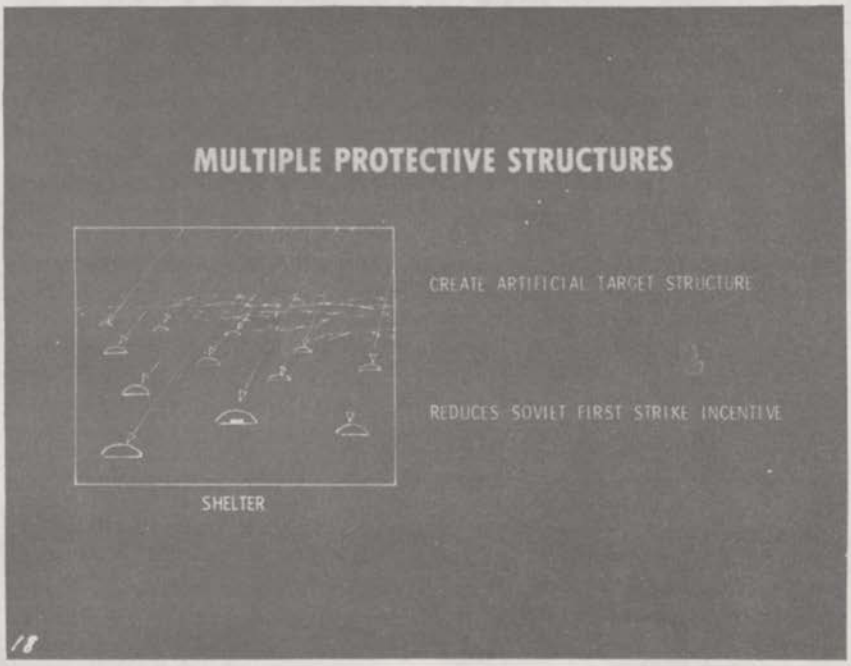
Our solution then is the M–X program, which I will describe briefly for you.

MX PROGRAM EVOLUTION

NOV 71	SAC REQUIREMENT
MAY 74	START ADVANCED DEVELOPMENT
74 - 78	MISSILE SYSTEM DEFINITION BASING MODES EXPLORED
DEC 78	DSARC AIR FORCE RECOMMENDATION: 92 MX IN VERTICAL SHELTERS

In the evolution, in 1971 we had the Strategic Air Command requirement, we started advanced development in 1974, and for the last 4 years we have been exploring missile systems definition and basing modes. We had a recent DSARC on the December 5 wherein the Air Force recommended deployment of the 92-inch M–X missiles in vertical shelters. Here is some more on the basing mode.



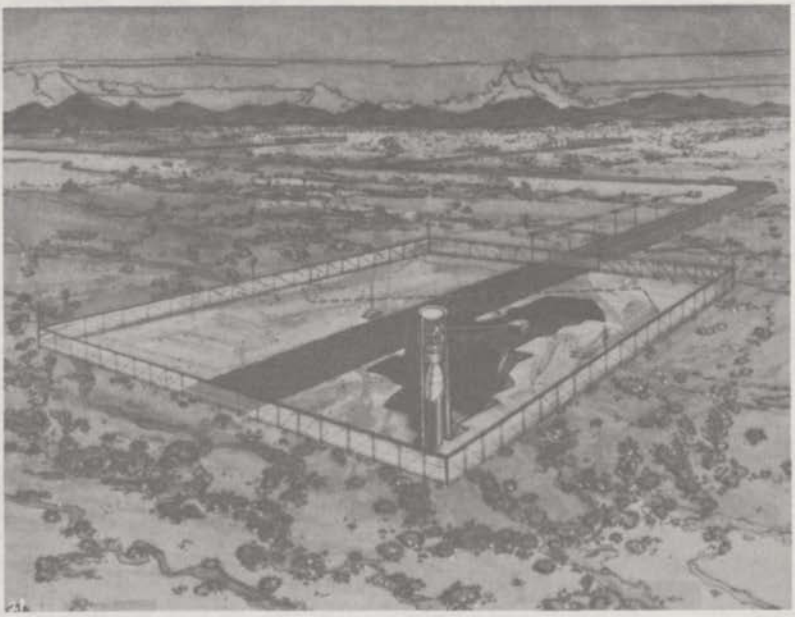


We speak of multiple protective structures and what we are considering here, for example, is a national force of 200 M–X missiles deployed in a much larger number of vertical shelters, on the order of 20 to 1. Hence, we have created an artificial target structure and the enemy would find that futile to attack. Thus we believe we have removed the incentive for Soviet first strike.

VERTICAL SHELTER



The vertical shelter is here. This is a picture of the southwest, and I will go into some more detail, but you can see that a vertical shelter will be at the end of each one of these roadways, approximately here and here.



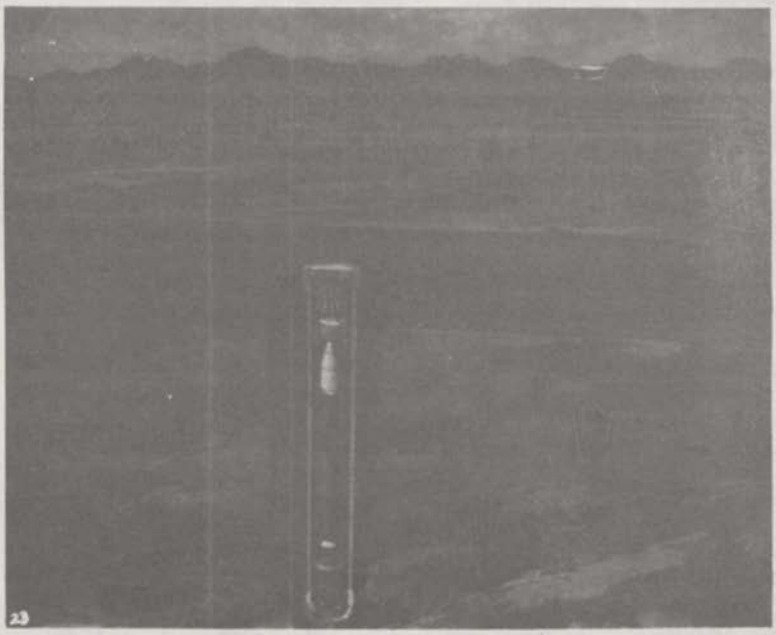
Here is a blowup of one of those areas fenced with the shelter depicted here. This area is approximately 3 acres in size and with the force that I described earlier this would require about 25 square nautical miles of land to be fenced.

Senator HUDDLESTON. Is that silo above the ground?

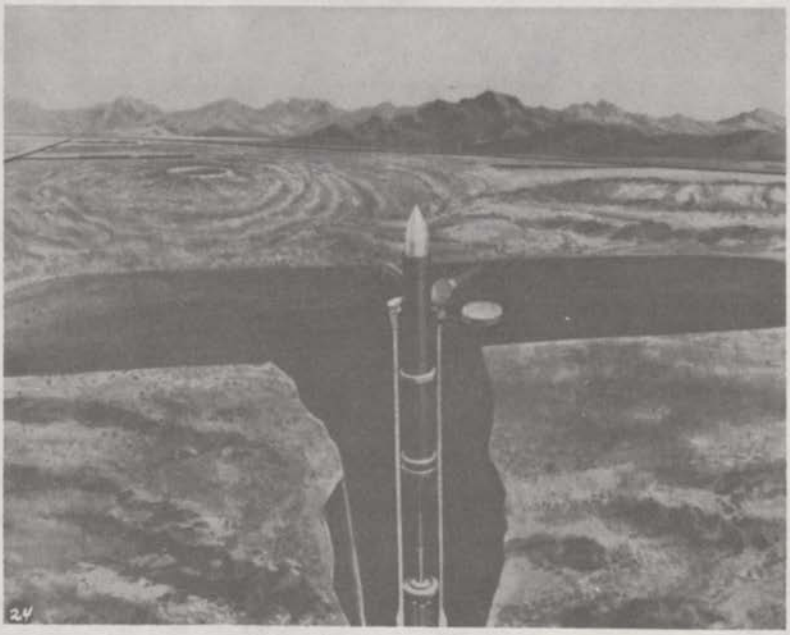
Colonel HATCH. No. Let me show you on the next slide. That is an illusion of the perspective, and it is a cutaway.



This is a transporter emplacer vehicle. It is a large vehicle, approximately 27 feet high and 22 feet across and 190 feet long, and weighs 1.3 million pounds. You can see here that the missile is carried horizontally and then raised to a vertical position and lowered into the shelter.



Here is a better picture, Mr. Chairman. That is ground level there.



I have one more that I will show you. These are electromechanical devices which will raise it up and this is the operational support equipment and this is the missile in its launch cannister.

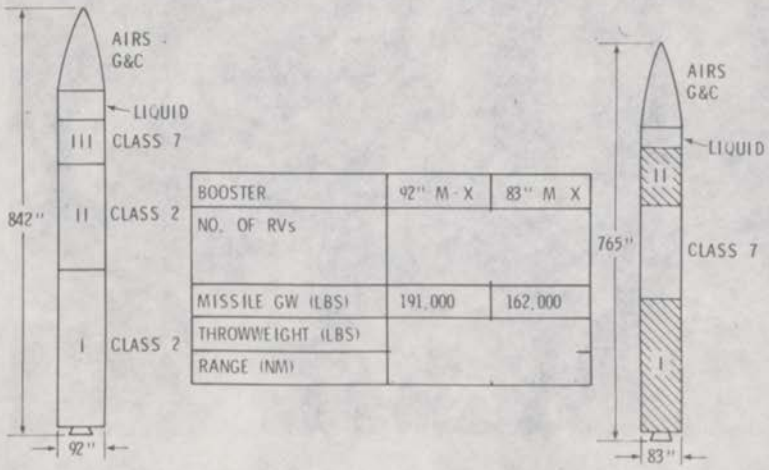
Senator HUDDLESTON. Essentially the same as they are now, except they are portable.

Colonel HATCH. Yes, sir, and without the large amount of support equipment that is currently associated with each Minuteman silo.

Here now would be after an attack where the missile is elevated to raise it above the debris level, and the cannister is opened and the missile is ejected and the first stage ignition actually takes place when the missile is above ground.

MISSILE

MISSILE CHARACTERISTICS



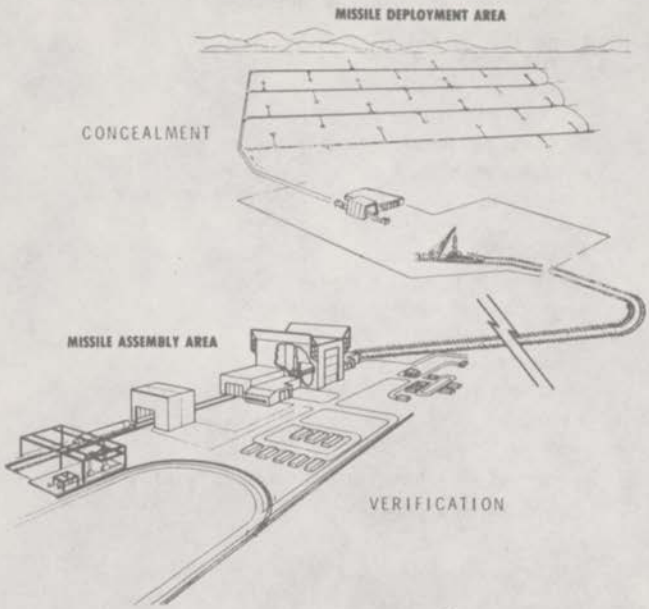
The missile now is shown here. We are focusing on two missile candidates. This is the 92-inch M-X which I stated we recommended to the DSARC on December 5. It is essentially class 2 propellant in the first and second stages and it has a liquid post-boost vehicle and it is capable of the performance as indicated in the center of the chart.

On the right side, and we can slide this over a bit, is an 83-inch missile which is shown. In the 83-inch dimension it is common with the Trident II missile. That is a dimension that is determined by the submarine launch portal. There is a possibility that the M-X missiles stages 1 and 3 could become the Trident II missile stages 1 and 2. That is with possible cost savings to the Navy from that approach.

DSARC II DIRECTION

- CONCLUSIONS
  - NEED FOR SURVIVABLE ICBM SYSTEM
  - MPS COULD MEET NEED
    - LOW RISK, FEASIBLE SOLUTION
    - COST AND SCHEDULE REALISTIC
- CONCERNS FOR MPS
  - VERIFIABILITY
  - ARMS CONTROL COMPATIBILITY
  - ABILITY TO BOUND THREATS
- RESULTS
  - AIR MOBILITY MAY BE ALTERNATIVE
  - CONTINUE MPS AND MX MISSILE PROGRAM
- AIR FORCE AIR MOBILITY STUDY REQUESTED
  - INCLUDE DISPERSED, EXPEDIENT BASES
  - COMPARE WITH RESULTS FROM PREVIOUS STUDIES
- DSARC
  - MARCH '79
  - COMPARE AIR MOBILE SYSTEM WITH VERTICAL SHELTER (MPS)
- CONFIGURATION GUIDELINES

Just to review with you quickly the direction that we received from the DSARC II which was chaired by Dr. Perry, they agreed with our conclusions on the need for a survivable ICBM system, agreed that MPS could meet the need, some concerns were raised in the SALT context and they also asked us to review the air mobile alternative, and we are currently studying that alternative, and are scheduled to present the results of that study to another DSARC on the 31st of this month.



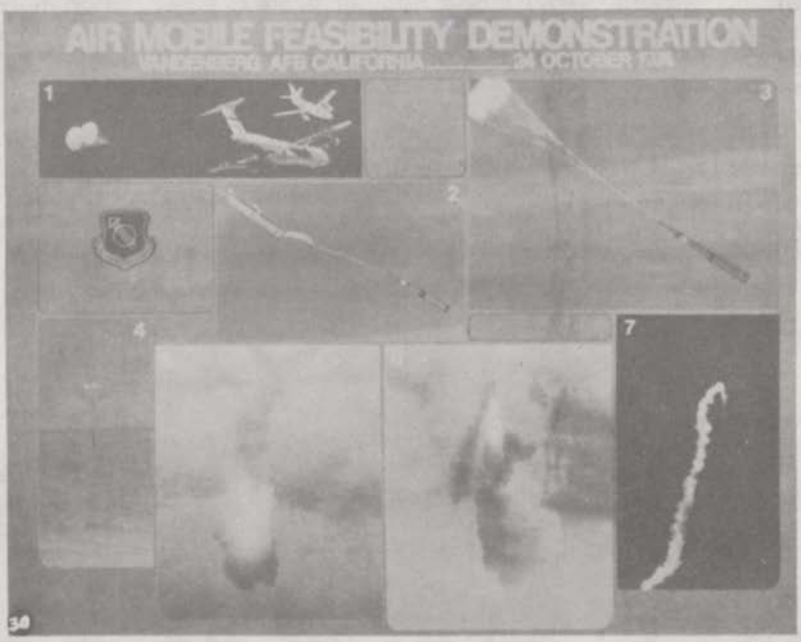
I would like to spend just a minute with you discussing one of the issues that has been raised on the vertical shelter system and that is verification. We like to separate verification in the missile assembly area from concealment which we view to occur in the missile deployment area.

We have set up a very deliberate process here in the assembly area. The components of the missile will arrive here and be assembled here. This is an open roof building, a missile buildup process that will take 4 or 5 days and should be quite visible to Soviet NTM.

Now, once you have completed that buildup process you move into the deployment area. This is a very wide gage railroad track with a unique transporter car that moves the missile, and there is no other way into this deployment area so we feel that we have sufficiently separated the verification process from the comcealment process.

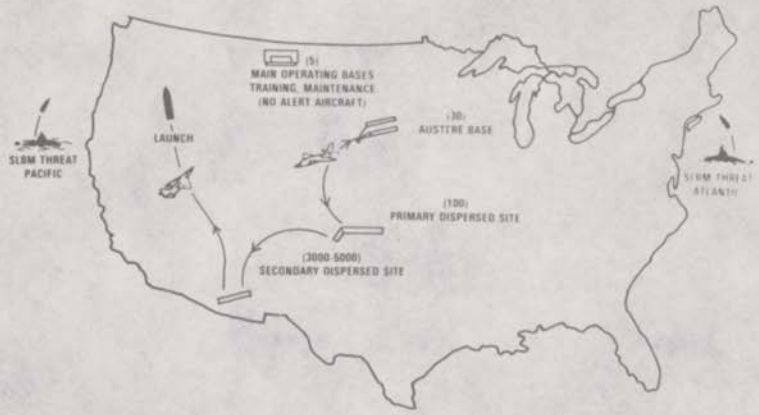
Now this is a diagram that I wanted to show you of the launcher simulator segments, that large vehicle that placed the missile in its cannister in the shelter. In so doing, it will pick up these launcher simulator segments which will be in all of the other shelters and make trips inbetween the other shelter and we believe we can preserve location uncertainty on our part and particularly keep the Soviets from knowing which shelter has the missile.



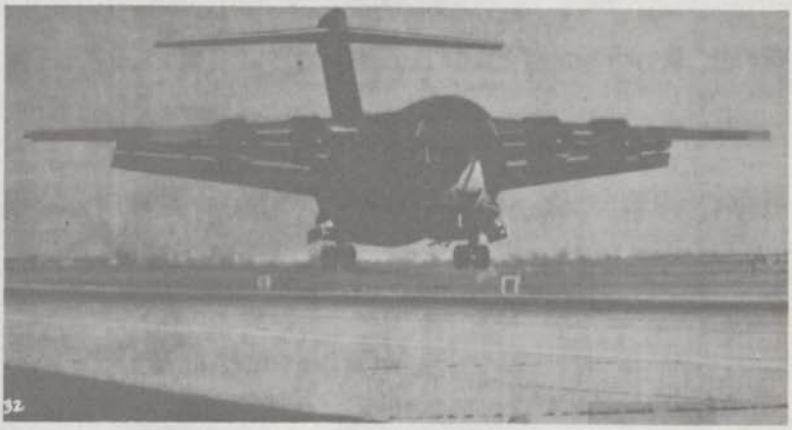


Just a quick review for you of our air mobile study concept which is not yet complete but you do remember the October 1974 demonstration where we extracted the Minuteman missile from the rear of a C–5 and ignited the first stage, so it is a technically feasible concept.

AIR MOBILE MX CONCEPT



The concept as we have it laid out consists of a small number of main operating bases, a larger number of alert bases, 30 or more, and then two levels of dispersal sites, primary and secondary. In this case the number of sites could exceed 100 and in this case the secondary dispersal sites could exceed 2,000. We are nominally on a day-to-day alert at the alert bases. Should we have unusual Soviet submarine activity or, for example, in times of international tension such as the 1973 Mideast conflict, the aircraft that are normally on the alert bases would disperse to the much larger number of bases and then in times of conflict we would make use of the secondary dispersal bases.



This is a picture of the McDonnell Douglas aircraft and I showed you a picture of the Boeing aircraft a little earlier.

M-X BUDGET DATA

M-X FUNDING

FY 1980 (RDT&E): $670.0M

CONTINUE/INITIATE FSED FOR MISSILE AND MPS BASING MODE

- MISSILE: $441.0M
  - ENGINEERING DEVELOPMENT OF:
    - FOUR MISSILE STAGES
    - GUIDANCE AND CONTROL SYSTEM
    - REENTRY SYSTEM
- BASING: $229.0M
  - COMPLETE VERTICAL SHELTER ENGINEERING TEST BED
  - ENGINEERING DEVELOPMENT OF:
    - MPS FACILITIES
    - MECHANICAL SYSTEMS
    - ELECTRONIC SUPPORT SYSTEMS
  - SUPPORTS FY 86 IOC

FY 1980 (MILCON): $5.4M

MODIFICATION OF ROCKET MOTOR TEST CELL AT AEDC

My final slide is on the budget data for this year [chart 34]. We have requested $670 million in research and development, broken down as shown, but I would like to focus now on the $5.4 million for military construction that we have requested for modification of

the rocket motor test facilities at the Arnold Engineering Development Center, and with that I will turn the meeting back over.

Senator HUDDLESTON. Let me ask you a couple of questions about our policy there.

Given our projected vulnerability and what needs to be done to correct it, which is more important? Is it the question of basing a few missiles or even the present missiles to eliminate their vulnerability, or the actual improved new missiles, such as the M-X itself?

Colonel HATCH. Are you trying to distinguish between the importance of moving ahead with the missile as distinguished from moving ahead with the basing mode?

Senator HUDDLESTON. Yes.

Colonel HATCH. In my judgment we need to move ahead with both. Originally the missile which was judged to take about 7 years to develop which left us a little time to consider the basing but we have used up that time and if we want to meet the September 1986 IOC, which we have established, we need to move ahead in full-scale engineering development on both the missile and the basing.

Senator HUDDLESTON. The characteristics of the missiles itself are superior enough over the Minuteman to justify without regard to the basing?

Colonel HATCH. Yes. For example, we have looked at the alternative of deploying the Minuteman III missile in a new basing mode, and that is not as cost effective as deploying the new missile.

Senator HUDDLESTON. Do you have a cost figure estimate on that?

Colonel HATCH. A force of 200 M-X missiles deployed in vertical shelters in 1978 dollars has been priced at approximately $20 billion.

Senator HUDDLESTON. Has the decision been made that this is the best way to go rather than the air launch, or the trench launch?

Colonel HATCH. No, sir, we have another DSARC on the 31st of this month. We are comparing in that DSARC the air mobile and the vertical shelter alternatives. The Air Force is also carrying the trench, the hybrid trench as a feasible backup to the vertical shelter should any unforeseen problems arise.

Senator HUDDLESTON. Your projections on vulnerability and our ability to respond are based on, I assume, a first strike by the Soviet Union?

Colonel HATCH. That is correct.

Senator HUDDLESTON. And then the question arises of whether we react on launch or whether we react on the actual attack, so which one are you figuring?

Colonel HATCH. I believe you are making reference to what we would call the launch under attack as an alternative.

Senator HUDDLESTON. That is right.

Colonel HATCH. We certainly don't rule that out as an option. We haven't in the past and we won't in the future, but we do not consider that to be a substitute for a survivable ICBM force, one that can endure and ride out the attack.

Senator HUDDLESTON. And then respond.

Colonel HATCH. Yes.

Senator HUDDLESTON. Well, is the present strategy that there would be no response until that is done?

Colonel HATCH. The present strategy provides the option.

Senator HUDDLESTON. The option is still there.

Colonel HATCH. But the option we seek is the survivable basing mode for the ICBM force.

Senator HUDDLESTON. Did you have a further presentation, Colonel?

Colonel HINZ. That is all we have.

AIR LAUNCHED CRUISE MISSILE

Senator HUDDLESTON. On the cruise missile, are you still conducting competitive studies on that? Will the configuration of the model finally selected have any major effect on the facility requirements?

Colonel HINZ. No, sir, the planned facilities that we have are compatible with both of the competitors.

Senator HUDDLESTON. Aside from the need to select the version to be procured, are there any other major scheduled milestones in the program which would affect IOC and therefore your construction requirements?

Colonel HINZ. I would say our timely source selection probably is the major milestone. In the full production phase, there are two major milestones. For example, our fiscal year 1980 construction requirements are driven primarily by the production decision that we anticipate by February 1980, about a year from now; and, the associated first alert capability about September 1981.

Senator HUDDLESTON. And in addition to the $14.2 million for 1980, how much do you anticipate will be construction needs resulting from deploying these weapons?

Colonel HINZ. We have a full runout cost of just under $200 million, or $199 million.

Senator HUDDLESTON. I suppose the decision has been made to fully pursue and deploy this weapon?

Colonel HINZ. Well, our program is planned toward achieving a December 1982 initial operating capability. The formal production decision won't be made until February 1980, at which time we will have a DSARC III decision for full production.

Senator HUDDLESTON. Are these systems involved in the SALT talks at the present time?

Colonel HATCH. I am not an expert in SALT details, sir, but it is my understanding that the cruise missile related issues are addressed and the deployment of the cruise missile system is not prohibited.

Senator HUDDLESTON. The numbers might be, however, might they not?

GLCM

Now, the ground-launched cruise missile, I understand, is not a strategic weapon as such, but the missile is derived from the Navy Tomahawk program.

You are requesting $17 million for GLCM-related construction in fiscal year 1980. What is this requirement?

Colonel HINZ. In our final presentation we are no longer requesting $17 million, and it is not contained in the fiscal year 1980 budget as presented to you. We can address the $17 million during our testimony this year; however, we have deleted this from the fiscal year 1980 budget because our IOC has slipped to 1983. That gave us an opportunity not to include it.

Senator HUDDLESTON. You would expect it to come along later?

Colonel HINZ. Yes, sir.

Senator HUDDLESTON. Senator Sasser, do you have any questions?

Senator SASSER. No, I do not, Mr. Chairman. I would hope that Colonel Hatch might stay over about 10 minutes and give me the benefit of the initial briefing that he gave you. I apologize for being late. I got tied up and I couldn't make it.

Colonel HATCH. I will be happy to do that.

M-X DEPLOYMENT

Senator HUDDLESTON. On configuration of the multiple protective structures, would each one of those silos have to be built with a capability of launching, and what would the construction cost be?

Colonel HATCH. Let me be distinct and call it a shelter and the cannister with the missile in it is essentially the launcher. So the shelters will not have the same construction costs as the original Minuteman silos.

Senator HUDDLESTON. The ones that are used now?

Colonel HATCH. Yes, and in particular depending upon the spacing and I will include the cost of the connecting roads, the price ranges between $1 and $2 million per shelter. Of course that has to be a function of the total number deployed but the rough figures I gave you are reasonable.

Senator HUDDLESTON. Now, just comparing the way a missile installation is set up now, where is your control center for an installation as we have it here, the potential launch sites?

Colonel HATCH. It will be in the deployment area.

Senator HUDDLESTON. It will still be in the general area?

Colonel HATCH. Yes.

Senator HUDDLESTON. And the missile would be transported by rail to where it should be?

Colonel HATCH. We will build up those sections and take them on that rail transporter from the missile assembly area, where verification is accomplished into the deployment area, and in that large vehicle that I showed you, that transporter emplacer has a cab on it about the size of a Terex Titan, and that is the one that Jack Nicklaus hits a sand wedge out of on TV.

Senator HUDDLESTON. How do your conceal that and movement from that point on?

Colonel HATCH. The vehicle is not concealed and when observed from overhead would be seen, and there are about 40 of these vehicles. In the concept that I was discussing the transporter emplacer would make periodic visits to the shelters and in some cases would be dropping off a missile, and in some cases would be exchanging simulators. Those are the rods that I showed you in the briefing that don't look like a missile but they have all of the

properties of a missile, the mass and other signatures such that we will be sure that simulation of the missile is accomplished.

Senator HUDDLESTON. How long would you expect a missile to stay in the same silo?

Colonel HATCH. It could stay there appoximately 6 months, assuming no maintenance difficulties were encountered, so we are not talking about dashing between these shelters. This is a very deliberate sort of thing.

Senator HUDDLESTON. And the truck would be moving all of the time, the transport?

Colonel HATCH. Some of the transporters would.

Senator HUDDLESTON. Does this cause any difficulty with the targeting system, the guidance and the fact that it may be in a different location when it is actually fired?

Colonel HATCH. No, sir.

Senator HUDDLESTON. The guidance is set so that it would be covered?

Colonel HATCH. Once the missile in its cannister has been placed in a shelter, and the guidance system alined, there will be no degradation.

AIR MOBILE BASING MODE

Senator HUDDLESTON. If you were to go to an air mobile situation, what kind of facilities would be required there? We aren't talking about having them in the air all of the time, are we?

Colonel HATCH. No, sir, we are not talking about having them in the air all of the time. We are talking about different stages of alert. The day-to-day alert would be handled at the 30 or so bases that I described as alert bases, and crews would be housed there in an alert facility much as the bomber aircraft crews are housed today, and standing alert. On receipt of tactical warning, those crews would go to the aircraft and the aircraft would be flushed.

Senator HUDDLESTON. Does that mean an actual launch?

Colonel HATCH. By tactical warning I mean our warning of a missile attack, either an SLBM launch or an ICBM launch.

Senator HUDDLESTON. An actual launch has been made?

Colonel HATCH. Yes.

Senator HUDDLESTON. At that time they scramble and they have [deleted] to get in the air.

Colonel HATCH. Or less. Now, prior to the actual lauch, as I said, in the event of unusual submarine activity on the part of the Soviets or international tension we do have a larger number of bases identified that these aircraft could move to and make targeting more dificult for the Soviets, and then there is the final stage of an even larger number of bases which could include the use of joint civil/military airports.

Senator HUDDLESTON. So you would have to have an additional construction requirement. While they were not under any kind of special alert, would they be housed inside of a structure or just be out on the runways?

Colonel HATCH. Well, in the latter stages of dispersal we are talking about living aboard the aircraft, but that is——

Senator HUDDLESTON. That is after some kind of an alert has been received, before you have any action?

Colonel HATCH. Initially they would be at the alert bases and we have an alert facility for the crew, and that includes fire equipment and so on.

Senator HUDDLESTON. Have you figured the costs of the various suggested methods of deploying the M-X, or have you gotten to that point?

Colonel HATCH. I can't give you a final cost of the study that is under way for the air mobile concept, but it will be considerably higher than the $20 billion that I gave you as the total cost for the vertical shelter system.

Now, the military construction costs of the vertical shelter system will be higher than they will be for the air mobile.

Senator HUDDLESTON. Is the trench idea out altogether?

Colonel HATCH. No, the trench we referred to, the hybrid trench, is a feasible alternative and we have carried that and consider it an alternative to the vertical shelters should any unforeseen difficulties arise.

SALT IMPLICATIONS

Senator HUDDLESTON. You have indicated, that SALT is one of the reasons for maintaining the air mobile option. Why is it considered less of a problem with respect to SALT than the mutiple aimpoint basing mode?

Colonel HATCH. Well, I believe both systems are verifiable but some people feel that the air mobile would have less problems because the precedent has already been established in SALT for counting strategic aircraft.

Senator HUDDLESTON. Is there any chance the Soviets might want to count each of these possible silos as a launch site, rather than just the ones that you might happen to have a missile in? All of the other restrictions, though, are on launchers, and launched vehicles, and this would change it onto the missile itself, because the verification is going to be on that missile that you run out there, is that correct?

Colonel HATCH. The missile and the cannister constitute the launcher.

Senator HUDDLESTON. That is contrary to all of the other provisions, isn't it, because they make no limitation on the number of missiles, do they?

Colonel HATCH. No. However, we believe that the process, that buildup process that we have described and the finite period of time that it takes will allow the counting of those missiles in their cannisters. I believe we have a precedent as far as concealment goes with the deployment area, with our own SLBM force because, as those are fitted out with missiles, they are counted, but once the submarines are deployed they are no longer available to be counted.

Senator HUDDLESTON. But they still count the launch tube on a submarine and you may not have two missiles, but if you have 14 tubes, that counts as 14.

Colonel HATCH. We would like to consider the missile in its cannister as the launcher.

Senator HUDDLESTON. That is something that I suppose will have to be negotiated.

Colonel HATCH. Yes.

Senator HUDDLESTON. If you are going to roll it out there and let them see it, it looks like they would be satisfied, but it might be a sticky point.

Colonel HATCH. You are right, sir.

Senator HUDDLESTON. If because of SALT or some other reason the decision was made not to deploy the system, but to maintain the capability to do so at a later date, what would this entail in the way of construction?

In other words, would considerable construction funds have to be spent, even if it is not deployed, in order to maintain capability?

Colonel HINZ. We believe there would not be a significant construction advantage in this case. There is a problem of leadtime to do the construction itself; therefore, that leadtime is going to prevail and, as Colonel Hatch said, we feel the time to think about that, or move, we have already consumed in our development time. So we think the decision to proceed now is the problem, and deferral of the construction is a deferral on the system, itself, and not much advantage could accrue.

Senator HUDDLESTON. Colonel Hatch, if you didn't have but one, either the change in the method of deployment or the new M–X missile, which one would be most important?

Colonel HATCH. We have to insure the survivability.

Senator HUDDLESTON. The deployment is probably more important?

Colonel HATCH. We have to have the survivable basing mode.

Senator HUDDLESTON. What are the basic improvements over the M–X over the Minuteman III?

Colonel HATCH. Well, the significantly larger payload, the throw-weight and the fact that that results in carrying a larger number of RV's.

Senator HUDDLESTON. That is [deleted] is it?

Colonel HATCH. It is [deleted] devices versus three.

Senator HUDDLESTON. That is accuracy, I suppose.

Colonel HATCH. Accuracy is improved; yes.

Senator HUDDLESTON. Are there any questions?

Senator SASSER. I have no questions, Mr. Chairman.

Senator HUDDLESTON. I believe Senator Sasser wanted to hear some more information about the missile.

Senator SASSER. I want to get the briefing that I missed earlier.

Colonel HINZ. We would be happy to. We can give it to you here.

Senator SASSER. Thank you.

Senator HUDDLESTON. I will turn the session over to you, Senator.

Senator SASSER. Thank you, Mr. Chairman.

SUBMITTED QUESTIONS

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

AIR-LAUNCHED CRUISE MISSILE

Question. In addition to the $14.2 million budgeted in fiscal year 1980 for initial alert capability, what additional construction needs will result from deployment of this new weapon?

Answer. The fiscal year 1980 construction funds only partially cover the construction requirements at the first B-52G/ALCM base. Fiscal year 1981 funds will be required to complete that construction. Overall, we estimate B-52G/ALCM related construction costs at $199.7 million in then year dollars. This covers the construction required for the 10 planned B-52G wings.

Question. To the extent the system was not fielded, what level of construction would be necessary to support maintenance of the technology or capability to field it on relatively short notice?

Answer. The test facilities now under construction at Edwards AFB, Calif., are required for ALCM R.D.T. & E. but do not contribute to deployment. Because the program has concurrent development and procurement, there is an urgency associated with our MCP request if we are to meet the planned FAC date of September 1981. If we delay a production decision, we will create a situation with a built-in 30-month lag before we can achieve an operational capability.

M-X ICBM BASING

Question. As I understand your statement, there seems to be little controversy over the need to enhance or improve our ICBM's, at least with respect to the missile itself. The problems seem to lie in the basing mode to be used. Have we now totally discounted alternatives other than the multiple protective structure (MPS) and air mobility modes? That is, are we no longer talking about trenches, special trucks, and the like?

Answer. We have essentially narrowed the alternatives to two concepts—vertical shelter (MPS) and the air mobile concept. These are currently being compared. The trench system is viewed as a feasible concept and is available as a backup system should some unforeseen problems arise with vertical shelters or the airmobile concepts. Other concepts have been eliminated from further consideration.

Question. Specifically, what does the MPS alternative entail in the way of facility requirements—number of silos, support facilities, number of actual missiles, and so forth?

Answer. For costing purposes, a notional force of 200 missiles would be deployed in 4,500 shelters. Construction activities would include the vertical shelters, connecting roads, a primary support area for assembly and maintenance of missiles/launchers and maintenance/security facilities within the deployment area. Other construction involves special flight test facilities at Vandenberg AFB.

Question. In like manner, what is entailed under the air mobility option?

Answer. The intent is to use existing airfields with construction involving the building of alert aircraft pads, possible runway extensions, fuel storage areas, and alert facilities.

Question. While no accurate cost estimate can be made until one of the options is actually selected, what are we talking about in order of magnitude for each? What are the major construction cost differences?

Answer. We cannot prejudge the results of studies being completed but in a relative sense, the air mobile system is considerably higher than an MPS system for equal levels of surviving capability. As for operations and support, the air mobile system is estimated to be at least twice as expensive.

The construction costs of the air mobile system are about half of those of the MPS system ($5 billion versus $10 billion).

Question. What are the relative operational advantages and disadvantages to each of the options?

Answer. MPS provides greater capability in regard to survivability, independence from warning, more endurance, and lower costs. Both MPS and air mobile are inherently resilient to modest threat increases, however, MPS has the potential to cope with "open ended" threats. Both systems can be accommodated in terms of SALT verification. In summary, MPS is superior in terms of capability and costs. MPS can cope with increased threats, is verifiable and compatible with arms control goals. The Air Force, at the March 31, 1979 DSARC, recommended full scale engineering development of an M-X missile deployed in the multiple protective structure basing concept.

Question. What is the present schedule or timetable for this program? What are its major milestones, and how would they affect construction requirements?

Answer. The first flight test and IOC dates are the pacing items because they affect construction of test facilities at Vandenberg and subsequently the facilities in the deployment area. Our current program is paced by first flight in January 1983 and an IOC in late 1986.

M–X AND SALT

Question. If the decision were made not to deploy this new system due to SALT or other factors—but to maintain the capability to do so at a later date, what would be entailed in the way of construction? I am clearly drawing an analogy to the decision on the so-called neutron bomb, although it's a bit more complex here. I guess I am asking if considerable construction funds would have to be spent, even if the system is not deployed, in order to keep the capability.

Answer. The most reasonable approach to maintaining only an option to deploy M–X would be to complete full scale engineering development (FSED) on the missile and MPS basing system, but withhold the production decision. With this program, military construction requirements would be limited primarily to missile ground and flight test facilities at the Arnold Engineering Development Center, Vandenberg AFB, Calif., and Kirtland AFB, N. Mex. Costs associated with these requirements are estimated to be about $64 million (in fiscal year 1978 dollars).

As part of the research and development program, we would construct a vertical shelter engineering test bed to support FSED of the MPS basing mode. This facility would be used to examine innovative shelter construction methods, conduct experiments on preservation of location uncertainty and launch egress, and develop special techniques for SALT verification of our MPS system. The engineering test bed is located on the Nevada test site.

Finally, it should be understood that while proceeding through FSED would retain the option to ultimately deploy the system, it would still require at least 3 or 4 years from a production go-ahead decision until initial operational capability could be achieved.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. The subcommittee stands in recess.

[Whereupon, at 3:30 p.m., Thursday, March 22, the subcommittee was recessed, to 10 a.m., Friday, March 23.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

FRIDAY, MARCH 23, 1979

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

The subcommittee met at 10:05 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator Huddleston.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

NAVY CONSTRUCTION PROGRAM

STATEMENT OF REAR ADM. D. G. ISELIN, CEC, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

Senator HUDDLESTON. The hearing will come to order. Our session this morning deals with the fiscal year 1980 Military Construction request for the Department of the Navy. A total of $551.9 million is proposed for new appropriation in the budget year; this is approximately $209 million below amounts enacted for fiscal 1979.

Our principal witnesses will be Rear Adm. D. G. Iselin, Commander of the Naval Facilities Engineering Command, and Brig. Gen. E. C. Cheatham, Jr., representing the Marine Corps.

You may proceed, sir.

Admiral ISELIN. Thank you, sir.

I am pleased to have the opportunity to present the Navy's military construction budget. I will provide some brief comments on some special topics.

Senator HUDDLESTON. Very good.

CONSTRUCTION MARKET CONDITIONS

Admiral ISELIN. The first topic addresses military construction market conditions. Recent bidding experience indicates that a problem is developing in executing the fiscal year 1979 military construction program within authorized project amounts. Some jobs have already come in well over the money. Most of these are now being redesigned

and will be rebid. In each project, we are trying to retain the basic functions needed to do the job.

We are building to the same standards as those of 2 or 3 years ago. For example, basic structural, mechanical, and electrical systems cannot be significantly altered without increasing life-cycle costs. Energy conservation features have increased our costs somewhat, but this single factor does not account for the large cost increases that we are presently experiencing.

When construction costs depart from trend lines significantly over short periods of time, we find that our project estimates do not hold up. This appears to be happening in 1979, so we expect to submit a number of scope reduction and cost variation reports as well as reprograming requests this year.

Because of the increase in construction costs, we are falling somewhat behind our earlier predictions for award of contracts because we are redesigning some projects to reduce costs and have to request cost variations and reprograming on others. Nevertheless, we are off to a fast start this year and I am still optimistic that we will come very close to meeting our goals for the full fiscal year.

POLLUTION ABATEMENT

Pollution abatement; $86.6 million is requested for air and water pollution abatement. The Navy has made significant improvements with the $506 million of authority and appropriations provided since 1968. We have brought 98 percent of our air emissions into compliance, converted 50 percent of our ships' sanitary discharge systems to acceptable standards, eliminated all open dumps, and increased our shore establishment's sanitary waste secondary treatment from 62 percent to over 90 percent.

The fiscal year 1980 pollution abatement request includes $31 million for oil spill prevention facilities, $24 million for sanitary sewage systems and $19 million for industrial waste treatment and collection, plus $12 million for other compliance-oriented projects. It is estimated that $40 million annually over the next 4 years will be required to allow the Navy to comply with existing laws.

ENERGY CONSERVATION

In energy conservation, the energy conservation investment program provides for refit of existing facilities to save the most energy for the dollars invested. These projects will contribute to meeting the goal of a 20-percent reduction in energy consumption of existing facilities by 1985.

Through fiscal year 1979, these improvements will save the equivalent of 1,600,000 barrels of fuel oil annually. The $46.7 million requested this year will save the equivalent of approximately 300,000 barrels of fuel oil annually, and will amortize the investment in 6 years.

OCCUPATIONAL SAFETY AND HEALTH PROGRAM

We are requesting $6 million for continuation of the Naval Occupational Safety and Health program. Preliminary surveys have identified many deficiencies in occupational safety and health standards. At least $15 million per year in military construction will be required to correct these deficiencies over the next 5 years.

OTHER PROGRAMS

In addition to these programs, we are requesting $33.4 million for minor construction, $284 million in construction for major commands, $57 million for planning and design, and $4.5 million for defense access roads. Details are contained in my full statement, which I would like to submit for the record.

PREPARED STATEMENT

Senator HUDDLESTON. It will be received in its entirety, Admiral.
[The statement follows:]

PREPARED STATEMENT OF REAR ADM. D. G. ISELIN, CEC, U.S. NAVY

COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

MR. CHAIRMAN, AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL DONALD G. ISELIN, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND.

I AM PLEASED TO HAVE THE OPPORTUNITY TO REVIEW THE NAVY'S MILITARY CONSTRUCTION BUDGET. BRIGADIER GENERAL ERNEST C. CHEATHAM, JR., UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS PORTION OF THE BUDGET.

FISCAL YEAR 1980 MILITARY CONSTRUCTION APPROPRIATION

THE APPROPRIATIONS REQUEST IS 551.9 MILLION DOLLARS IN NEW OBLIGATIONAL AUTHORITY. FOR COMPARISON, THE FISCAL YEAR 1979 APPROPRIATION WAS 760.1 MILLION DOLLARS.

PRESENTATION HIGHLIGHTS

I WILL PROVIDE BRIEF COMMENTS ON SOME SPECIAL TOPICS. I WILL ALSO REVIEW THE SIGNIFICANT PROJECTS IN THE MAJOR COMMAND PROGRAMS AND PROVIDE TABULATIONS OF THE AMOUNTS BY FACILITIES CATEGORIES AND MAJOR COMMAND AS A SUPPLEMENT.

CONSTRUCTION MARKET CONDITIONS

RECENT BIDDING EXPERIENCE INDICATES THAT A PROBLEM IS DEVELOPING IN EXECUTING THE FISCAL YEAR 1979 MILITARY CONSTRUCTION PROGRAM WITHIN AUTHORIZED PROJECT AMOUNTS. SOME JOBS HAVE ALREADY COME IN WELL OVER THE MONEY. MOST OF THESE ARE NOW BEING REDESIGNED AND WILL BE REBID. WE ARE TRYING TO RETAIN THE BASIC FUNCTIONS NEEDED TO DO THE JOB. WE ARE NOT GOLD PLATING OUR FACILITIES. A BARRACKS TODAY IS BEING BUILT TO THE SAME STANDARDS AS THOSE OF TWO OR THREE YEARS AGO. A MACHINE OR PIPE SHOP HAS BASIC STRUCTURAL, MECHANICAL AND ELECTRICAL SYSTEMS THAT CANNOT BE SIGNIFICANTLY ALTERED WITHOUT ALTERING QUALITY AND FREQUENTLY INCREASING LIFE-CYCLE COSTS. SOME COST INCREASES ARE OCCURRING BECAUSE WE ARE MAKING OUR BUILDINGS MORE ENERGY EFFICIENT. HOWEVER, THIS SINGLE FACTOR DOES NOT ACCOUNT FOR THE LARGE COST INCREASES THAT WE ARE PRESENTLY EXPERIENCING.

WHEN CONSTRUCTION COSTS DEPART FROM TREND LINES SIGNIFICANTLY OVER SHORT PERIODS OF TIME, WE FIND THAT OUR PROJECT ESTIMATES DO NOT HOLD UP. THIS APPEARS TO BE HAPPENING IN 1979, SO WE EXPECT TO SUBMIT A SIGNIFICANT NUMBER OF SCOPE REDUCTION AND COST VARIATION REPORTS AS WELL AS REPROGRAMMING REQUESTS THIS YEAR.

RELATED TO THE RECENT RAPID INCREASE IN CONSTRUCTION COSTS, WE ARE FALLING SOMEWHAT BEHIND OUR PREDICTIONS FOR AWARD OF CONTRACTS FOR PROJECTS AUTHORIZED IN FISCAL YEAR 1979. DELAYS ARE OCCURRING BECAUSE WE ARE REDESIGNING SOME PROJECTS TO REDUCE COSTS AND MAY HAVE TO REQUEST COST VARIATIONS AND REPROGRAMMINGS ON OTHERS, BUT I AM STILL OPTIMISTIC THAT WE WILL COME VERY CLOSE TO MEETING OUR GOALS FOR THE FULL FISCAL YEAR.

TRIDENT

IN THIS YEAR'S BUDGET REQUEST, WE ARE ASKING FOR 19.8 MILLION DOLLARS FOR TRIDENT. AS OF DECEMBER 31, 1978, 475 MILLION DOLLARS OF THE 539 MILLION DOLLARS APPROPRIATED FOR TRIDENT FACILITY CONSTRUCTION HAD BEEN OBLIGATED. AN ADDITIONAL 28 MILLION DOLLARS IS EXPECTED TO BE OBLIGATED BY OCTOBER 1, 1979.

NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, KINGSLAND, GEORGIA

CONSTRUCTION IS PROGRESSING SATISFACTORILY FOR MEETING THE JULY 1, 1979 DATE FOR RELOCATING THE FLEET BALLISTIC MISSILE SUBMARINE SQUADRON FROM ROTA, SPAIN, TO KINGS BAY, GEORGIA.

THE REQUEST FOR FISCAL YEAR 1980 IS 20.3 MILLION DOLLARS, WHICH WILL MAKE THE TOTAL COST TO RELOCATE THE ROTA SQUADRON APPROXIMATELY 100 MILLION DOLLARS, INCLUDING FAMILY HOUSING AND ACCESS ROADS.

POLLUTION ABATEMENT

IN THIS YEAR'S BUDGET, 86.6 MILLION DOLLARS IS REQUESTED FOR AIR AND WATER POLLUTION ABATEMENT. THE NAVY HAS MADE SIGNIFICANT IMPROVEMENTS IN SANITARY AND INDUSTRIAL WASTE SEWERAGE SYSTEMS, SHIP WASTEWATER COLLECTION ASHORE, MUNICIPAL SEWER CONNECTIONS, AIR EMISSION IMPROVE-

MENTS, AND SOLID WASTE DISPOSAL SYSTEMS WITH THE 506 MILLION DOLLARS OF AUTHORITY AND APPROPRIATIONS PROVIDED TO DATE; SINCE 1968. WE HAVE BROUGHT 98 PERCENT OF OUR AIR EMISSIONS INTO COMPLIANCE, CONVERTED 50 PERCENT OF OUR SHIPS' SANITARY DISCHARGE SYSTEMS TO ACCEPTABLE STANDARDS, ELIMINATED ALL OPEN DUMPS, AND INCREASED OUR SHORE ESTABLISHMENT'S SANITARY WASTE SECONDARY TREATMENT FROM 62 PERCENT TO OVER 90 PERCENT. THE FISCAL YEAR 1980 POLLUTION ABATEMENT REQUEST INCLUDES 31 MILLION DOLLARS FOR OIL SPILL PREVENTION FACILITIES, 24 MILLION DOLLARS FOR SANITARY SEWERAGE SYSTEMS AND 19 MILLION DOLLARS FOR INDUSTRIAL WASTE TREATMENT AND COLLECTION, PLUS 12 MILLION DOLLARS FOR OTHER COMPLIANCE-ORIENTED PROJECTS. THIS AMOUNTS TO GREATER THAN 15 PERCENT OF THE NAVY'S TOTAL MILITARY CONSTRUCTION REQUEST. IT IS ESTIMATED THAT 40 MILLION DOLLARS ANNUALLY OVER THE NEXT FOUR YEARS WILL BE REQUIRED TO ALLOW THE NAVY TO COMPLY WITH EXISTING LAWS. AREAS WHICH WILL RECEIVE ATTENTION AS ENVIRONMENTAL PROTECTION AGENCY AND STATE REGULATIONS ARE FINALIZED INCLUDE PRETREATMENT OF TOXIC WASTES, HAZARDOUS WASTE DISPOSAL FACILITIES, SOLID WASTE RECYCLING FACILITIES AND INDUSTRIAL WASTE PRETREATMENT.

ENERGY CONSERVATION

THE ENERGY CONSERVATION INVESTMENT PROGRAM PROVIDES FOR REFIT OF EXISTING FACILITIES TO: (1) MINIMIZE ENERGY LOSS; (2) USE THE LATEST ENERGY SAVING MATERIALS AND EQUIPMENT; AND (3) IMPROVE THE EFFICIENCY OF EXISTING ENERGY SYSTEMS. THE SELECTED PROJECTS IN THIS YEAR'S PROGRAM WILL SAVE THE MOST ENERGY FOR THE DOLLARS INVESTED. THE FUNDING OF THESE PROJECTS WILL CONTRIBUTE TO MEETING THE GOAL OF A 20 PERCENT REDUCTION IN ENERGY CONSUMPTION OF EXISTING FACILITIES BY 1985, WHEN COMPARED WITH THE 1975 BASE LINE. WHEN THE FACILITIES IMPROVEMENTS AUTHORIZED THROUGH FISCAL YEAR 1979 ARE COMPLETED, IT IS ESTIMATED THAT THEREAFTER THESE IMPROVEMENTS WILL SAVE THE EQUIVALENT OF 1,600,000 BARRELS OF FUEL OIL ANNUALLY. THE 46.7 MILLION DOLLARS REQUESTED THIS YEAR WILL SAVE THE EQUIVALENT OF APPROXIMATELY 300 THOUSAND BARRELS OF

FUEL OIL ANNUALLY. THIS INVESTMENT WILL RESULT IN AN ANNUAL COST AVOIDANCE OF APPROXIMATELY 7.8 MILLION DOLLARS AND WILL AMORTIZE THE INVESTMENT IN SIX YEARS.

OCCUPATIONAL SAFETY AND HEALTH CONSTRUCTION

WE ARE REQUESTING 6.0 MILLION DOLLARS FOR CONTINUATION OF THE NAVAL OCCUPATIONAL SAFETY AND HEALTH PROGRAM. PRELIMINARY SURVEYS HAVE IDENTIFIED MANY MORE DEFICIENCIES IN OCCUPATIONAL SAFETY AND HEALTH STANDARDS. THESE SURVEYS ARE CONTINUING TO REFINE AND VALIDATE SPECIFIC REQUIREMENTS. IT IS ESTIMATED THAT AT LEAST 15 MILLION DOLLARS PER YEAR IN MILITARY CONSTRUCTION AND ANOTHER 10 MILLION DOLLARS IN OPERATIONS AND MAINTENANCE AND OTHER PROCUREMENT WILL BE REQUIRED TO CORRECT THE DEFICIENCIES THAT WE ARE NOW IDENTIFYING OVER THE NEXT FIVE YEARS.

MINOR CONSTRUCTION

OF THE 33.4 MILLION DOLLARS REQUESTED FOR MINOR CONSTRUCTION, 20 MILLION DOLLARS IS FOR UNIDENTIFIED REQUIREMENTS, TITLED EXIGENT CONSTRUCTION, AND 13.4 MILLION DOLLARS IS FOR IDENTIFIED REQUIREMENTS TITLED SPECIFIED LOCATIONS MINOR CONSTRUCTION. THE SPECIFIED LOCATIONS PROJECTS REPRESENT 25 PERCENT OF THE TOTAL NUMBER OF PROJECTS, BUT ONLY 2 PERCENT OF THE DOLLAR REQUEST FOR PROJECT CONSTRUCTION.

ABOUT 80 PERCENT OF THE PROJECT DOLLARS FOR SPECIFIED LOCATIONS MINOR CONSTRUCTION ARE DEVOTED TO ENERGY CONSERVATION, POLLUTION ABATEMENT, AND OCCUPATIONAL SAFETY AND HEALTH. A TABLE, IN THE SUPPLEMENT TO MY STATEMENT, PROVIDES MORE DETAIL ON THE TYPES OF PROJECTS INCLUDED IN SPECIFIED LOCATIONS MINOR CONSTRUCTION.

MAJOR COMMANDS PROGRAM

IN DISCUSSING THE PROGRAMS OF THE MAJOR COMMANDS, I WILL ADDRESS SELECTED MAJOR PROJECTS. IN ADDITION TO THE REGULAR PROJECTS, THE AMOUNT FOR MINOR CONSTRUCTION FOR EACH MAJOR COMMAND AS WELL AS THE AMOUNTS FOR POLLUTION ABATEMENT AND ENERGY PROJECTS WILL BE IDENTIFIED.

OFFICE OF NAVAL RESEARCH

FOR THE OFFICE OF NAVAL RESEARCH, INSIDE THE UNITED STATES, WE ARE

41-638 O - 79 - 23

REQUESTING 570 THOUSAND DOLLARS FOR TWO MINOR CONSTRUCTION PROJECTS AT THE NAVAL RESEARCH LABORATORY, WASHINGTON, D. C.

CHIEF OF NAVAL OPERATIONS

FOR THOSE INSTALLATIONS UNDER THE DIRECT MANAGEMENT CONTROL OF THE CHIEF OF NAVAL OPERATIONS, THE REQUEST IS 40.2 MILLION DOLLARS FOR MAJOR CONSTRUCTION. INCLUDED IN THIS TOTAL ARE 14.3 MILLION DOLLARS FOR TRIDENT AND 20.3 MILLION DOLLARS FOR THE NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA. ANOTHER SIGNIFICANT PROJECT IS A 5.5 MILLION DOLLAR PROJECT FOR DREDGING OF THE THAMES RIVER TO PERMIT SAFE TRANSIT OF TRIDENT SUBMARINES TO SEA.

COMMANDER IN CHIEF, ATLANTIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, ATLANTIC FLEET IS 68.5 MILLION DOLLARS FOR MAJOR CONSTRUCTION. OF THIS TOTAL, 19.8 MILLION DOLLARS IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES, 2.7 MILLION DOLLARS IS FOR ENERGY CONSERVATION, AND 4.2 MILLION DOLLARS IS FOR POLLUTION ABATEMENT. ALSO REQUESTED IS 1.9 MILLION DOLLARS FOR MINOR CONSTRUCTION.

THE HIGHLIGHTS OF THIS 68 MILLION DOLLAR REQUEST INCLUDE 10.3 MILLION DOLLARS FOR THE NAVAL STATION, MAYPORT, FLORIDA, FOR A MACHINE SHOP TO PROVIDE FACILITIES FOR SHORE INTERMEDIATE MAINTENANCE SUPPORT. THE INTERMEDIATE LEVEL CAPABILITY AT MAYPORT NEEDS TO BE INCREASED BECAUSE OF INCREASING SHIP COMPLEXITY AND NEW SHIPS COMING INTO THE FLEET. HOMEPORTED SHIPS IN THE MAYPORT AREA WILL GROW IN NUMBER FROM 23 TODAY TO OVER 40 BY FISCAL YEAR 1986. SHORE INTERMEDIATE MAINTENANCE ACTIVITIES SUPPLEMENT TENDERS, EXPAND SHIP MAINTENANCE CAPABILITY, AND IMPROVE RETENTION OF SKILLED, EXPERIENCED PETTY OFFICERS THROUGH SEA AND SHORE ROTATION. THIS MACHINE SHOP PROJECT WILL SUPPORT THE MAINTENANCE OF SHIPS AT THE INTERMEDIATE LEVEL.

PIER EXTENSIONS IN THE AMOUNT OF 5.8 MILLION DOLLARS AND AN ENLISTED BARRACKS AT AN ESTIMATED COST OF 7.8 MILLION DOLLARS ARE THE SIGNIFICANT PROJECTS REQUESTED FOR THE NAVAL SUBMARINE BASE, NEW LONDON,

CONNECTICUT. THE PIER EXTENSION WILL PROVIDE IMPROVEMENTS TO THREE PIERS MAKING THEM ADEQUATE FOR BERTHING FIVE NUCLEAR-POWERED ATTACK SUBMARINES (SSN'S). THE BARRACKS PROJECT WILL PROVIDE ADEQUATE SPACES FOR 300 E-1 THROUGH E-4 AND 300 E-5 THROUGH E-6 PERSONNEL, AND RELIEVE SEVERE OVERCROWDING.

FOR THE NAVAL STATION, NORFOLK, VIRGINIA, A 5.5 MILLION DOLLAR PROJECT WILL PROVIDE A PERMANENT BERTH FOR THE AFDL-47 FLOATING DRYDOCK. THIS DRYDOCK WILL BE USED TO SUPPORT REPAIRS AND MAINTENANCE OF 26 NUCLEAR SUBMARINES, AND 15 OTHER NORFOLK-BASED SHIPS.

FOR THE COMMANDER IN CHIEF, ATLANTIC FLEET, 19.8 MILLION DOLLARS IS REQUESTED OUTSIDE THE UNITED STATES. AT THE NAVAL STATION, KEFLAVIK, ICELAND, 16.2 MILLION DOLLARS IS REQUESTED FOR A GEOTHERMAL HEATING PROJECT, TO FUND THE CONNECTION CHARGE TO THE LOCAL REGIONAL HEATING CORPORATION FOR THE DEVELOPMENT OF OFF-BASE WELL CAPACITY AND INSTALLATION OF HEATING MAINS ON-BASE. INITIAL HOOK-UPS OF A PORTION OF THE BASE BUILDINGS ARE A PART OF THIS PROJECT.

COMMANDER IN CHIEF, PACIFIC FLEET

THE REQUEST FOR THE COMMANDER IN CHIEF, PACIFIC FLEET IS 52.3 MILLION DOLLARS, OF WHICH 3.9 MILLION DOLLARS IS FOR CONSTRUCTION OUTSIDE THE UNITED STATES, 3 MILLION DOLLARS IS FOR ENERGY CONSERVATION, AND 12.5 MILLION DOLLARS IS FOR POLLUTION ABATEMENT. ALSO REQUESTED IS 750 THOUSAND DOLLARS FOR MINOR CONSTRUCTION.

OF THIS TOTAL, THE MAJOR PROJECTS INCLUDE 8.3 MILLION DOLLARS AT THE NAVAL STATION, ADAK, ALASKA, TO MODERNIZE ENLISTED BARRACKS FOR 184 PERSONNEL; 4.4 MILLION DOLLARS FOR MODERNIZING A MARINE BARRACKS FOR 136 PERSONNEL, AND 3.2 MILLION DOLLARS FOR A DINING FACILITY MODERNIZATION PROJECT.

TWO TRAINING PROJECTS REQUESTED FOR THE NAVAL AIR STATION, LEMOORE, CALIFORNIA, WILL PROVIDE MAINTENANCE AND OPERATIONAL TRAINING FACILITIES FOR THE F-18 AIRCRAFT TO BE INTRODUCED TO THIS STATION IN MARCH 1981. THESE PROJECTS TOTAL 6.3 MILLION DOLLARS.

AT THE NAVAL STATION, SAN DIEGO, CALIFORNIA, 9.2 MILLION DOLLARS WILL PROVIDE UTILITIES ON PIER 8 FOR COLD IRON BERTHING.

A NEW STEAM PLANT COSTING 3.2 MILLION DOLLARS FOR THE NAVAL SUBMARINE SUPPORT FACILITY, SAN DIEGO, CALIFORNIA, WILL PROVIDE SUFFICIENT STEAM CAPABILITY TO PERMIT SIX HOMEPORTED SHIPS TO GO COLD IRON.

FOR COMMANDER IN CHIEF, PACIFIC FLEET, OUTSIDE THE UNITED STATES, 3.9 MILLION DOLLARS IS REQUESTED TO PROVIDE A SANITARY SEWAGE COLLECTION AND TREATMENT FACILITY FOR THE NAVAL AIR FACILITY, MIDWAY ISLAND.

CHIEF OF NAVAL EDUCATION AND TRAINING

FOR THE CHIEF OF NAVAL EDUCATION AND TRAINING, WE ARE REQUESTING 18.4 MILLION DOLLARS. OF THIS TOTAL, 1.3 MILLION DOLLARS IS FOR POLLUTION ABATEMENT AND 2.8 MILLION DOLLARS IS FOR ENERGY CONSERVATION. THE MINOR CONSTRUCTION REQUESTED IS 1.7 MILLION DOLLARS.

THE SIGNIFICANT PROJECTS ARE 6 MILLION DOLLARS FOR A TRAINER FACILITY TO HOUSE TWO GAS TURBINE SHIP PROPULSION UNITS AT THE NAVAL TRAINING CENTER, GREAT LAKES, ILLINOIS; AND AN 8.3 MILLION DOLLAR APPLIED INSTRUCTION BUILDING FOR PROPULSION AND WEAPONS TRAINING AT THE FLEET TRAINING CENTER, SAN DIEGO, CALIFORNIA.

BUREAU OF MEDICINE AND SURGERY

THE REQUEST FOR THE BUREAU OF MEDICINE AND SURGERY IS 8.0 MILLION DOLLARS FOR MAJOR CONSTRUCTION. THE PROJECTS INCLUDE 2.1 MILLION DOLLARS FOR ENERGY CONSERVATION ALTERATIONS TO THE NAVAL HOSPITAL, CAMP PENDLETON, CALIFORNIA; AND 5.9 MILLION DOLLARS FOR A NEW MEDICAL CLINIC TO PROVIDE PRIMARY CARE AND INDUSTRIAL HEALTH FACILITIES AT THE NAVAL STATION, SAN DIEGO, CALIFORNIA.

CHIEF OF NAVAL MATERIAL

THE REQUEST FOR THE CHIEF OF NAVAL MATERIAL IS 162.5 MILLION DOLLARS TO PROVIDE FACILITIES FOR LOGISTIC SUPPORT OF THE FLEET. OF THIS AMOUNT, 47.3 MILLION DOLLARS IS FOR POLLUTION ABATEMENT

AND 32.6 MILLION DOLLARS IS FOR ENERGY CONSERVATION. ALSO REQUESTED IS 6.6 MILLION DOLLARS FOR MINOR CONSTRUCTION.

FOR SHIPYARD MODERNIZATION, 31 MILLION DOLLARS IS REQUESTED FOR EIGHT PROJECTS AT SIX SHIPYARDS. A BRIEF DISCUSSION OF THESE PROJECTS FOLLOWS:

AT THE PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON, 1.6 MILLION DOLLARS IS REQUESTED FOR DREDGING AND INCREASED ELECTRICAL CAPACITY FOR ACOUSTIC TESTS FOR SSN-688 CLASS SUBMARINES.

AT THE LONG BEACH NAVAL SHIPYARD, LONG BEACH, CALIFORNIA, 1.8 MILLION DOLLARS WILL PROVIDE FIRE PROTECTION IMPROVEMENTS TO THREE LARGE INDUSTRIAL BUILDINGS.

AT THE MARE ISLAND NAVAL SHIPYARD, VALLEJO, CALIFORNIA, 6 MILLION DOLLARS IS REQUESTED FOR A WATERFRONT WORK FACILITY.

FOR THE PORTSMOUTH NAVAL SHIPYARD, KITTERY, MAINE, THE PROJECTS REQUESTED ARE 2.5 MILLION DOLLARS FOR BERTHING WHARF RESTORATION TO STABILIZE THE GRANITE BLOCK QUAYWALL OF BERTH 6, AND 1.9 MILLION DOLLARS FOR DRYDOCK REPAIRS TO PERMIT SAFE UTILIZATION OF THE DRYDOCK FOR REPAIRS TO THE CURRENT CLASSES OF SUBMARINES.

AT THE NORFOLK NAVAL SHIPYARD, PORTSMOUTH, VIRGINIA, 10 MILLION DOLLARS IS REQUESTED TO PROVIDE SPACE FOR CONSOLIDATING ENGINEERING AND MANAGEMENT PERSONNEL, ALLEVIATING OVERCROWDING, AND TO PROVIDE FOR AN INCREASE OF APPROXIMATELY 45 PERSONNEL.

AT THE PEARL HARBOR NAVAL SHIPYARD, PEARL HARBOR, HAWAII, 7.3 MILLION DOLLARS IS REQUESTED TO CONSOLIDATE AND IMPROVE THE RIGGERS AND LABORERS SHOP, AND THE TEMPORARY SERVICES SHOP.

FOR THE NAVAL AIR REWORK FACILITIES, MODERNIZATIONS TOTALLING 6.7 MILLION DOLLARS WILL BE ACCOMPLISHED ON TWO JET ENGINE TEST CELLS; ONE EACH AT ALAMEDA AND NORTH ISLAND, CALIFORNIA. A NEW EXHAUST SYSTEM, AUGMENTOR AND STACK WILL BE INSTALLED ON THE CELLS TO REDUCE VISIBLE EMISSIONS, AND NOISE LEVELS. THE NEW SYSTEMS REPLACE WORN OUT

AND DETERIORATING COMPONENTS THAT LIMIT USEFULNESS OF EXISTING CELLS AND CAUSE EXCESSIVE MAINTENANCE COSTS.

AT THE NAVAL WEAPONS STATIONS, THE SIGNIFICANT PROJECTS ARE A TORPEDO SHOP FOR MARK 46 TORPEDOES AND ANTI-SUBMARINE ROCKET MAINTENANCE OPERATIONS AT CHARLESTON, SOUTH CAROLINA; ENLISTED BARRACKS AND DINING FACILITY FOR 238 PERSONNEL AT CONCORD, CALIFORNIA; AND PIER IMPROVEMENTS AND UTILITIES AT EARLE, NEW JERSEY.

FOR THE POLARIS MISSILE FACILITY ATLANTIC, CHARLESTON, SOUTH CAROLINA, 7.5 MILLION DOLLARS IS REQUESTED FOR A RADIOGRAPHIC INSPECTION BUILDING, AN INERT STORAGE BUILDING AND MAGAZINES REQUIRED TO SUPPORT DEPLOYMENT OF THE TRIDENT I MISSILE ON FLEET BALLISTIC MISSILE SUBMARINES.

OTHER SIGNIFICANT PROJECTS OF THE CHIEF OF NAVAL MATERIAL ARE AN OCEAN SURVEILLANCE FACILITY IN THE AMOUNT OF 8.8 MILLION DOLLARS AT THE NAVAL OCEAN SYSTEMS CENTER, SAN DIEGO, CALIFORNIA, AND AN AUTOMATED WAREHOUSE FACILITY AT 9.1 MILLION DOLLARS FOR THE NAVAL SUPPLY CENTER, SAN DIEGO, CALIFORNIA. THE OCEAN SURVEILLANCE PROJECT PROVIDES A FACILITY TO INVESTIGATE SENSORS, CORRELATE AND ANALYZE MULTI-SOURCE DATA, AND EVALUATE PERFORMANCE AND VULNERABILITY OF OCEAN SURVEILLANCE SYSTEMS EXPERIMENTALLY AND BY SIMULATION. THE AUTOMATED WAREHOUSE PROJECT WILL PROVIDE A FACILITY TO CONSOLIDATE, MECHANIZE, AND AUTOMATE NAVY RECEIPT, STORAGE, AND ISSUE FUNCTIONS FOR 54 PERCENT OF THE PACIFIC FLEET UNITS HOMEPORTED AT SAN DIEGO. THE AUTOMATED FACILITY WILL RETURN ITS 9.1 MILLION DOLLAR INVESTMENT IN SIX YEARS.

NAVAL SECURITY GROUP COMMAND

FOR THE NAVAL SECURITY GROUP COMMAND, WE ARE REQUESTING 6.5 MILLION DOLLARS FOR MAJOR CONSTRUCTION AND 600 THOUSAND DOLLARS FOR MINOR CONSTRUCTION. THE MAJOR PROJECTS ARE LOCATED AT THE NAVAL SECURITY GROUP ACTIVITY, ADAK, ALASKA, AND WILL PROVIDE AN EXPANSION

TO THE OPERATIONS BUILDING TO HOUSE OPERATIONS WHICH ARE CLASSIFIED, AS WELL AS MODERNIZATION OF AN ENLISTED BARRACKS FOR 141 PERSONNEL.

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, 16.3 MILLION DOLLARS IS REQUESTED FOR MAJOR CONSTRUCTION. THE SIGNIFICANT PROJECTS ARE 6.6 MILLION DOLLARS TO PROVIDE COMMERCIAL POWER TO THE NAVAL STATION, ROTA, SPAIN, AND 9.7 MILLION DOLLARS FOR THE NAVAL AIR FACILITY, SIGONELLA, SICILY, ITALY, FOR A GENERAL WAREHOUSE, ADMINISTRATION BUILDING AND DATA CENTER, AIR PASSENGER TERMINAL EXPANSION, AND AIRCRAFT MAINTENANCE HANGAR ADDITION.

NAVAL TELECOMMUNICATIONS COMMAND

FOR THE NAVAL TELECOMMUNICATIONS COMMAND, 2.8 MILLION DOLLARS IS REQUESTED FOR TWO PROJECTS. AT THE NAVAL COMMUNICATION STATION HAROLD E. HOLT, EXMOUTH, AUSTRALIA, 2.5 MILLION DOLLARS WILL CONSTRUCT A SATELLITE COMMUNICATIONS GROUP TERMINAL TO PROVIDE ADEQUATE SATELLITE COMMUNICATIONS FOR THE FLEET AND DEFENSE SATELLITE SYSTEMS.

SUMMARY

IN 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.

FISCAL YEAR 1980 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY
BY MAJOR COMMAND
(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	OSHA
Inside the United States						
Marine Corps	$ 68,480	12.4	(900)	(12,350)	(1,980)	(150)
Office of Naval Research	0	0	(570)	(110)	(0)	(0)
Chief of Naval Operations	40,150	7.3	(0)	(0)	(0)	(0)
Commander in Chief, Atlantic Fleet	48,670	8.8	(1,880)	(4,230)	(2,720)	(0)
Commander in Chief, Pacific Fleet	48,400	8.8	(600)	(8,550)	(3,000)	(150)
Naval Education and Training	18,440	3.3	(1,670)	(1,330)	(2,820)	(0)
Bureau of Medicine and Surgery	7,950	1.4	(0)	(0)	(2,050)	(0)
Chief of Naval Material	158,465	28.7	(6,190)	(45,330)	(30,520)	(5,470)
Naval Security Group Command	6,505	1.2	(600)	(0)	(0)	(0)
Subtotal	$397,060	71.9	(12,410)	(71,900)	(43,090)	(5,770)
Outside the United States						
Marine Corps	11,700	2.1	(0)	(7,400)	(0)	(0)
Office of Naval Research	30	(0)	(0)	(0)	(0)	(0)
Commander in Chief, Atlantic Fleet	19,810	3.6	(210)	(1,450)	(1,510)	(0)
Commander in Chief, Pacific Fleet	3,900	0.7	(150)	(3,900)	(0)	(0)
Commander in Chief, Naval Forces Europe	16,300	3.0	(0)	(0)	(0)	(0)
Chief of Naval Material	3,700	0.7	(350)	(1,950)	(2,100)	(0)
Naval Telecommunications Command	2,500	0.4	(270)	(0)	(0)	(270)
Naval Security Group Command	1,400	0.3	(0)	(0)	(0)	(0)
Subtotal	$ 59,340	10.8	(980)	(14,700)	(3,610)	(270)
TOTAL	$456,400	82.7	(13,390)[1]	(86,600)[2]	(46,700)[2]	(6,040)[3]
Minor Construction	33,390[4]	6.0				
Specified	(13,390)	(2.4)				
Exigent	(20,000)	(3.6)				
Continuing Authority	62,110	11.3				
Planning and Design	(57,549)	(10.4)				
Access Roads	(4,561)	(0.9)				
Total & New Obligational Authority	$551,900	100.0				

1/Total minor construction, including minor pollution abatement, energy conservation and OSHA projects.
2/Total pollution abatement and energy conservation including minor construction projects.
3/Occupational Safety and Health Act projects, including minor construction.
4/Total for minor construction. Amounts are not included in Major Command totals. All minor construction is included under a composite minor construction project.
( )Non-Add.

FISCAL YEAR 1980 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY
BY FACILITIES CATEGORIES
(DOLLARS IN THOUSANDS)

Description	Navy	Marine Corps	Total	% of Program	Minor Construction	Pollution Abate.	Energy Conservation	OSHA
Operational	44,879	800	45,679	8.3	(1,950)	(2,130)	(0)	(1,370)
Training	23,050	0	23,050	4.2	(980)	(0)	(520)	(0)
Maintenance & Production	50,100	15,500	65,600	11.9	(2,810)	(1,600)	(7,410)	(1,250)
RDT&E	8,830	0	8,830	1.6	(1,570)	(0)	(130)	(980)
Supply	52,690	0	52,690	9.6	(430)	(27,010)	(2,720)	(690)
Medical	11,250	0	11,250	2.0	(0)	(0)	(2,050)	(0)
Administrative	24,510	5,500	30,010	5.4	(1,210)	(0)	(2,470)	(450)
Housing & Community Facs.	42,696	35,100	77,796	14.1	(630)	(0)	(2,200)	(150)
(BHousing)	(32,036)	(35,100)	(67,136)	(12.2)	(480)	(0)	(2,200)	(0)
(CSupport)	(10,660)	(0)	(10,660)	(1.9)	(150)	(0)	(0)	(150)
Utilities	129,695	1,800	131,495	23.8	(3,810)	(55,860)	(29,200)	(1,150)
Real Estate	10,000	0	10,000	1.8	(0)	(0)	(0)	(0)
TOTAL	397,700	58,700	456,400	82.7	(13,390)[1]	(86,600)[2]	(46,700)[2]	(6,404)[3]
Minor Construction			33,390[4]	6.0				
Specified			(13,390)	(2.4)				
Exigent			(20,000)	(3.6)				
Continuing Auth.			62,110	11.3				
Planning and Design			(57,549)	(10.5)				
Access Roads			(4,561)	(0.8)				
Total and New Obligational Authority			551,900	100.0				

1/Total minor construction, including minor pollution abatement, energy conservation and OSHA projects.
2/Total pollution abatement and energy conservation including minor construction projects.
3/Occupational Safety and Health Act projects, including minor construction.
4/Total for minor construction. Amounts are not included in Major Command totals. All minor construction is included under a composite minor construction project.
( )Non-Add.

FISCAL YEAR 1980 MILITARY CONSTRUCTION PROGRAM
MINOR CONSTRUCTION SUMMARY
FOR APPROPRIATIONS

(DOLLARS IN THOUSANDS)

	Number of Projects	Amount	Percent of Minor Construction Number of Projects	Amount
Energy Conservation	19	$3,950	36.5	29.5
Pollution Abatement	14	3,390	26.9	25.3
OSHA	10	3,250	19.2	24.3
Regular	9	2,800	17.4	20.9
TOTAL	52	13,390	100.0	100.0
Total of Appropriation Projects	205	551,900		
Percent of Total	25.4	2.4		

BIOGRAPHICAL SKETCH

Rear Admiral Donald G. Iselin was born in Racine, Wisconsin, September 5, 1922, attended Marquette University for two years, and was graduated from the U. S. Naval Academy at the head of his class in 1945. For the next year he served on the light cruiser, USS PROVIDENCE, Flagship of the Mediterranean squadron. In 1946 he was selected for the Civil Engineer Corps of the Navy and studied post-graduate work at Rensselaer Polytechnic Institute, where he received his bachelor's and master's degrees in civil engineering.

He then served with the 104th Naval Construction Battalion as Pontoon Company Commander and was assigned with Seabee detachments in Alaska and Hawaii. He was technical advisor for Navy construction projects during the atom bomb tests at Eniwetok in 1950-51. From 1951 to 1953 he was assigned to the Naval Air Missile Test Center at Point Mugu, California, as Assistant Officer in Charge of Construction. After a tour in the Public Works Department of the Pearl Harbor Naval Shipyard, he was selected by Admiral Rickover to be the site Project Officer for the design and construction of the Shippingport Atomic Power Station near Pittsburgh, Pennsylvania, the nation's first large scale nuclear power plant for producing electricity. He spent four years with Admiral Rickover, from 1954 to 1958.

Rear Admiral Iselin was the winner of the Moreell Medal of the Society of American Military Engineers in 1958, for the most outstanding contribution to military engineering by a member of the Civil Engineer Corps for his work as Project Officer in the construction of the Shippingport Atomic Power Station.

Rear Admiral Iselin served as Executive Officer and Assistant Director of the Naval Civil Engineering Laboratory at Port Hueneme, California, from 1958 to 1961.

He attended the Armed Forces Staff College in Norfolk, Virginia, in 1961 with subsequent assignments in the Bureau of Yards and Docks as Director, Fleet and Marine Construction Division and Assistant Chief for Shore Electronics.

For his work in directing and managing the installation of the water desalination plant in Guantanamo Bay, Cuba, Rear Admiral Iselin was awarded the Navy Commendation Medal.

From August 1964 to November 1965, Rear Admiral Iselin was Deputy Director of the Chesapeake Division, Bureau of Yards and Docks. He then served as Director of Programs and Comptroller of the Naval Facilities Engineering Command, Washington, D. C., from November 1965 to February 1967.

From February to August 1967, Rear Admiral Iselin was assigned as Special Assistant to the Officer in Charge of Construction, Republic of Vietnam. During this period he developed and implemented a new system of construction management under military hostile conditions, called "Level of Effort." For his management abilities and leadership he was awarded the Legion of Merit and the Stephen Decatur Award of the Navy League. From September 1967 through April 1968, he was Deputy Officer in Charge of Construction for Programs and Financial Management. For his leadership and management of all contractor-accomplished military construction in Vietnam, he was awarded a second Legion of Merit.

From June 1968 to September 1969, he was Commander of the Atlantic Fleet Seabees, based at Davisville, Rhode Island. He was awarded the Meritorious Service Medal for his leadership of the Seabees.

He was next assigned to the Naval Facilities Engineering Command as the Deputy Commander for Planning with additional duty as Assistant for Civil Engineering to the Deputy Chief of Naval Operations (Logistics) from September 1969 to May 1972, and was awarded a third Legion of Merit for his leadership to the Command Advisory Board in developing NAVFAC management innovations.

From June 1972 to July 1973, Rear Admiral Iselin commanded the Pacific Division, Naval Facilities Engineering Command and Naval Construction Battalions, U. S. Pacific Fleet. He earned a fourth Legion of Merit for his response to Fleet and Force requirements, and the close down of the large Cost-Plus-Award-Fee construction contract in Vietnam.

Rear Admiral Iselin reported 7 September 1973 as the Vice Commander, Naval Facilities Engineering Command, Washington, D. C., and Deputy Chief of Civil Engineers, and on 27 May 1977, he assumed duties as Commander, Naval Facilities Engineering Command and Chief of Civil Engineers.

He is a registered professional engineer in the District of Columbia. He is a member of Sigma Xi, a Director of the Society of American Military Engineers, a Commissioner of the American Section, Permanent International Association of Navigation Congresses, and a Director of the Navy Mutual Aid Association.

Rear Admiral Iselin is married to the former Jacqueline Myers. They have three children, Donna Iselin Broom, Michael, and Madeline.

His parents are Mr. and Mrs. Harry P. Iselin of Cortez, Florida.

MARINE CORPS

STATEMENT OF BRIG. GEN. E. C. CHEATHAM, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR INSTALLATIONS AND LOGISTICS

PREPARED STATEMENT

Senator HUDDLESTON. General, you may go ahead with your presentation.

General CHEATHAM. Thank you, Mr. Chairman.

It is my pleasure again to appear before the committee, and I will make a brief summary of my statement and provide my full statement for the record, sir.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. E. C. CHEATHAM, JR.

THE DIRECTOR, FACILITIES AND SERVICES DIVISION
OFFICE OF THE DEPUTY CHIEF OF STAFF
(INSTALLATIONS AND LOGISTICS)
U. S. MARINE CORPS

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE, IT IS MY PLEASURE TO APPEAR BEFORE YOU ONCE MORE AND TO HAVE THE OPPORTUNITY TO PRESENT THE MARINE CORPS PORTION OF THE DEPARTMENT OF THE NAVY FISCAL YEAR 1980 MILITARY CONSTRUCTION APPROPRIATIONS REQUEST. AS I TESTIFIED LAST YEAR, AND AS WE HAVE BEEN DOING FOR THE LAST SEVERAL YEARS, THE MAJOR MILITARY CONSTRUCTION EFFORT OF THE MARINE CORPS IS TO SUPPORT THE COMMANDANT'S PROGRAM FOR IMPROVING THE QUALITY OF LIFE OF THE INDIVIDUAL MARINE. TO THIS END, OUR FISCAL YEAR 1980 PROGRAM IS HIGHLIGHTED BY THE MODERNIZATION AND CONSTRUCTION OF HOUSING AND DINING FACILITIES FOR UNACCOMPANIED ENLISTED PERSONNEL.

THE MARINE CORPS LOOKS ON THE PROVISION OF ADEQUATE LIVING FACILITIES FOR OUR UNACCOMPANIED MARINES AS A MAJOR COMPONENT IN OUR EFFORT TO RECRUIT AND RETAIN HIGH CALIBER PERSONNEL. WITH THE PAST SUPPORT OF THE CONGRESS, OUR PROGRAM FOR CONSTRUCTION OF HOUSING FOR SINGLE MARINES HAS PROCEEDED ON SCHEDULE AND LAST YEAR I TESTIFIED THAT WITH THE FUNDING LEVELS PROJECTED AT THAT TIME, THE MARINE CORPS WOULD BE ABLE TO REDUCE ITS UNACCOMPANIED ENLISTED HOUSING DEFICIT TO MANAGEABLE LEVELS BY FISCAL YEAR 1984. NOW, HOWEVER, A NEW

PROFILE OF MILITARY CONSTRUCTION FUNDING PROJECTED TO BE AVAILABLE TO THE MARINE CORPS IN FISCAL YEARS 1981 - 1984 WILL PRECLUDE ATTAINMENT OF THE 1984 GOAL AND WILL EFFECTIVELY PROLONG OUR PROGRAM 10 OR MORE YEARS. THIS DRASTIC REDUCTION OF MILITARY CONSTRUCTION FUNDS WITHIN THE DEPARTMENT OF THE NAVY WILL SEVERELY HAMPER THE MARINE CORPS CONSTRUCTION PROGRAM FOR THE NEXT FEW YEARS, BUT I HASTEN TO STATE THAT FROM THE SMALL PERCENTAGE OF CONSTRUCTION FUNDS THAT HAVE BEEN MADE AVAILABLE WITHIN THE DEPARTMENT OF THE NAVY, THE MARINE COPRS HAS RECEIVED, AS ALWAYS, ITS FAIR SHARE.

THE MARINE CORPS REQUEST FOR MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980 TOTALS $59,200,000. THIS IS COMPLEMENTED BY A NAVY REQUEST FOR $21,880,000 IN SUPPORT OF POLLUTION ABATEMENT, ENERGY CONSERVATION AND SAFETY PROJECTS AT MARINE CORPS SHORE ACTIVITIES.

OUR REQUEST CONTAINS PROJECTS FOR REPLACING OR MODERNIZING SINGLE ENLISTED QUARTERS AND DINING FACILITIES AT A COST OF $35,000,000. THESE PROJECTS WILL PROVIDE ADEQUATE LIVING SPACES FOR 2,803 SINGLE ENLISTED MARINES AND REPAIR 10 INADEQUATE DINING FACILITIES. NEARLY 60 PERCENT OF THE MARINE CORPS REQUEST FOR MILITARY CONSTRUCTION IS DIRECTED TOWARD THESE GOALS.

THE NEXT MOST SEVERE FACILITIES DEFICIENCY WITHIN THE MARINE CORPS IS THE LACK OF ADEQUATE MAINTENANCE SPACES TO SUPPORT THE FLEET MARINE FORCE. OUR FISCAL

YEAR 1980 APPROPRIATIONS REQUEST COMMITS 26 PERCENT OF OUR PROGRAM, $15,500,000, TO CONSTRUCTION OF FIVE MAINTENANCE PROJECTS. THE REMAINING $8,600,000 REQUESTED WILL PROVIDE A WATER DISTRIBUTION PROJECT, A JOINT SERVICES COMPUTER SCIENCE SCHOOL AND AUTOMATED DATA SERVICE FACILITY, AND TWO ARMORY PROJECTS.

MR. CHAIRMAN, GENTLEMEN, THAT SUMMARIZES THE MARINE CORPS MILITARY CONSTRUCTION PROGRAM REQUEST FOR FISCAL YEAR 1980 AND CONCLUDES MY STATEMENT. I WILL BE HAPPY TO ANSWER ANY QUESTIONS FROM THE COMMITTEE.

BIOGRAPHICAL SKETCH

BRIGADIER GENERAL ERNEST C. CHEATHAM JR., USMC

Brigadier General Ernest Clifford Cheatham Jr., is Director, Facilities and Services Division, Installations and Logistics Department, Headquarters Marine Corps, Washington, D.C.

He was born July 27, 1929, in Long Beach, Calif. He graduated from St. Anthony High School there. He earned a B.S. degree in Political Science from Loyola University, Los Angeles, in 1952; and a master's degree in International Affairs from George Washington University in 1973.

General Cheatham was commissioned a Marine second lieutenant, September 20, 1952. After completing The Basic School in February 1953, he served as a platoon commander in Japan and Korea until his return to the U.S. in June 1954. During a brief period of inactive duty, he was a member of the Baltimore Colts professional football team.

In March 1955, he returned to active duty at the Marine Corps Recruit Depot, San Diego, as a company commander. He was promoted to captain in April 1956. His subsequent assignments were as Executive Officer, Marine Barracks, Adak, Alaska; company commander with the 1st Reconnaissance Bn., and 3d Bn., 5th Marines; Inspector-Instructor, 44th Rifle Company, Boise, Idaho; and with the 12th Marine Corps District, San Francisco, Calif.

Promoted to major in July 1963, he was transferred to the Development Center, Quantico, Va. Later, he attended the Command and Staff College at Quantico, graduating as an Honor Student. In July 1967, he served consecutively as a battalion executive officer, regimental S-3, and battalion commanding officer with the 1st Marine Division in Vietnam, where he earned the Navy Cross and the Legion of Merit with Combat "V". He was promoted to lieutenant colonel in October 1967.

General Cheatham was then assigned to the Office of the Joint Chiefs of Staff until October 1970, when he became Executive Officer, Marine Barracks, 8th and I Streets. He then attended the National War College. In 1973, he returned to Quantico, serving as Chief, Operational Test and Evaluation Activity, Development Center. He was promoted to colonel in December 1973. In March 1976, General Cheatham was transferred to Okinawa where he was Commanding Officer, 4th Marines. He was advanced to brigadier general, June 1, 1977, when he assumed his current assignment.

General Cheatham's other personal decorations include the Meritorious Service Medal with gold star in lieu of a second award and the Vietnamese Cross of Gallantry with gold star.

General Cheatham and his wife, the former Jo Ann Gunderson of Long Beach, Calif., have three children, Cynthia, Janet and Ernest C. III.

41-638 O - 79 - 24

LIVING FACILITIES

General CHEATHAM. The Marine Corps looks on the provision of adequate living facilities for our unaccompanied marines as a major component in our effort to recruit and retain high caliber personnel. With the past support of the Congress, our program for construction of housing for single marines has proceeded on schedule and last year I testified that with the funding levels projected at that time, the Marine Corps would be able to reduce its unaccompanied enlisted housing deficit to manageable levels by fiscal year 1984.

Now, however, a new profile of military construction funding projected to be available to the Marine Corps in fiscal years 1981–84 will preclude attainment of the 1984 goal and will effectively prolong our program 10 or more years.

The Marine Corps request for military construction appropriations for fiscal year 1980 totals $59,200,000. Our request contains projects for replacing or modernizing single enlisted quarters and dining facilities at a cost of $35 million. Nearly 60 percent of the Marine Corps request for military construction is directed toward these goals.

The next most severe facilities deficiency within the Marine Corps is the lack of adequate maintenance spaces to support the fleet Marine force. Our fiscal year 1980 appropriations request commits 26 percent of our program, $15.5 million, to construction of five maintenance projects. The remaining $8.6 million requested will provide a water distribution project, a joint services computer science school and automated data service facility, and two armory projects.

Mr. Chairman, gentlemen, that summarizes the Marine Corps military construction program request for fiscal year 1980. I will be happy to answer any questions from the committee.

Senator HUDDLESTON. Thank you very much, General.

EFFECTS OF INFLATION

First, the matter of inflation is certainly of great concern. I think it will probably have some impact as to whether we will be able to meet minimum requirements.

Are you in a position at this time, Admiral, to comment on the degree of this problem? That is, are bids averaging 5 percent or 10 percent or some other level above estimates at the present time?

Admiral ISELIN. Mr. Chairman, some projects are still coming in under the funded authorization, but a lot are coming in over. In our program execution to date for 1979, overall our bids are exceeding the funded authorization by approximately 3 percent. That means we have a hard 3 percent problem.

Really the entire 1979 program is affected because it is our objective to construct every project in there. Like this year, they were tough to come by when we needed them.

Senator HUDDLESTON. Did you receive a reduction in the total money originally requested?

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. Coupled with inflation?

Admiral ISELIN. Yes; construction cost increases really are nationwide. They really started on the west coast. We saw them there first. But they are throughout the country now.

I would say that the increased costs are not overpowering us at the moment because we are still getting some good bids. Bidding interest itself is picking up. Where we were getting three and four bids on a job, we're now getting four and five bids on a typical job.

It is possible we may see some flattening out of construction cost increase later this year, but I know we're going to have some rough spots on a few of our projects, and we will have to come over here for some reprogramings.

Senator HUDDLESTON. Do you have a summary of those reprogramings anticipated at this point?

Admiral ISELIN. Yes, sir. I would expect that 5 or 10 percent of our program will require reprograming. That would equate to about 15 to 30 projects. I have seven in hand right now that I know we're going to have to come over with. We are about 50 percent of the way through the program.

Senator HUDDLESTON. How many dollars?

Admiral ISELIN. That would represent, as we project it, about $20 million.

Senator HUDDLESTON. Do you anticipate any projects will have to be canceled in order to accommodate the increased costs?

Admiral ISELIN. It is possible that we will have to cancel some projects in order to get the minimum required scope on higher priority projects.

Senator HUDDLESTON. Based on your experience so far this year, do you believe the cost assumptions for 1980 will prove adequate?

Admiral ISELIN. Mr. Chairman, our fiscal year 1980 estimates reflect the initial upturn in construction costs. We updated those as late as December, and if it doesn't get worse than our projection, we should be in good shape for the 1980 program.

So I would feel more comfortable with the 1980 program than I do with the 1979 program at the present time.

POLLUTION ABATEMENT

Senator HUDDLESTON. The Navy spent a half billion dollars over the last 10 years on pollution abatement and you are projecting another $40 million a year in the near future to bring the Navy into compliance with the law.

Are any Navy facilities being cited now as violating the law? Are others operating under waivers?

Admiral ISELIN. Yes, sir. We have had notices of violations, most of which were one-time violations, at 22 locations, and we are operating under waivers at 37 locations.

Senator HUDDLESTON. You refer to certain EPA and State standards which are now being finalized. Does it appear that changes in air and water quality standards could or will require revision to any of your abatement projects that have already been accomplished?

Admiral ISELIN. Yes, sir. In the water area, pretreatment standards are now being developed that will require treatment of the waste water by Navy before we can discharge it into some municipal systems.

Senator HUDDLESTON. You'll have to install treatment systems?

Admiral ISELIN. A pretreatment—not a complete treatment, but enough to bring it up to a level where they can take it and then put it through their systems. Many of these relate to industrial wastes that the municipalities are not capable of handling.

Senator HUDDLESTON. Under other waste, solid waste, and industrial waste, I think you have $24 million in there?

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. Is this done principally by the Navy itself or do you contract out?

Admiral ISELIN. The operation of those facilities will be done primarily by the Navy. Some may be contracted, but primarily it is an onbase operation.

Senator Huddleston, This includes your normal garbage disposal?

Admiral ISELIN. No; garbage disposal, I would say, at all of our larger activities is now being handled by contract. We do have some sewage disposal plants operating by contract. We are looking at more, and as you may know, we are required to review—during every 3-year period we must review every one of our commercial and industrial-type applications to determine whether they ought to go contract, and we are moving in that direction.

I should add one point further with respect to what is coming in pollution abatement. By 1984, we must use best available technology. We are still getting definitions on that.

Senator HUDDLESTON. We don't know what that is yet, do we?

Admiral ISELIN. No, sir. Maybe we would have to upgrade some of our secondary sewage treatment at that time.

Senator HUDDLESTON. At any rate, that is going to continue to be a substantial item in the budget?

Admiral ISELIN. I think without question.

ENERGY CONSERVATION

Senator HUDDLESTON. Your energy conservation projects, almost $47 million for 1980, should amortize in 6 years, as you indicate, which seems to me to be a good investment. But have basewide energy consumption surveys been completed at all of the locations included in the budget?

Admiral ISELIN. Yes, sir. Energy conservation surveys have been conducted by field activities at all of the locations included in the budget. This program is conducted in phases, with the projects developed for the more obvious area of energy conservation in the initial survey. Then we have followup surveys later for some of the less obvious but also attractive areas of energy conservation potential.

Senator HUDDLESTON. How much of the request is associated with energy monitoring and control systems?

Admiral ISELIN. We have five energy monitoring and control systems in this program at a total cost of $7.4 million.

Senator HUDDLESTON. Are they based on a standard or uniform design?

Admiral ISELIN. Yes, sir, the standard triservice specification is being used for the design.

Senator HUDDLESTON. You are emphasizing, of course, projects which have fairly rapid amortization or payback. Are there any, however, which are proposed simply because they conserve significant energy, although the payback may be in many years?

Admiral ISELIN. Yes, sir. The projects are prioritized on the basis of their annual energy savings to their investment costs, and this prioritizing assures that the maximum energy savings are achieved within a given funding level.

Senator HUDDLESTON. And do you feel like the goal of a 20-percent reduction by 1985 is realistic and can be achieved?

Admiral ISELIN. I think it is realistic. I think it is very difficult, but realistic. We are looking to achieve 12 percent through the energy conservation investment program. We have an energy engineering program which does fine-tuning for the many equipments and systems that we have.

We look to pick up about another 4 percent, and we are looking at further belt-tightening to get that last 4 percent; 20 percent is not only—not only a 20-percent cut from where you are, which is what it is, but we would normally be going up 2 to 3 percent a year, so we are really looking at about a 30-percent cut from the initial baseline.

Senator HUDDLESTON. Have you developed a rough approximation of construction funds required over the next several years for energy conservation?

Admiral ISELIN. Yes, sir. We are looking at about $55 million a year. It is possible that could go up if we could identify more energy-saving projects.

ALASKAN INTERTIE

Senator HUDDLESTON. Admiral, last year the committee directed that the Navy begin planning and design effort on a gas and electrical intertie between the Naval Research Laboratory and the town of Barrow, Alaska. It seemed that the mutual benefits of such a project in the Arctic environment at least warranted definition of the project.

The Department has now responded that the project is too low in priority to be considered, and there would be no purpose in initiating design.

It is a subject I know Senator Stevens is very much interested in, and probably will want to pursue further himself. He wasn't able to be here today. But it is of interest to me that the Department did not consider specific committee direction to be of any consequence, apparently, in setting its priorities. Of course we didn't direct that the project be

accomplished. We directed that planning and design be done to serve as a basis for future consideration.

I don't think we want to debate the merits of the specific case right now, but I will ask if the Navy would feel more comfortable if, in the future, the committee were to codify all of its direction in statute, rather than in its report?

Admiral ISELIN. No, sir. We would hope that the committee would not find it necessary to resort to statute to provide us with guidance and direction.

In this particular project, I think we have a special situation in which, from a construction standpoint at the moment, there is not sufficient priority to warrant near-term programing. It places us in a dilemma, and that is that our design funds really do compete with our construction funds in our project process, as we put the budget together to submit it to the Congress.

There is severe internal pressure in the Navy to get as much construction as we can for the too-limited numbers of dollars.

Senator HUDDLESTON. I understand. How much do you think it would cost to have done the design work?

Admiral ISELIN. We're looking at about $450,000, sir, for that design. Certainly if Congress provided the design funds for any project, we would proceed with it. We're not taking that as an issue.

Senator HUDDLESTON. You want them earmarked.

NAVAL STATION, KEFLAVIK, GEOTHERMAL HEATING

At the naval station in Keflavik, Iceland, you are requesting $16.2 million for geothermal heating. Would you describe that project in greater detail?

Admiral ISELIN. The Navy has been interested in making use of geothermal hot water to heat the naval station since the early 1960's. This interest really has been predicated on the Icelanders' success in using geothermal heating in another city about 30 miles away called Reykjavik for the past 50 years.

Exploratory geothermal hot water wells were drilled near the naval station in Keflavik in the early 1970's. They showed promise of enough capacity to heat the entire area around the naval station. There are about seven towns in the general area of the naval station.

The oil crisis in 1973 prompted the Icelanders to move into full development of the wells that are relatively near our base. So they drilled wells. They constructed a heat exchange plant, and they have put distribution lines between these various cities. Three of the seven towns near the base are currently using geothermal heat from that new source. Their motivation, of course, is the same as ours. Oil is very expensive for them, particularly to be shipped in to that location.

There is also a memorandum of understanding from 1974 between the United States and Iceland which commits the United States to join with the Icelanders in using geothermal sources that underlie the Keflavik area, subject to funding by Congress. The Icelandic Authority has also developed the wells and transmission pipelines I indicated. They have hooked up several of the towns. We had been negotiating with that authority over the past 2 or 3 years and are about ready to close our final agreement.

Senator HUDDLESTON. You would just buy from them——

Admiral ISELIN. We would buy from them with a significant capital cost. We actually planned the program, $32.9 million in MILCON, for fiscal year 1980 and 1981, and we're in for about $16 million this year.

Senator HUDDLESTON. That will effect a substantial energy savings there?

Admiral ISELIN. Yes, sir, it would. We have an economic analysis that shows that we will have a payback between 8 and 10 years using that geothermal heating.

Senator HUDDLESTON. How much oil will that save?

Admiral ISELIN. The saving in oil would be approximately 170,000 barrels per year. The fiscal year 1980 funding will cover, as I said, payment of connection charges which really helps them to develop the wells. The capital investment is reflected, then, in the rates that we pay.

The second part is to do work inside of our own buildings to change radiators and controls, remove some boilers and to actually bring the line from the edge of the base inside.

Senator HUDDLESTON. You're confident that there will be a dependable supply?

Admiral ISELIN. Yes, sir. We have experience in Keflavik, and the experience to date shows that this is a very, very stable long-term supply.

SHORE INTERMEDIATE MAINTENANCE ACTIVITIES

Senator HUDDLESTON. Last year, the Navy requested funds for four shore intermediate maintenance activities. Projects in Mayport, Fla., and Pearl Harbor, Hawaii, were not approved. The Mayport project has been requested again for fiscal 1980; Pearl Harbor has not.

Is the Navy now abandoning SIMA as a concept in deference to individual station needs on a case basis?

Admiral ISELIN. No, sir. If I may, I would like to briefly review the Navy's overall intermediate maintenance activities program and outline our intermediate level naval strategy.

The Navy does have a continuing requirement to fulfill the operational commitments worldwide. Therefore we need to be able to sustain a state of readiness wherein the ships of the fleet can respond to known threats. To support these commitments, it is the Navy's objective to maintain the highest possible percentage of operationally ready ships in good material condition, capable obviously of accomplishing their basic mission.

NEW SHIPS

As you know, sir, the Navy will be commissioning large numbers of new advanced ships in the early 1980's. These are ships already authorized by the Congress currently under construction. This program will prepare now for greater levels of support than we are providing today.

I have a chart with me. You can bring it up closer, Mr. Murphy. It shows, for example, the new frigates, FFG-7, on the top line. We have already authorized 34, and we will have 41 authorized if this year's program is approved. We are going for a grand total of 60 by 1985.

You can see also that those ships are starting to come into the fleet, one of them this year, five of them next year. By the time we would complete this project, we would be at 24 ships, just in the FFG-7.

Jumping now to the destroyers, the 963's, we already have authorization for 31 of those ships. We have 22 in commission this year, delivered, rather, and next year we'll be up to 30. Those too are of particular interest in intermediate maintenance, although we will include many of our older ships as well.

The Navy's policy for all of its ships is designed to maintain an adequate material condition within the fleet, provide the maximum operational availability of the ships, and to perform the required maintenance at the lowest effective level we can.

LEVELS OF SHIP MAINTENANCE

The ship maintenance and modernization program will implement that policy. This is a balanced program which requires the use of three levels of maintenance within the Navy. The lowest level is the organization level. That consists of the ship itself and the sailors who are manning that ship, and primarily in the engine room.

The next is the intermediate level. That is the one we will be talking about, consisting of tenders, repair ships and the shore intermediate maintenance activities wherein cadres of sailors supplement and assist the shipboard personnel in accomplishing intermediate repair work.

Finally, the highest level is the depot level, consisting of Navy and commercial shipyards, which are civilian-manned.

In general, the workload is assigned to the specific levels on the basis of the capabilities of each level, and the extent of work required. By a balanced program, we mean a balance in accomplishing maintenance tasks throughout the entire operating cycle of 10 years at all three levels.

Again, this balance is necessary to achieve high operational availability of the ships that we do have.

MAJOR CHANGES IN THE FLEET

Since the end of fiscal 1971, major changes have occurred in the fleet, all of which have had a significant impact on ship maintenance. Although the number of ships has decreased, the new ships entering the

fleet are considerably more advanced than their earlier counterparts. More specialized maintenance and repair efforts are required on these newer ships.

The deterioration of the material condition of the fleet in the early 1970's prompted the Navy to develop an overall ship maintenance strategy that was more effective. An example of the Navy's new maintenance concept is the maintenance plan that the Navy has developed for the FFG–7, the first line entry that we had on the chart. That ship is designed to be supported by modular change-out of equipment. A rigorous program has been established to assure required accessibility within the ship for maintenance.

Standardization of ship equipment is being achieved throughout the entire class of ships during construction. Maintenance and repair availabilities at pierside are being planned at this time.

PROGRESSIVE OVERHAUL

The FFG–7 will be overhauled on what we call a progressive basis through a series of scheduled intermediate maintenance availabilities and scheduled restricted availabilities, the latter at our shipyards. It will undergo a major modernization overhaul only every 10 years, rather than the traditional overhaul every 3 or 4 years. This will keep the ship on the line, available for operation a higher percentage of the time during its lifetime.

This change in maintenance strategy means that more work will have to go to the intermediate maintenance activity level. It is for this reason that the Navy has initiated its shore intermediate maintenance program. To make this concept effective, we must provide SIMA's, shore intermediate maintenance activities, at those home ports which support the concentration of Navy ships: San Diego, Mayport, Norfolk, Pearl Harbor and Charleston. That is where the ships are and that is where we must bring the intermediate maintenance.

PEARL HARBOR—SIMA

Senator HUDDLESTON. What are your plans at Pearl Harbor, then, if they're not in this budget?

Admiral ISELIN. At Pearl Harbor, sir——

Senator HUDDLESTON. I'm just anticipating a question from one of our colleagues.

Admiral ISELIN. I have some data for you.

At Pearl we already have established on a barebones basis an intermediate maintenance activity. We are using the existing facilities and equipment. Budgetary constraints preclude our inclusion of both Mayport and Pearl Harbor in this budget, and in fact, we must program Norfolk next year because of a similar buildup in ships at Norfolk where we do not have the facilities to handle that buildup.

Therefore, because of our overall budget constraints, fiscal year 1982 would be the earliest we think that Pearl can be in the program

There is no question that there is a hard, valid need for the project at Pearl. In fact, the need is such that new equipment which is now being procured for Pearl Harbor will be installed in old unsatisfactory facilities that we have got, but that is the best thing that we can do.

If I could make one or two additional comments on the SIMA portion of this program, I would say that we are looking to improvements of each of the Navy SIMA's that I mentioned. The facilities at the present activities vary significantly in scope and condition. Rehabilitation and upgrading of existing facilities is a major thrust of our program.

We do intend to request funds, as I indicated, in the future for Pearl Harbor and for all of the SIMA locations.

MAYPORT—SIMA

For this year, we seek approval at Mayport because, it is in the worst shape of all the SIMA's. The present facility lacks the essential repair capabilities, such as the ability to repair the hydraulic systems on both the FFG–7 and the 963. It is woefully inadequate. It consists of an old commissary building, some trailers, and a few small scattered buildings.

The improvement of these Mayport facilities is necessary to meet both the increase in ships' schedules and to meet the requirements of those new ship classes. Between now and fiscal year 1983 there is an increase in homeporting in Mayport of some 20 ships, from 23 to 42 approximately. This does include 14 FFG–7's and 3 of the DD–963's.

In summary I might say that we have a firm workload. We can assure the committee that our facility needs are real, and that the SIMA program is the cornerstone of the Navy's total maintenance program. This program is essential to the Navy's ability to support the new ship maintenance strategies and the fleet of the 1980's.

SHIP MAINTENANCE PROGRAM

This concludes my review of the SIMA program. I have a longer presentation with charts and numerical data that I would be pleased to submit for the record.

[The information follows:]

MAINTENANCE OF U. S. NAVY SHIPS

This paper reviews the Navy's overall ship maintenance program and outlines the Navy's intermediate level maintenance strategy.

The Navy has a continuing requirement to fulfill operational commitments world-wide and therefore needs to be able to sustain a state of readiness wherein the fleet can respond to known threats against the United States. To support such commitments, it is the Navy's objective to maintain the highest possible percentage of operationally ready ships in good material condition and capable of accomplishing their basic mission.

The Navy will be commissioning large numbers of new, complex ships in the early 1980's. These are ships already authorized and under construction——we must prepare now for greater levels of support than we provide today. The following table shows the build up of Navy ships by fiscal year:

NEW SHIPS

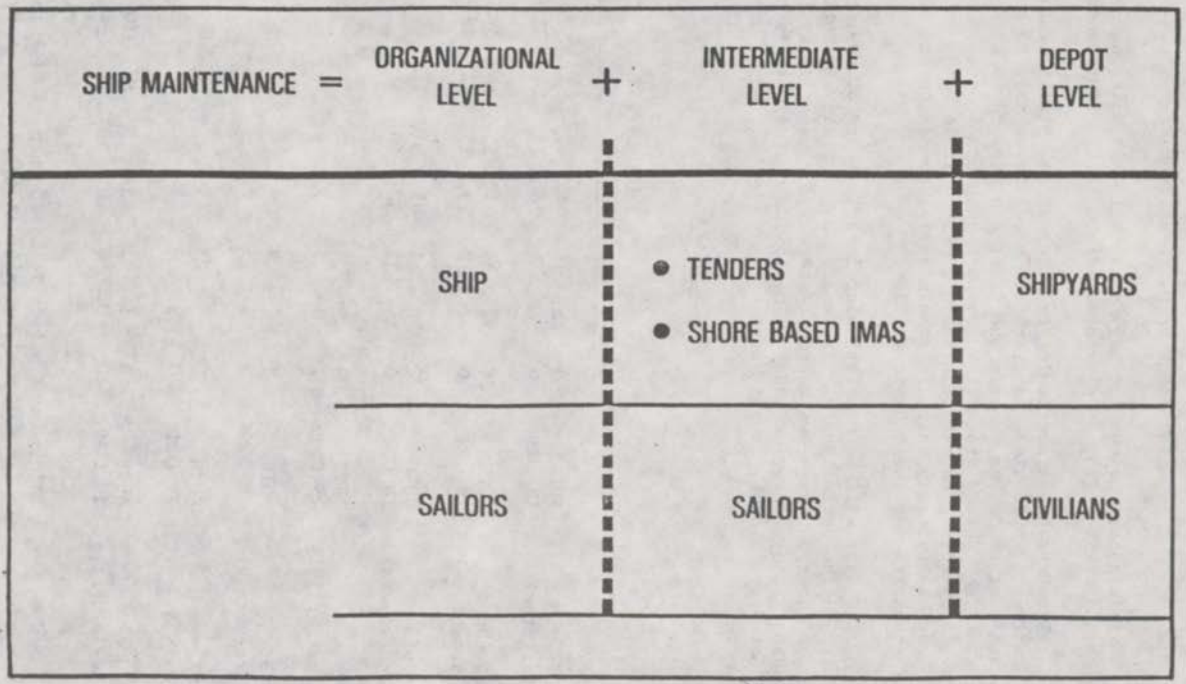
		AS END OF FY:								
		75	78	79	80	81	82	83	84	85
FFG-7	AUTH	3	26	34	41	47	53	57	60	60
(Frigates)	IN COMM	0	1	1	6	14	24	31	39	45
SSN 688	AUTH	26	32	33	34	35	36	37	38	39
(Submarines)	IN COMM	0	7	10	13	18	22	28	33	34
DD 963	AUTH	30	30	31	31	31	31			
(Destroyers)	IN COMM	0	16	22	30	30	31			
CVN	AUTH	4	4	4	4	4				
(Carriers(N))	IN COMM	1	3	3	3	4				
CGN	AUTH	9	9	9	9					
(Cruisers(N))	IN COMM	5	8	8	9					
LHA	AUTH	5	5	5	5					
(Phib Assault)	IN COMM	0	3	4	5					
DDG 47	AUTH	0	1	1	3	5	7	10	12	12
(Aegis Dest.)	IN COMM	0	0	0	0	0	0	1	1	2

The Navy's maintenance policy is based on a total ship maintenance concept which is designed to maintain an adequate material condition within the fleet, provide the maximum operational availability of fleet units and perform the required maintenance at the lowest effective level.

(Insert Chart No. 1)

SHIP MAINTENANCE EQUATION

(CHART NO. 1)

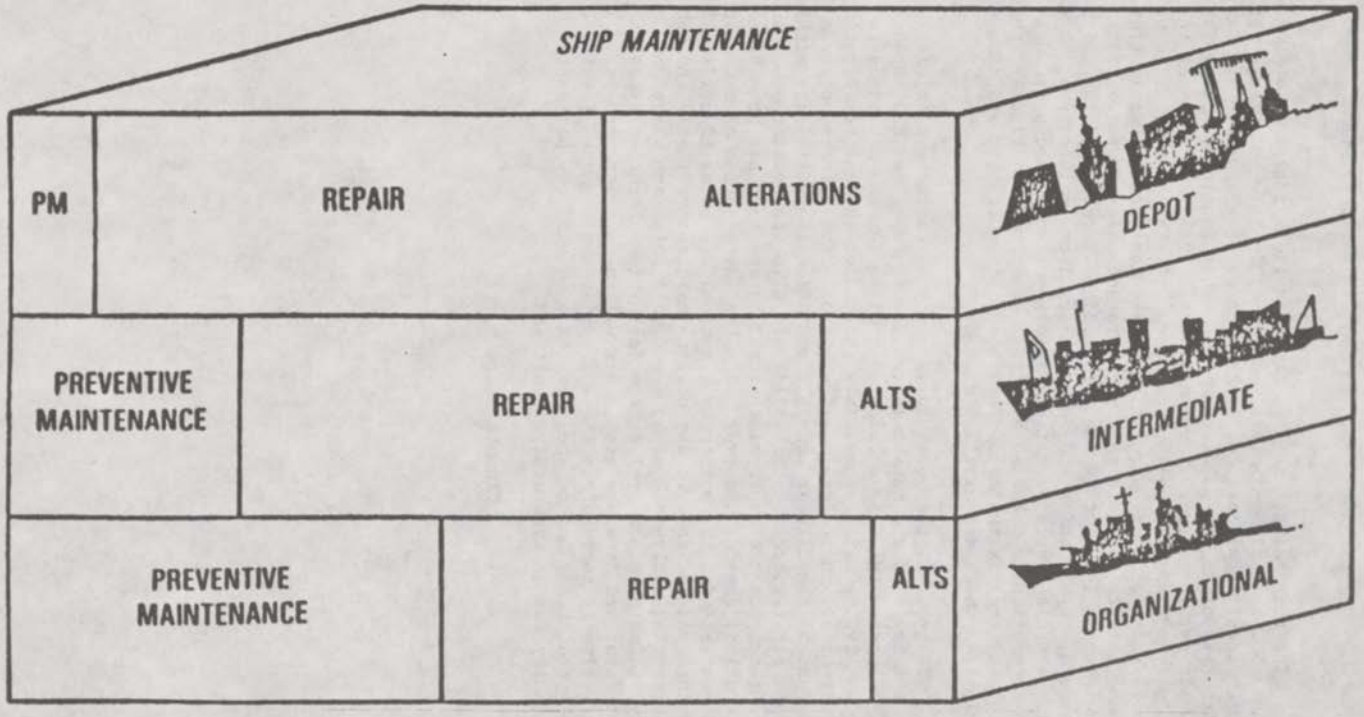


The Ship Maintenance and Modernization Program as shown on Chart No. 1, implements this policy. This is a balanced program which requires a contribution from three levels within the Navy with respect to the maintenance and modernization of its ships. The lowest level is the organizational level consisting of the ship itself and the sailors on board. At this level, it is well to remember that on board ship, unlike most other organizations, these sailors are both the operators and maintainers of their equipment. The next is the intermediate level consisting of our tenders, repair ships and shore intermediate maintenance activities wherein cadres of sailors supplement shipboard personnel in accomplishing intermediate level repair work. Finally, the highest level is the depot level consisting of Navy and commercial shipyards which are civilian manned.

In general, the workload is assigned to these specific levels on the basis of the capabilities at each level and the extent of work required. By a balanced program we mean a balance in accomplishing maintenance tasks throughout the entire operating cycle at all three levels. The purpose of a balanced program is to achieve the highest possible operational availability within available resources. The ability to allocate maintenance tasks accurately to the appropriate level in the past has been based on historical demand. However, with the introduction of new maintenance strategies the maintenance actions are being identified in advance and assigned to appropriate maintenance levels through engineering analysis. As more and more ships are placed on revised maintenance cycles, the definition of the workload at the depot and intermediate levels will become more precise. The objective is to identify the appropriate maintenance level for the predictable maintenance workload, so that the necessary capacity can be accurately identified.

(Insert Chart No. 2)

(Chart No. 2)


SHIP MAINTENANCE
PM
REPAIR
ALTERATIONS
DEPOT
PREVENTIVE MAINTENANCE
REPAIR
ALTS
INTERMEDIATE
PREVENTIVE MAINTENANCE
REPAIR
ALTS
ORGANIZATIONAL

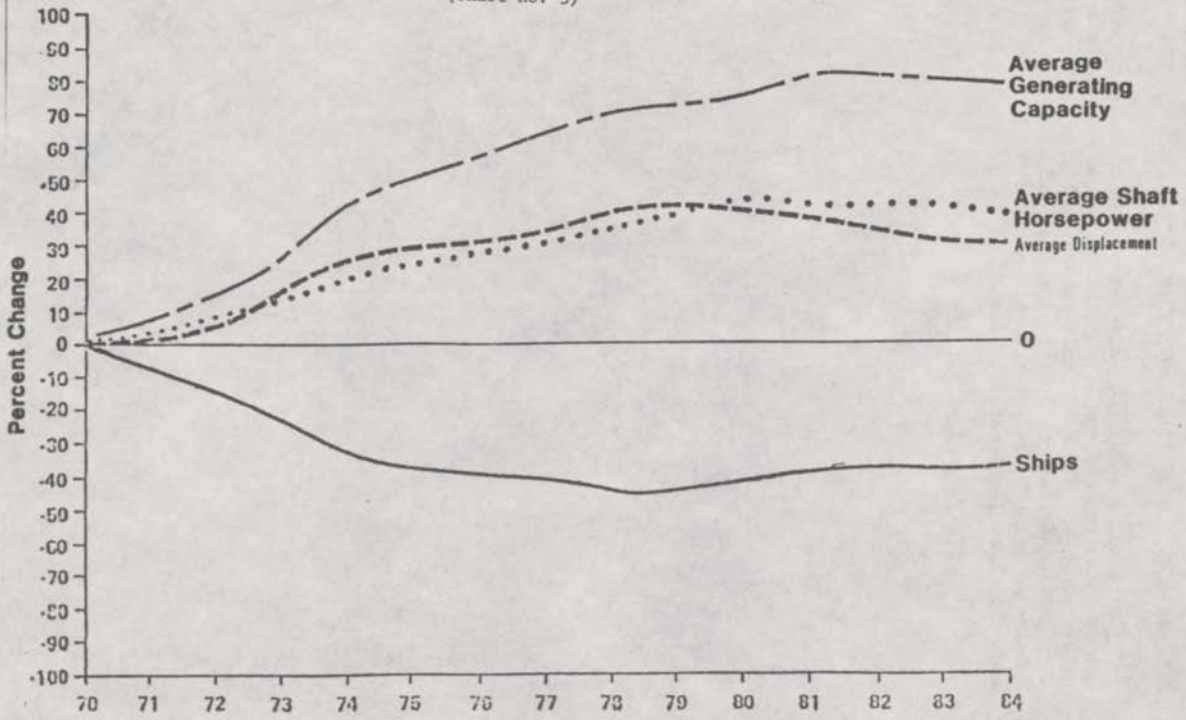
MAINTENANCE OF U. S. NAVY SHIPS (CONTINUED)

Chart No. 2 shows the relative proportion of preventive maintenance, repairs and alterations allotted to the three levels of maintenance. The basic maintenance policy is to accomplish ship maintenance at the lowest practical and effective level. A balanced maintenance program will achieve the optimum return from all three levels of maintenance.

(Insert Chart No. 3)

Measure of Average Ship Size and Complexity

(Chart No. 3)



MAINTENANCE OF U. S. NAVY SHIPS (CONTINUED)

Since the end of Fiscal Year 1971, major changes have occurred in the fleet, all of which have had a significant impact on ship maintenance. Although the number of ships in the fleet has decreased, the new ships entering the fleet are considerably more advanced than their earlier counterparts. There has been a considerable increase in the average generating capacity, shaft horsepower and displacement of our ships in the fleet as indicated in Chart No. 3. There is little comparison between our older ships and today's gas turbine powered destroyers. Consequently, more specialized maintenance and repair efforts are required on the newer more complex ships.

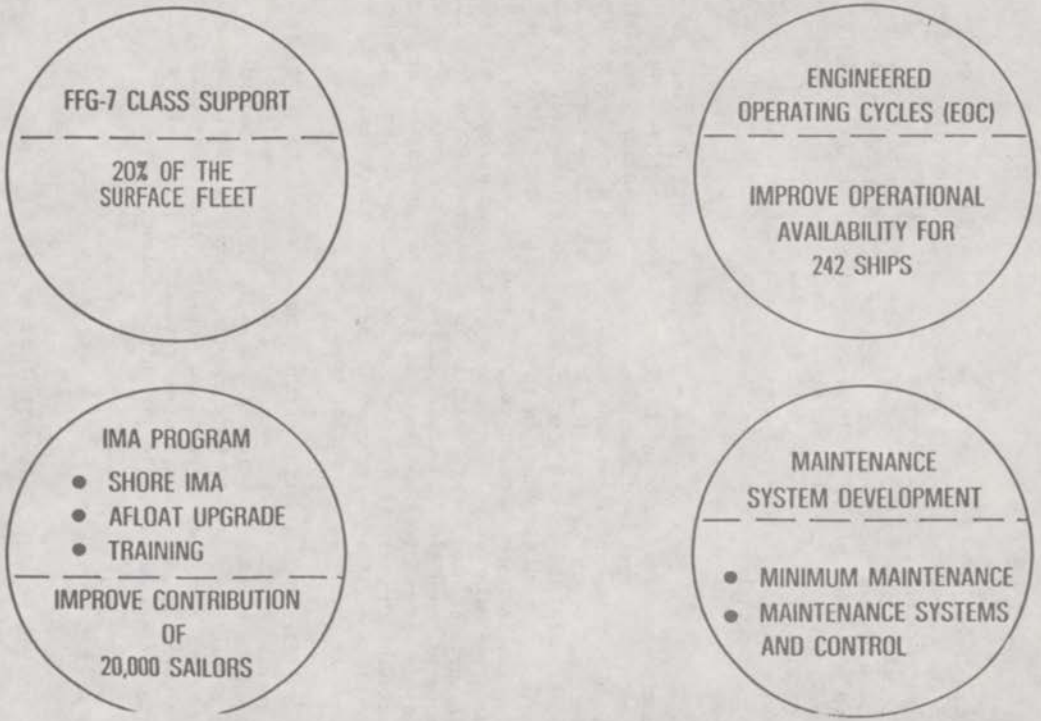
Deterioration of the material condition of the fleet in the early seventies has been attributed to many factors. The high tempo of operations during the Southeast Asia crisis, inability to budget for inflation, and sharply reduced force levels in the face of continuing operational commitments. This latter factor accelerated the normal wear on systems and equipments, increased maintenance requirements on those operating ships already overdue for normal shipyard overhaul, and resulted in a backlog of deferred maintenance on many ships, which was particularly severe in surface ships. This resulted in a lowering of the overall material condition and pushed corrective maintenance to the more costly intermediate and depot levels. Recognizing the condition existing in early 1974, the Chief of Naval Operations directed the development of a comprehensive program to promote early improvement in the fleet's material condition.

Initial examination of the problem showed that shipyard capacity is limited. There was insufficient capacity to accomplish the backlog of shipyard overhauls in a short period. Rather a reduction could only be accomplished in successive increments over the next several years and would require a careful balancing between the annual overhaul budget, the shipyard workforce, and the operational schedules of ships involved.

(Insert Chart No. 4)

SHIP SUPPORT IMPROVEMENT PROJECT OVERVIEW

(Chart No. 4)



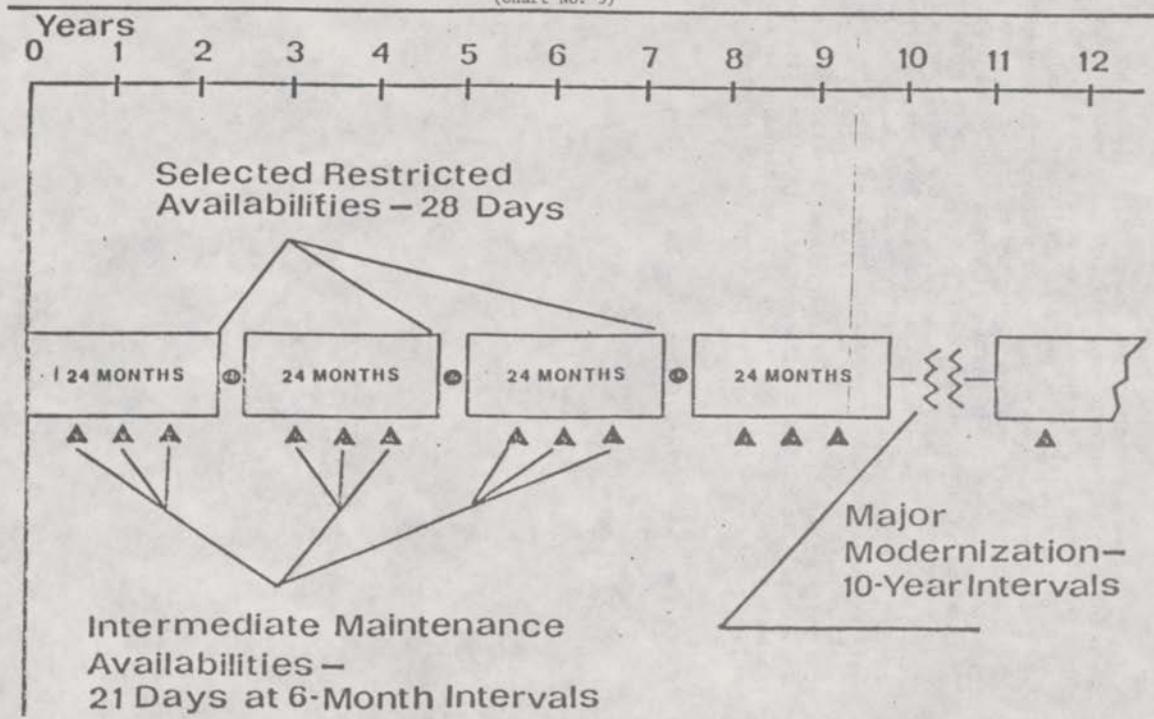
It became apparent in this examination that there was a need for a total review of overall ship maintenance strategy. This led to the ship's support improvement project which is our long-range maintenance project, (See Chart 4) and includes the FFG-7 support program, a program to develop the necessary changes to the Navy maintenance system to foster improved fleet readiness, the Destroyer Engineered Operating Cycles Support Program and an Intermediate Maintenance Program to support these new maintenance concepts. An example of the Navy's new maintenance concept is the maintenance plan the Navy has developed for the FFG-7 Frigate Class. The first FFG-7 was delivered to the Navy last fall. Earlier managers recognized that the ship would require a new concept in maintenance support to achieve the Chief of Naval Operations operational availability goal. The manning limitation and the operational availability goal combine to drive a new concept of ship maintenance for surface ships--modular replacement and the progressive overhaul.

(Insert Chart No. 5)

FFG-7 CLASS OPERATING CYCLES

Progressive Overhaul

(Chart No. 5)



MAINTENANCE OF U. S. NAVY SHIPS (CONTINUED)

The FFG-7 is designed to be supported by modular change-out of equipment. A rigorous program has been established to assure the required accessibility for maintenance, standardization of ship equipment throughout the class is being achieved during ship construction, and maintenance and repair availability at pier side are being planned at this time.

The FFG-7 will be overhauled on a progressive basis as shown in Chart 5 through a series of scheduled intermediate maintenance availabilities and scheduled restricted availabilities. It will undergo a major modernization overhaul every ten years, rather than the traditional overhaul every three or four years. More work will go to the Intermediate Maintenance Activity level. It is for this reason that the Navy has initiated its Intermediate Maintenance Activity improvement program. To make this concept effective, Shore Intermediate Maintenance Activities must be provided at the homeports which support the concentrations of Navy ships, San Diego, Pearl Harbor, Norfolk, Charleston and Mayport. That's where the ships are!

To address the maintenance problems at the intermediate level, the Navy has increased material and repair parts resources to match labor resources. In addition, the Navy has placed emphasis on scheduling of intermediate repair periods and as a consequence improved ship availability planning and increased productive output.

The management of Intermediate Maintenance Activities has been improved by establishment of a modified data system to program and indicate the progress of repair jobs, repair materials and manpower requirements.

A quality assurance program has recently been implemented to ensure work accomplished in critical ship systems meets the required standard in both the submarine and surface forces.

These actions have all been accomplished within existing assets. The Navy, however, recognized that these assets were inadequate and additional capability would be required to support the new maintenance concepts at the intermediate level. It was necessary, therefore, to develop an improvement program to increase the capacity and capability of the Intermediate Maintenance Activities. The program includes an upgrade of both tender and Shore Intermediate Maintenance Activity facilities, a training program for Intermediate Maintenance Activity managers and artificers, an improvement in support and test equipment for these personnel and a program to contract the overflow of intermediate level work to private industry.

The SIMA portion of this program provides facilities improvements at each of the Navy's SIMA's as shown on the following chart.

(Insert Chart No. 6)

SIMA LOCATIONS

(Chart No. 6)



MAINTENANCE OF U. S. NAVY SHIPS (CONTINUED)

The facilities at the present activities vary significantly in their scope and condition, but generally they are inadequate for carrying on the required productive work.

The current SIMA military construction program proposes improvements at each of the SIMAS as shown below:

Site	Primary Impact
Mayport	New Facility
Pearl Harbor	New Facility
San Diego	Rehab and upgrade of existing facilities in two increments
Norfolk	New Facility
Charleston	Rehab and upgrade of existing facilities
Naval Submarine Support Facility, New London	Rehab and upgrade of existing facilities
Pearl Harbor SUBASE	Rehab and upgrade of existing facilities

New facilities are not required at all sites. Rehabilitation and upgrading of existing facilities is the major thrust of the overall program. This year, the Navy seeks approval of a military construction project at Mayport, Florida, because the present facility is in the worst condition of all the SIMAS.

The present facility at Mayport lacks essential repair capabilities such as ability to repair the hydraulic systems of the FFG-7 and DD-963. The activity consists of an old commissary building, some trailers and a few small scattered buildings. This facility was never intended to house a productive industrial operation. The Navy is constrained from making major improvements to the existing facility because it lies both within the base's explosive hazard arc and the hazard zone for the adjoining airfield runway. Improvement of these facilities is necessary to meet both the increase in ships scheduled for homeporting in Mayport and to meet the requirements of the new ship classes and complex new systems and equipments that will be installed on these ships. Between now and FY 1983, there is an increase in portloading in Mayport of some twenty ships as shown in the following table:

(Insert Table 1)

Mayport Shiploading

(Table No. 1)

Ship Type	78	79	80	81	82	83	84
AD	1	1	-	1	1	1	1
AOR	-	1	1	1	1	1	1
CG	1	1	1	1	1	1	1
CV	2	2	2	1	1	1	1
DD 931	3	3	2	4	4	4	4
DD 963	-	-	3	3	3	3	3
DD	1	1	-	-	-	-	-
DDG	4	3	4	1	2	3	4
FF 1040	1	3	3	3	3	3	3
FF 1052	5	4	4	5	5	5	5
FFG-1	1	1	1	1	1	1	1
FFG-7	1	1	3	9	15	15	15
MSO	1	1	1	1	1	1	1
ATF	1	1	1	1	1	1	1
Total Ships	22	23	26	32	39	40	41

This includes fourteen FFG-7 and three DD-963. By the end of FY 1980, three DD-963 and three of the FFG-7's will be in Mayport.

The Navy will man the SIMA's with sufficient technical manpower to efficiently utilize the upgraded capacity of the new or modernized facilities

The following table shows the total number of Navy enlisted personnel planned for the SIMA Program, indicating an average growth of 232 personnel per year.

FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985
5,378	5,632	5,888	6,147	6,357	6,536

The retirement of the USS Grand Canyon (AR-28) in FY 1978 provides some of the technical personnel necessary to man these facilities. The Chief of Naval Operations has directed that the Intermediate Maintenance Activities be manned to the programmed levels shown above. The SIMA facilities are required to support the new ship classes and equipments. They furnish an additional benefit of providing a place for the Navy to assign its technical ratings where they can maintain their skill proficiency while they are on shore duty so that upon their return to sea they will be able to both maintain and operate their equipment.

Alternate proposals which have been investigated and the Navy's comments on these proposals follow:

a. Construct smaller facilities that more accurately reflect the numbers and experience of the personnel. Smaller facilities should be considered which would more accurately reflect the numbers and experience of the personnel.

The Navy program has been sized to the number of personnel which will be available in 1985.

b. Alternatives to assigning personnel to SIMA's.

(1) Assign SIMA personnel to Naval shipyards - Pier space and ship support services at the shipyards are inadequate for accommodating all ships requiring intermediate maintenance. The assignment of drive-in type intermediate maintenance activity work to shipyards would increase the loss of operational availability of ships due to fuel and ammunition off-load requirements. With the limited number of ships in the fleet, this would have a serious impact on the availability of forces for operations. Superimposing small individual intermediate maintenance activity jobs on the productive force of a shipyard would have an adverse impact on the long termed planned availabilities normally handled by the depot, whether civilian or Naval. This would lead to an overall rise in the cost of ship maintenance. Also, a serious problem would likely be created with shipyard unions. The questions of work assignment and overtime allocations are among the difficulties that would arise.

(2) Assign personnel as instructors to the training command - Only a limited number of personnel would be qualified as instructors. Billets to support skill proficiency would not be available to support the majority of the personnel, and significantly, this proposal would not accomplish any of the intermediate level maintenance.

(3) Assign SIMA personnel to depot activities to work on repairables - Work on selected components would not provide the broad range of experience required to accomplish the objective to improve the skill proficiency of maintenance personnel so that they are capable of operating and maintaining complex ship systems when they return to sea.

(4) Expansion of the Mobile Technical Unit concept as an alternative assignment for personnel - The majority of personnel cannot be qualified for instructor and independent type duty. Additionally, it would be necessary to expand the Mobile Technical Unit equipment and facilities to the same extent as that of the SIMAs.

(5) Expand the use of Naval shipyards to accomplish intermediate maintenance repairs - This proposal would be extremely disruptive to the work in the shipyards where the objective is to provide a balanced steady workload for the accomplishment of major repairs and alterations. This would increase the overall cost of ship maintenance and the Navy would not obtain the benefit of retaining the maintenance skills of its technical personnel while on shore duty.

(6) Redefine inport tenders as shore duty and assign homeported ship maintenance personnel to the tenders - The Navy has only enough tenders to meet wartime mobility requirements and their shop spaces are insufficient to accommodate the additional personnel. To increase the number of tenders to the level required to accomplish all intermediate maintenance would be much more expensive than upgrading the SIMA's.

With regard to the creation of "mini-shipyards" and competition with the private sector, SIMA's are designed as light industrial activities to supplement depot level activities. A significant increase in the number of ships at Mayport is presently scheduled which will lead to increased contracting in the private sector for those work items beyond the capacity of the SIMA.

A review of the FY 1980 Congressional Budget for repair of other vessel funds indicates a definite growth in funds programmed in the private sector. The following table shows that the SIMA program does not encroach on the contractor dollars being spent in the private sector.

FY 1980 Congressional Budget
Intermediate Maintenance Activity
(Repair of Other Vessel) Dollars

($M)

	FY 1978	FY 1979	FY 1980
Material for Support Of Navy Personnel	91.5	105.5	122.5
Contract (CIS)	5.6 (6%)	26.6(20%)	50.1 (29%)
TOTAL	97.1	132.1	172.6

The direct labor performed by the Navy and private industry in FY 1978 and that projected for FY 1983 is:

	SIMA	Tender	Contract
FY 1978 (Actual)	156.7	176.3	9.8
FY 1983 (Projected)	237.7	192.4	241.6

The growth in the private sector is significant.

Private contracting in the Mayport area will grow from $1.8 million in FY 1979 to $4.1 million in FY 1980. This is not creating serious competition for the private sector. On the contrary, rather than competing, having these light industrial facilities for the emergent maintenance requirements will tend to ensure a more stable level of effort for the civilian contractors.

Several steps have been taken to improve the intermediate level workload projection:

a. An engineering analysis to document the maintenance requirements by level of repair has been completed for SSBN's, SSN's, FF 1052 Class and DDG 7 Class.

b. Material costs to support each maintenance man-hour of productive effort has been established.

c. The type and amount of work required at each intermediate maintenance activity availability in the ship cycle has been specified.

In summary, the Navy has a firm understanding of the workload problem, and the shore facilities needed for the workload. The SIMA Program is a major cornerstone of the Navy's total maintenance plan and is essential to the Navy's ability to support the new ship maintenance strategies and the fleet of the 1980's.

COMPETITION WITH PRIVATE INDUSTRY

Senator HUDDLESTON. One other area. The House last year, as you recall, raised some questions and concerns about SIMA, such as competition with private industry, credibility of the workload projections and nonavailability of the rated skilled personnel in numbers required.

Would you comment on those concerns with particular emphasis on the situation at Mayport?

Admiral ISELIN. Yes, sir. The private sector is getting increased IMA business. The Navy's assignment of IMA work to private yards has increased from $6 million in 1978 to $27 million this year, and will go to $51 million next year.

Of that, for example, Mayport had no contracting in 1978. They're doing $2 million this year and will do $4 million next year, and will rise to $17 million in 1983 on top of what we are requesting——

Senator HUDDLESTON. Even with your own improvement?

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. So the private contracting is going to continue to go up?

Admiral ISELIN. It is going to continue upward. The respective workload, the workload for Mayport is firm, as it is for the other locations. Particularly, Mayport is based on the growth of homeported ships, as I indicated, from 23 today to 42 in the out years. The workload is equally solid. The CNO himself is committed to filling the enlisted billets and to fully man these maintenance activities. For example, the growth will be from 5,300 enlisted men who are now working in the SIMA's to 6,500 by the time we complete this program.

AVAILABILITY OF SKILLED PERSONNEL

Senator HUDDLESTON. Is there a difficulty getting the skilled personnel to handle these projects?

Admiral ISELIN. In general, the answer is "Yes," but the SIMA provides an unusual opportunity in that those people who come off the ships for their shore tours can be employed in precisely the skills that they have, and can work in those skills to enhance them and accomplish maintenance work as well. So it's really killing two birds with one stone.

Senator HUDDLESTON. Then they go back on the ship?

Admiral ISELIN. After their shore tours, they would go back aboard ship and in many cases they will work on the same equipment while assigned to the ship.

Senator HUDDLESTON. Do you have a training program within the Navy for this mechanical work?

Admiral ISELIN. We do; yes, sir.

Senator HUDDLESTON. And do you use civilian personnel?

Admiral ISELIN. To a small extent we use civilian personnel in the SIMA's. They are perhaps only 5 percent numerically of the sailors.

NAVAL AIR STATION, LEMOORE

Senator HUDDLESTON. You are requesting $6.3 million for two projects at the Naval Air Station, Lemoore, which will accommodate the introduction of the F–18 aircraft. I guess my questions are not so much on the specific facilities as they are in the general question of new systems' impact.

I assume that the F–18 is replacing some other aircraft. Is this true in Lemoore?

Admiral ISELIN. Yes, sir, to some extent. The F–18 is a dual-role aircraft. That is, both fighter and attack. In the attack role, it will ultimately replace the A–7 light attack squadrons that are now onboard at Lemoore.

Senator HUDDLESTON. So how much change can we expect, how much impact in the facilities necessary to support the new aircraft systems?

Admiral ISELIN. Of course we had to analyze that before we began work on these projects. We found first of all that our existing space at Lemoore for the present functions, which includes the A–7's, is being fully utilized. We know also that we can't, with systems as large as these and with the numbers that are involved and the support that comes with them, bring all the F–18's in and get rid of all the A–7's.

So there is a planned overlap of 5 to 10 years as one system phases in and the other system phases out.

We must necessarily conduct training on both aircraft at the same time. The decommissioning of the A–4 squadrons did create some maintenance training space, and we will be using that, but it did not create for us any respectable amount of operational training space. So we will do our maintenance training in the large former A–4 training building that has 112,000 square feet, and we will upgrade that, probably through a military construction project. But we can't get any unused operational training space and that is what this particular request is for.

So I would say it is the overlap between the phasing in of the F–18 and the phasing out of the A–7.

Senator HUDDLESTON. Does that mean you'll have excess facilities once you have the transition completed?

Admiral ISELIN. Looking at a 5- to 10-year frame, we might estimate that we will probably be looking at a replacement system some time after that. So maybe at that stage of the game we would have sufficient facilities for another transition.

RETURN OF FLEET TO LONG BEACH

Senator HUDDLESTON. Several years ago, we went through the throes of moving fleet elements out of Long Beach, Calif., and we closed the Hunters Point Shipyard in San Francisco. Now I understand we are moving back into Long Beach.

Can you bring the subcommittee up to date on the plans for restationing ships at Long Beach?

Admiral ISELIN. Yes, sir. Ships were removed at Long Beach for home port purposes when the overall size of the Navy was reduced several years ago. Many of the Long Beach ships were to go to San Diego.

In that interim, we are providing the smaller and smaller crews on these ships more assistance from pierside as we bring those ships into home port, so we are now facing some berthing problems in San Diego to provide enough services to all the ships.

San Diego, for example, has 118 homeported ships now and it will go to 140 unless we get some relief, which is Long Beach. So the Navy has studied the return of approximately 27 ships to Long Beach over the next 3 years. A final decision has not yet been made, but we do expect that it will be announced shortly.

Senator HUDDLESTON. Will that require a large construction effect?

Admiral ISELIN. Sir, prior to closing Long Beach, there were projects that were required to support the ships there and we canceled those projects as a result of that action. So if we bring the ships back in, some work which we estimate to be approximately $10 million would be required to reopen the station.

Senator HUDDLESTON. Has reopening of Hunters Point been considered?

Admiral ISELIN. No, sir. No plan for Hunters Point. You may know that that property is now leased out to a private shipping company.

OROTE AMMUNITION WHARF, GUAM

Senator HUDDLESTON. Last year the House took action to add $43 million to fiscal year 1979 bill for replacement of our ammunition handling facilities at Agana Harbor, Guam. The project was deleted in conference since the matter had not been considered by this committee.

There are no funds projected for this in fiscal year 1980. Does that mean that the project is not being pursued?

Admiral ISELIN. Sir, the project was originally included in our plan for fiscal year 1980, but we took some serious budget reductions this year and it was of a low enough priority that it did not make the cut.

As we see it, the requirement remains the same as before, but we're looking at tough budget levels for the next 2 or 3 years.

Senator HUDDLESTON. Is this proposal being driven by military necessity? Do we get any particular benefit from it?

Admiral ISELIN. Of course military necessity requires proper safe handling of explosives, and the primary benefit that we would get from this project would be relief from loss and property in the event of an explosion.

We do have some Navy fuel piers and across the harbor, several repair wharves and a couple of ship repair facilities that currently are within the arc of a full ammunition off-loading at the existing wharf.

Now the Guam commercial port and industrial park are much closer and are much more in danger if we bring in a full load. We do not bring in a full load now to help minimize that particular problem, but in wartime we would require a full load.

Senator HUDDLESTON. If you bring in a load, they have to shut down now?

Admiral ISELIN. If we bring in a full load, as we had to do a couple of times in Vietnam, we did have to restrict certain portions of the commercial operations.

Senator HUDDLESTON. That causes public relations problems?

Admiral ISELIN. Extreme public relations problems. One of the problems that they see very clearly and which we recognize equally as well is that there is some property there for development, but as long as that unloading wharf is where it is, it just doesn't make sense to develop it.

MARINE CORPS PROGRAM

Senator HUDDLESTON. On the Marine Corps program, General, your statement indicates that changes in the construction outlook over the next several years will delay elimination of your enlisted housing deficit by more than 10 years.

What is the basis for these reduced funding levels?

General CHEATHAM. Mr. Chairman, the Marine Corps reduced level of funding projected over the next 5 years resulted from a general decrement within the Department of Navy with regard to military construction funds. Since the Marine Corps presently shares the rate of 12.4 percent of the nondirected portion of the Navy military construction program, when the military construction within the Department of Navy was reduced, our total TOA was reduced also.

Senator HUDDLESTON. Was there a conscious decision that this deficit would be acceptable?

General CHEATHAM. It was a conscious decision at the Deparment of Navy level, yes, sir.

Senator HUDDLESTON. You have referred to funds being requested for "two armory projects." Where are these and how much do they involve?

General CHEATHAM. One of the armories, Mr. Chairman, is at the Marine Corps Air Station at Cherry Point, N.C., and will cost about $800,000. The other, which will cost $500,000, is at the Marine Corps Air Station (Helicopter) at New River, N.C., which is near Jacksonville.

Senator HUDDLESTON. Why wasn't this funded by the Reserve components?

General CHEATHAM. I think there is a misnomer here. The Army, and I believe the Air Force, use the term "armory" as a Reserve training establishment. The Marine Corps and the Navy call them training centers. But these are actually being built for active duty Marines.

TRIDENT AND POSEIDON PROGRAMS

Senator HUDDLESTON. I might get back just a little bit on the subject we covered rather thoroughly yesterday regarding the Trident and the Poseidon programs. You indicated that Bangor could be expanded if the Trident program went beyond 13. I assume that expansion would be the logical move, as opposed to having a second Trident base in the Pacific.

Admiral ISELIN. That is correct.

Senator HUDDLESTON. What would be the principal determinations in determining where to base Tridents in the Atlantic?

Admiral ISELIN. The primary consideration of basing Tridents in the Atlantic is strategic. The principal factors evaluated for the five candidate bases on the east coast will be provided for the record.

[The information follows:]

DETERMINATIONS IN BASING TRIDENT

1. Utilities—The impact caused by demand on local water, electric, sewer and solid waste systems, and the cost for alternative systems or improvements to the present systems.

2. Roads—The impact of increased usage of roads and highways and improvement to the road systems necessary to support base operations.

3. Schools—The impact caused by the influx of school-age children and the improvements/additions necessary to support them.

4. Economic—The costs to local governments to provide increased services related to the base or its personnel.

5. Dredging—The extent of the dredging necessary to prepare existing channels for Trident and the extent of land needed for spoil disposal.

6. Endangered Species—Endangered, threatened, or rare species of plants/animals which may be affected by base construction.

7. Cultural Resources—Any area/site of intrinsic, historic, or prehistoric significance which may be affected by base construction.

8. Land Acquisition—Land which must be purchased for base construction or for assuring the integrity of the explosive safety arcs. Also land which must be encumbered.

9. Existing Mission—The effect of base construction or explosive safety arcs on the mission/operation of agencies/activities existing in the area.

10. Dislocation—The requirement for existing agencies/activities to relocate due to base construction or location within proposed explosive safety arcs.

TRIDENT SUBMARINES

Senator HUDDLESTON. Is the Trident far more capable than the Poseidon that has been backfitted?

Admiral ISELIN. The Trident submarine, as you know, will carry 24 missiles versus the 16 the Poseidon carries. The initial missile of Trident I will be the same missile for both the Poseidon backfit and the Trident submarine. But as we did in upgrading Polaris to Poseidon, we built a bigger tube in the Polaris boats. We had a smaller missile to start with, but this permitted us to have a second and third generation missile for the Poseidon boats.

So the Trident submarine will have the capability for a significantly improved Trident II missile that the Poseidon boat cannot carry.

Senator HUDDLESTON. So the next generation will have to rely upon the Trident?

Admiral ISELIN. Absolutely.

Senator HUDDLESTON. It has other characteristics, too, I assume?

Admiral ISELIN. Oh yes, sir, it has operational characteristics.

Senator HUDDLESTON. The Poseidon could never be adapted to equalize that.

Admiral ISELIN. The other thing about Poseidon is that while we are extending them approximately 5 years beyond their estimated 20-year life, we basically can't push those boats much further because, as you can appreciate, they are subjected to extremely rigorous pressures from their operating depth.

BASING TRIDENTS IN THE ATLANTIC

Senator HUDDLESTON. If the decision is made to base Tridents in the Atlantic, what considerations would be used in determining whether to place them in Kings Bay or some other location?

Admiral ISELIN. There is a study which has now been prepared within the Navy and is being reviewed by the Secretary in which five sites, the same five sites that were looked at in the determination of the Kings Bay for the relocation of the Rota squadron are being looked at as a possible east coast full-scale Trident base. That decision is due to come out from the Secretary, although no particular time frame has been established for when it will come out.

Senator HUDDLESTON. Strategic questions are involved in that decision?

Admiral ISELIN. Yes, sir, I would say that they are.

Senator HUDDLESTON. Has any preliminary work been done on whether or not there would be construction requirements if we decide to go ahead with the Trident II missile?

Admiral ISELIN. Yes, sir. A considerable amount of planning has gone forward in a notional way to support the Trident on the east coast. It is quite obvious that many of the facilities that we have already completed at Bangor would be duplicated for the east coast.

Senator HUDDLESTON. Gentlemen, I think that concludes the formal questioning. Other members who were unable to be here may have some to submit to you in writing.

Admiral ISELIN. Yes, sir, we will be happy to provide those answers.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. Thank you very much. If there is nothing else we will recess pending call of the Chair.

[Whereupon, at 10:55 a.m., Friday, March 23, the subcommittee was recessed, to reconvene at the call of the Chair.]

41-638 O - 79 - 26

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

TUESDAY, MARCH 27, 1979

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

The subcommittee met at 10:25 a.m., in room S-126, the Capitol, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator HUDDLESTON.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR OF ENGINEERING AND SERVICES, U.S. AIR FORCE

ACCOMPANIED BY:
ROBERT E. JAMISON, DIRECTORATE OF BUDGET
LT. COL. CONRAD O. FORSYTHE, DIRECTORATE OF SPACE SYSTEMS AND COMMAND, CONTROL AND COMMUNICATIONS
CAPT. LOUIS R. UNZELMAN, DIRECTORATE OF ENGINEERING AND SERVICES

BUDGET REQUEST

Senator HUDDLESTON. The subcommittee will come to order.

We are meeting this morning to receive testimony on the fiscal year 1980 budget request for Air Force Military Construction. That request assumes $539.7 million in new appropriations, contrasted with $520.8 million enacted in fiscal 1979. Although this appears as an $18.9 million increase over prior year, there is really a decrease of over $20 million in terms of total program, since other sources previously applied will not be available in fiscal 1980.

The principal witness in support of the Air Force program will be Maj. Gen. William D. Gilbert, Director of Engineering and Services for the Air Force.

General Gilbert, do you have a statement?

General GILBERT. I have a short statement that I would like to make with the Chairman's permission.

Senator HUDDLESTON. Certainly.

General GILBERT. It is a pleasure to appear before the committee to present the Air Force fiscal year 1980 military construction program. The primary objective of this program is to support the force structure

and readiness goals as presented by the Air Force Chief of Staff in his annual report to the first session of the 96th Congress.

The bill now before your committee requests appropriation of $581 million to the Air Force for new construction with major subdivisions as follows: regular military construction, $539.7 million; military family housing, $1.3 million; and Guard/Reserve construction, $40 million, for a total of $581 million.

My comments today address only the $539.7 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 $539.7 million in the regular military construction program includes $337.5 million for projects inside the United States, $126.2 million for projects outside the United States, $29 million for projects at various locations worldwide, and $47 million for planning and design. This year's request builds on programs we have initiated in the past, and that we plan to continue in the future. It also brings to an end a major program that has been ongoing for the past few years and marks the beginning of several new programs.

Before going into a discussion of the details of our request, I would like to briefly cover some of the programs in which your committee and others in Congress have expressed an interest.

FLIGHT SIMULATOR FACILITIES

Our fiscal year 1980 request includes flight simulator facilities at 11 locations for $19.6 million. These projects are a continuation of an overall program designed not only to improve aircrew proficiency through new training concepts, but also reduce operation and maintenance costs of current aircraft resources. There are also significant cost avoidances in critical fuel supplies as well, and as such, the flight simulator program can be considered an adjunct to the Air Force's overall energy conservation program.

In support of this beneficial national program, this year's request for $78.2 million will fund the second increment of projects for the Space Shuttle.

SPACE TRANSPORTATION SYSTEM

Last year the Congress approved $113.5 million for facilities at Vandenberg and Cape Canaveral, Fla. For fiscal year 1980, we are requesting funds for maintenance and checkout facilities for the Orbiter, additional funds for the proposed launch pad, utilities upgrade, a Titan replacement facility and security modifications to the mission operations buildings at the Johnson Space Center, Tex. The Johnson Space Center modifications are required to permit support of classified DOD missions due to begin in early fiscal year 1982 at the Kennedy Space Center. There are no alternatives to meet this required date.

As you recall, we advised the Congress last year that our program was geared to an initial operational capability date at Vandenberg of June 1983. This date was predicated on space traffic projections that since have been revised due to budget and other programmatic considerations. Also, NASA has advised that thrust augmentation is necessary to achieve the Shuttle's specification performance.

These changes impact the design of the Vandenberg launch pad and increase the technical and schedule risk associated with achieving the June 1983, date. The desire to minimize technical and schedule risk associated with our program for Shuttle use, while meeting firm Vandenberg DOD and civil launch needs, led us to delay the Shuttle IOC at Vandenberg until December 1983.

To meet the new IOC, which will initially provide capability for up to six launches per year, additional construction in the amount of $119 million will be required in fiscal years 1981 and 1982. In fiscal year 1983, $17 million will be needed for additional servicing facilities to accommodate an increase in the launch rate at Vandenberg to the 20 maximum launches per year. The total Air Force construction cost for space shuttle is currently estimated to be approximately $328 million through fiscal year 1983.

Your past support of our efforts to enhance the Air Force's capability in our national programs is appreciated, and we solicit your continued support of this year's projects and future year's requests.

ENERGY CONSERVATION AND POLLUTION ABATEMENT

Our energy program is an aggressive energy conservation investment program, ECIP, for $23.8 million, which is carefully structured and closely monitored to reduce our facility energy consumption by 12 percent in 1985 compared to 1975 baseline levels. Projects in this program are intended to achieve this goal by modifying existing buildings to make them more energy efficient, to include modifications to their mechanical and lighting systems; installing insulation, storm windows, and energy monitoring and control systems. We anticipate that these projects will avoid $5.7 million of energy costs annually and will pay back their investment in 4 years.

In the area of alternate fuel sources, we are continuing our pursuit of these alternatives, as we did in the past with refuse derived fuel, which we plan to be burning at Wright-Patterson AFB, Ohio, by this summer. Biomass—wood, straw, and other renewable, nonconventional fuel sources are alternate potentials which we are also looking into at locations where a supply of this material is economically available. In addition, a small coal gasification plant is being investigated as a joint DOD/DOE initiative at Minot AFB, N. Dak., using lignite as a fuel source for gasification.

FACILITY ENERGY PROGRAM

Finally, our facility energy program is a modest investment in renewable energy resources of solar, geothermal, and the wind where these sources are feasible.

In keeping with national environmental protection policies, our $16.2 million request for water and air pollution control projects reflects our continuing efforts to meet the more stringent water and air quality standards promulgated by the U.S. Environmental Protection Agency, EPA, and the States in response to the 1977 amendments to the Clear Water and Clean Air Acts.

Design for fiscal year 1980 is progressing well and we expect to duplicate or better our fiscal year 1979 performance. In addition, design of the fiscal year 1981 program will benefit from design progress on projects that were deferred from fiscal year 1980 as a result of budget changes last December.

During this past year, whether because of accelerated inflation, regionally saturated construction markets, or the reduced strength of the dollar overseas, construction costs have risen to a degree that some project adjustments were necessary to get projects awarded within the budget. Fortunately, we have not had to make any major reductions in the scope of these projects.

CONCLUSION

In conclusion, Mr. Chairman, we wish to assure you and your committee that this program represents our best judgment and priority construction requirements with the confines of our budget. Capital investments are proposed only for those installations programed to remain in the inventory.

The fiscal year 1980 MCP includes funds for two major ongoing programs: space transportation system and unaccompanied personnel housing, of utmost importance in the Department of Defense and the Air Force.

And I would like to offer a short informational presentation on each of these two programs at your convenience, sir.

This concludes my statement and we are now prepared to answer detailed questions as required by the committee, sir.

Senator HUDDLESTON. Thank you very much, General. We have gone into NATO support projects, construction in the Pacific, and strategic systems at other hearings, so we will not pursue those today.

SPACE TRANSPORTATION SYSTEM

In the space transportation system, the total Air Force construction cost is now projected to be $328 million, compared with about $250 million forecast a year ago. The increase, you indicated, is attributable to design changes and slippage of Vandenberg IOC by 6 months.

Could you clarify further the elements of this increase, how much is due to design changes, to other added items of construction, to inflation, and so forth?

General GILBERT. Yes, sir, I can. The cost increase falls primarily in three areas. One is new requirements. Last year before the joint committee with the House, Dr. Perry testified that a decision had been made just prior to the hearing that the DOD would go to Johnson

Space Center for the control of DOD classified flights out of Kennedy and Vandenberg. However, we did not have a cost of the requirements to accommodate that decision at that time.

So Johnson Space Center's secure control facility represents $12.4 million of the increase this year, and thrust augmentation, which we feel is only prudent to build into the one and only launch pad that we have at Vandenberg, represents a growth of $13.5 million. Therefore, the total for new requirements is $25.9 million. Escalation represents about $21.2 million in additional funds, Mr. Chairman.

The third area is design changes. As the program matured and better definition of the requirements were known, the changes made to facility scope resulted in another $27.9 million increase for a total of approximately $75 million above what we estimated the cost to be, last year.

THRUST AUGMENTATION

Senator HUDDLESTON. What is the reason for NASA's consideration of thrust augmentation? What sort of construction would that entail?

General GILBERT. Primarily the shuttle is a little overweight. Therefore, with the overweight condition of the vehicle itself, it will not carry into space the heaviest pay load requirements projected by NASA and DOD.

NASA determined that the best way to correct the situation, then, would be through thrust augmentation. Basically what it does, it adds additional thrust rockets to the vehicle to compensate for the added weight to achieve the full specification performance of the Space Shuttle system. Although the committee approved last year the funding for the launch pad at Vandenberg, as a result of this change, we are required to modify the launch mount and other structures that will be required for the additional thrust augmentation rockets. To shut down later for those modifications would result in an unacceptable downtime for the pad.

In addition to that, it will be much more expensive. Therefore, we do not plan to award the contract to complete rehabilitation of the one existing launch pad at Vandenberg until we get a total definition of the criteria for exhausting and other things associated with the thrust augmentation, so that it can all be included in a single construction contract to be awarded in the fall of 1979.

Senator HUDDLESTON. Remodeling to different specifications, so to speak?

General GILBERT. Yes, sir, and it will require some additional exhausting because of the strap-ons that NASA will use on the space vehicle. I will be very honest. I do not have criteria for that yet. We fully expect it early this year and we need to do concurrent construction as soon as we do get it in order to meet our new IOC date.

DESIGN STATUS OF 1980 PROJECTS

Senator HUDDLESTON. What is the design status of the projects requested for 1980? Are you confident that the estimates are adequate?

General GILBERT. Yes, sir, I am, and to answer, the design started on the utility package represented in this program in September, 1978. We are at 35 percent on those now, expecting 90 percent in October, and design completion in 1979. We have had a sufficient amount of experience in building these types of utilities that are required to support the facilities for this system to feel our estimate is very close.

The orbiter processing facility is 15 percent designed. We feel we do have good criteria and definition of the requirement there, and we're confident we can complete that design in early fiscal year 1980 with little change in the estimate. The solid rocket booster facility design started in April, 1978. It is 85 percent complete, and is still holding to our original estimate. It is looking good.

Regarding the project at the Johnson Space Center mission control center, the design actually will start this month. We have asked NASA to be the design and construction agent for that project, but again we have had sufficient experience with protective shielding and other physical measures to insure area security that we feel confident of our estimate. I do expect that we will be 95 percent designed by October of this year on that facility.

Senator HUDDLESTON. We're trying to draw some relationship between the development of the shuttle, its schedule, and construction requirements. We are aware, of course, of problems that developed with the shuttle main engine and there's the matter of thrust augmentation.

ENGINE PROBLEMS

Has the engine problem been rectified and will it impact on the schedule?

General GILBERT. With your permission, sir, I would like for the program element monitor to answer that question.

Colonel Forsythe?

Colonel FORSYTHE. We are closely tracking the NASA development status. They have made significant progress in that area. Work yet remains to be done. They're optimistically scheduling the first orbital flight, with the orbiter that arrived at Kennedy Space Center just this past weekend, on November 9 of this year. That is an optimistic schedule. I think NASA assesses that there is a 50–50 chance of conducting the launch by the end of this calendar year. But as far as the impact of NASA's development status on our program is concerned, our program was conceived to tie in to the NASA milestones.

At Kennedy Space Center, our first launch with an experimental payload is scheduled in December 1981. NASA is scheduling operations capability at the Cape in February of that year, so we have some margin there.

With respect to Vandenberg, our IOC is almost 3 years behind the projected operations capability at the Cape. So again we feel that we have sufficient margin. There is a lot of latitude for NASA to recover from their early development problems without impacting our program or the construction requirements associated with it.

Senator HUDDLESTON. So you are phasing in your construction, hopefully, in a timely fashion?

Colonel FORSYTHE. Yes, sir.

Senator HUDDLESTON. The prospects are that you are doing better than NASA is?

Colonel FORSYTHE. Yes, sir.

General GILBERT. That is why all programs were totally rearranged from what we would have otherwise brought to the Congress this year with regard to the facility requirement at Vandenberg. We saw an opportunity to rephase it and also to stretch it out over a longer period of time, and this is our program to meet those dates.

As Colonel Forsythe indicated, there is still quite a bit of time before the Vanderberg IOC date.

Senator HUDDLESTON. Colonel, on NASA's 50–50 estimate, is the main engine problem a factor?

Colonel FORSYTHE. Yes, sir, it clearly is a factor.

JOHNSON SPACE CENTER

Senator HUDDLESTON. Does the $12.4 million requested for the Johnson Space Center complete the requirements for that facility?

General GILBERT. Yes, sir. As far as we know, that is the total construction requirement for the Johnson Space Center secure control center.

AIR FIELD CONSTRUCTION

Senator HUDDLESTON. Last year we reduced the budget request because it appeared that airfield construction was premature. The Air Force conceded that point, indicating that the project would be included in fiscal year 1980. It is not in the current request. Why is that?

General GILBERT. For two reasons, sir. The slip in the IOC by 6 months, and we are now 100 percent designed. Therefore, the project will be ready to go on the street any time we get the money. Coupled with a complete review of the need dates of each facility in the program, we feel that we can comfortably delay the airfield construction, which is fairly straightforward, until fiscal year 1981. And conversely, we would indeed need the facilities that are before the committee this year before we would need the runway, so it was just a matter of postponement for one more year in order to stretch the program out.

Senator HUDDLESTON. If the funds had been appropriated last year, would this still have occurred?

General GILBERT. No, sir. I would have proceeded with the construction. I would have been ahead of the requirement very frankly, but we would have proceeded with the construction because, as I say, we are at 100 percent design on that.

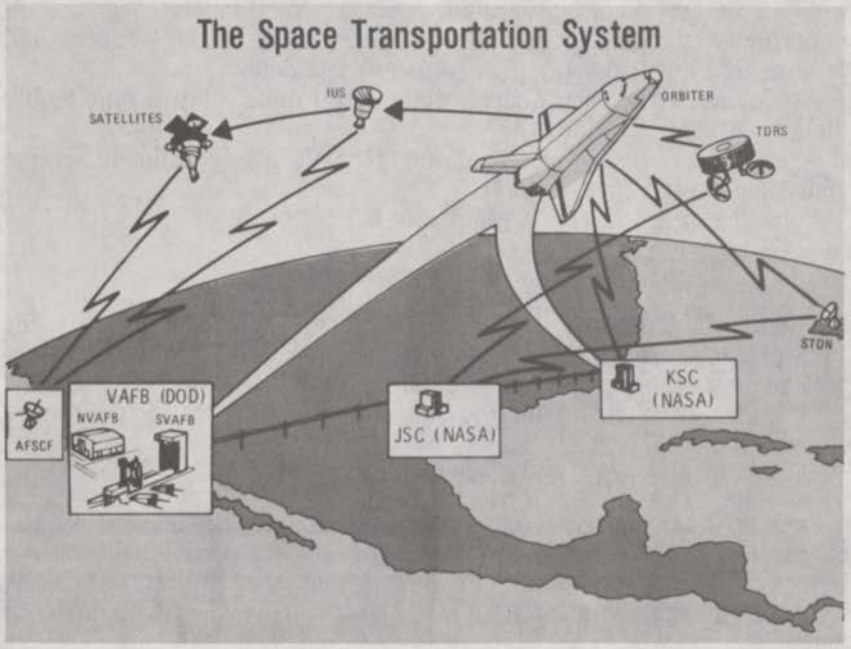
Senator HUDDLESTON. Do you have a presentation on the shuttle?

General GILBERT. Yes; I have a short 10-minute briefing on its operation.

Senator HUDDLESTON. I think we might just see that now.

General GILBERT. Very good. Colonel Forsythe?

Colonel FORSYTHE. With your permission I would like to briefly reacquaint you with the details of the national space transportation system progam and DOD's participation in that program.



VUGRAPH 1

Colonel FORSYTHE. You will recall, elements of the space transportation system are the Space Shuttle depicted here, and the mission control facilities at Johnson Space Center in Houston. As General Gilbert pointed out, we will be using NASA facilities for the control of our classified missions and we have $12.4 million in our request to modify these facilities.

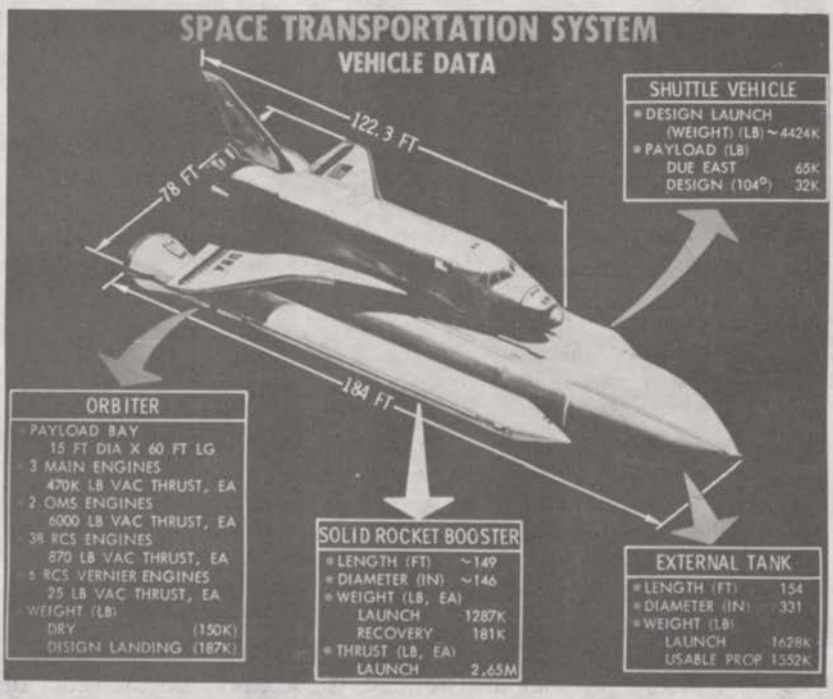
Also included are the NASA facilities at Kennedy Space Center for launching eastward into low inclination orbits and the Vandenberg launch and landing facilities under the cognizance of the Department of Defense for launching into high inclination or polar orbits.

Also included in the DOD program is the inertial upper stage which is used to go from the low orbit achievable by the Shuttle to the higher altitude orbits required by some of our operational spacecraft.

Senator HUDDLESTON. How high does the Shuttle go? That is, your low orbit?

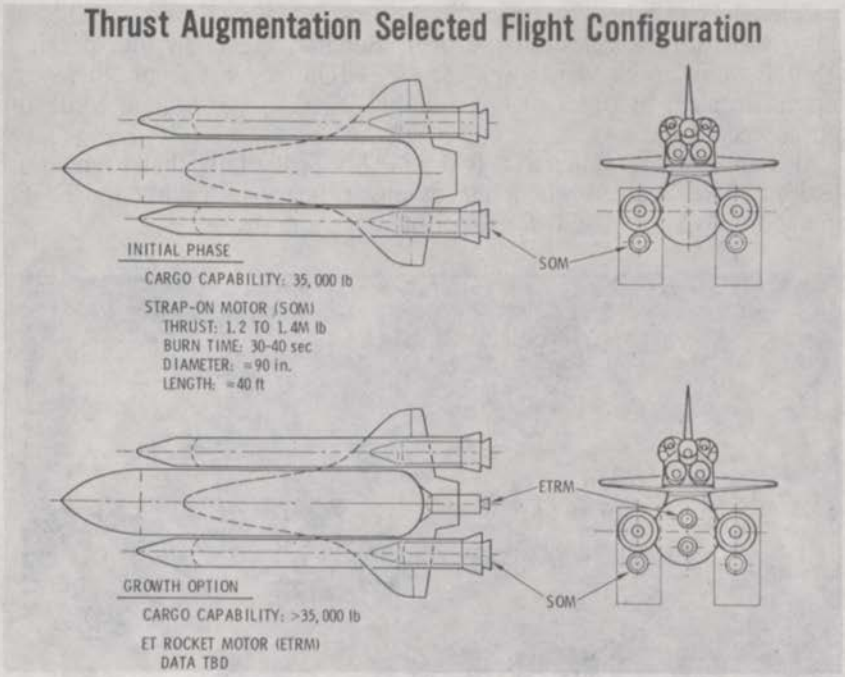
Colonel FORSYTHE. The basic shuttle runs out of payload capability at about 300 nautical miles circular orbit, Senator. Generally, our parking orbit is 150 miles, and we use the IUS to go from there to geosynchronous altitude, that is roughly 20,000 miles, where some of our spacecraft are.

Also an element of the STS is the NASA Space Lab, that I have not depicted here because we don't see any primary utilization for DOD operations. We may use it for experimental purposes.



VUGRAPH 2

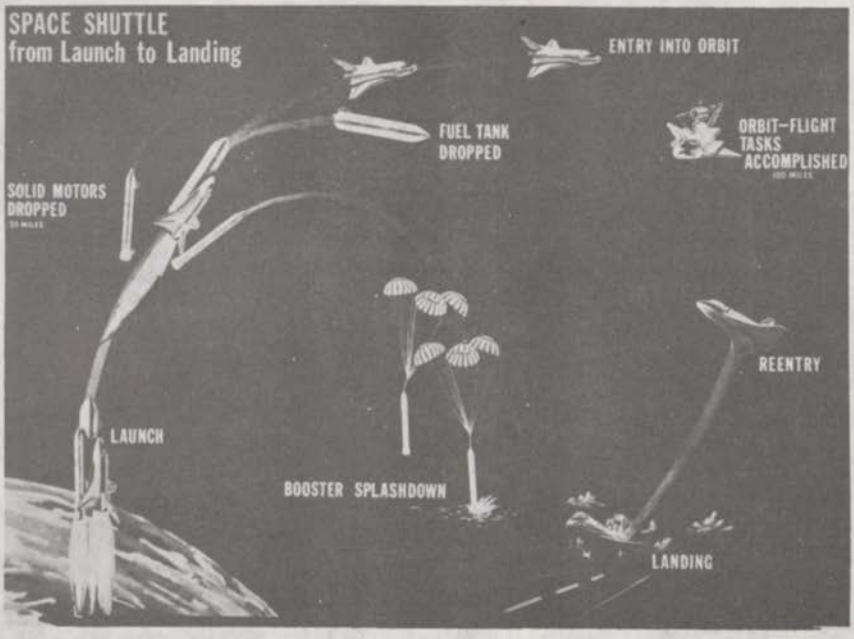
The major element of the system is the Space Shuttle, shown here with the orbiter, the fully expendable external tank and the solid rocket boosters that are lowered from the jettison point into the ocean by parachutes and refurbished for reuse.



VUGRAPH 3

General Gilbert mentioned thrust augmentation that is required to achieve the specification value of the system's performance. What we're looking at here in the configuration that NASA selected as recently as this past December are two strap-on solid motors, one on each of the solid rocket boosters depicted here.

The specification value for Vandenberg missions is 32,000 pounds. These solid motors are estimated to give us something on the order of 33,000 to 35,000 pounds capability to meet our projected requirements.



VUGRAPH 4

This vugraph depicts a typical Shuttle mission launched from either Kennedy Space Center or Vandenberg, with all propulsion systems burning. Those are the two solid rockets you see. The main engines are mounted in the tail of the orbiter. At an altitude of about 25 miles, or 2 minutes into the flight, the solid rocket boosters are jettisoned, let down on parachutes into the ocean, recovered, then go back, shipped back to the factory for reloading.

The external tank is a fully expendable element. It carries the propellants, the liquid hydrogen and the liquid oxygen for the main engines of the Shuttle orbiter.

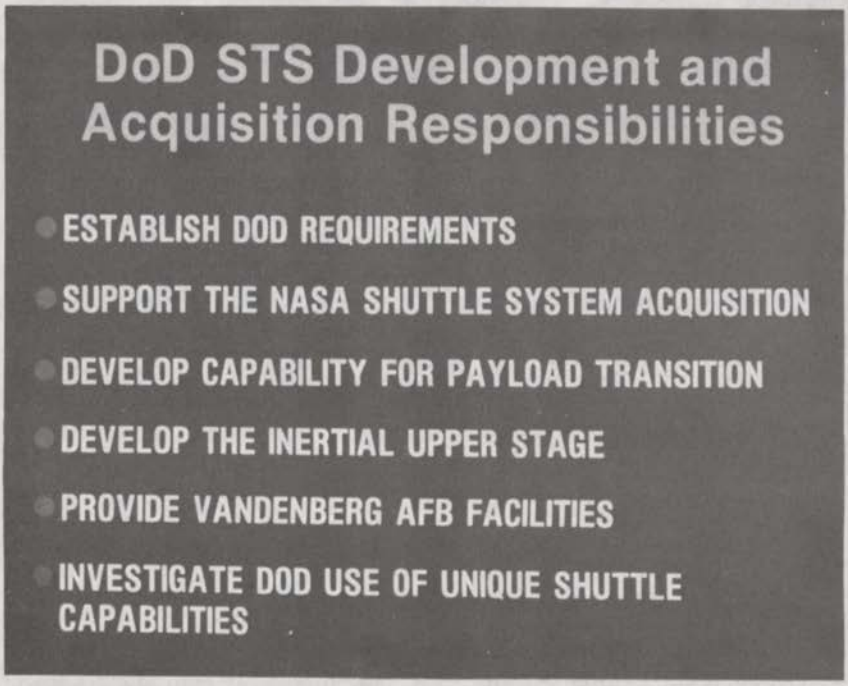
When this tank is jettisoned and the main engines are no longer functioning because they have no propellants, the orbiter is still suborbital. Orbiter injection is achieved by use of the orbiter maneuvering subsystem located in pods on either side of the orbiter's tail.

Once in orbit, we accomplish our mission that may be deploying a payload, retrieving a payload, deploying an inertial upper stage to add propulsion to achieve higher altitudes, or conducting a captive experiment that remains in the orbiter bay. When the mission is completed, the orbiter reenters much like a conventional aircraft and goes through the processing facilities at either the Cape or at Vandenberg and is ready for reflight, again completing the cycle.

Senator HUDDLESTON. It has no power when it comes back?

Colonel FORSYTHE. That is correct, sir, no power at all. It is a gliding reentry.

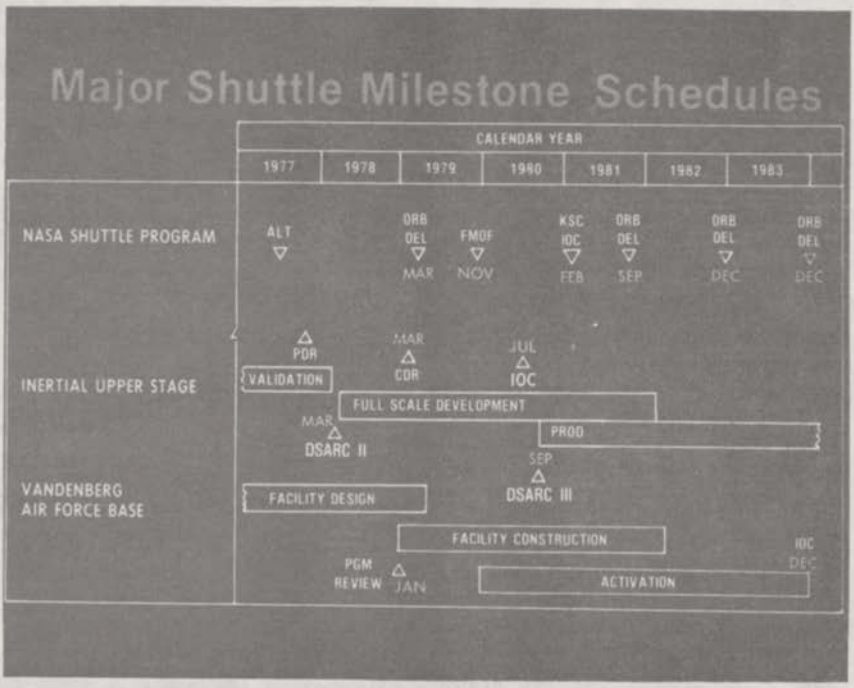
Senator HUDDLESTON. I guess it had better be in the right location. It has to be on the runway?



VUGRAPH 5

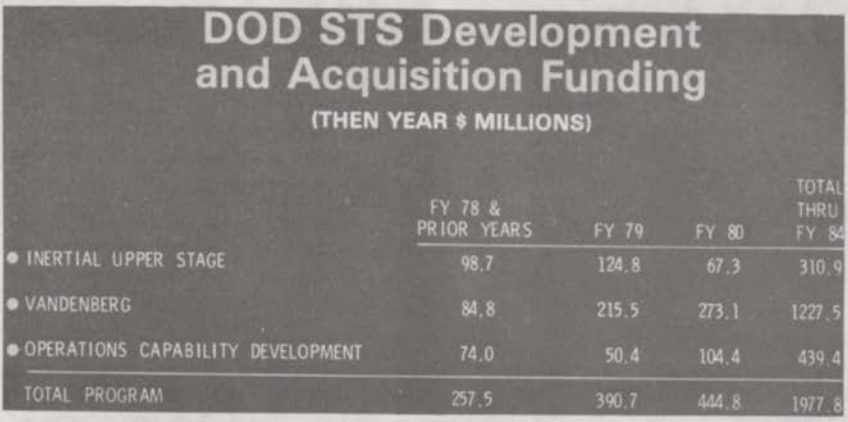
Colonel FORSYTHE. Yes, sir. This vugraph depicts the DOD acquisition responsibilities divided into three major areas; the development of the inertial upper stage that is used for both DOD and NASA applications. NASA is adapting it for their interplanetary missions, and also the first use will be to deploy the NASA tracking and data relay satellite systems that will be a communications link for the Shuttle, as well as NASA payloads.

The second major element is the Vandenberg facilities. We lumped all the rest into a third area called operations capability development. Modification of the Johnson Space Center to conduct our classified operations falls within that category.



VUGRAPH 6

Here we see the major program milestones, again keyed to the NASA development program. The inertial upper stage development is shown here. Currently, initial operations capability is scheduled for July 1980. We see the requirement for that slipping on out into early 1981 to meet our earliest forecast requirements. Vandenberg facility construction and activation are shown here. I might point out that this just leads us to the IOC. As General Gilbert indicated, we have an increment of construction that we're projecting of fiscal year 1983 that will take us from our 10- to 12-year capability at this point to the full 20-year capability by mid-1985. We are phasing our construction to meet our operational needs and to meet the forecast level of launch requirements.



VUGRAPH 7

And my final vugraph shows briefly a summary of funding. DOD participation is something on the order of $2 billion through fiscal year 1984 broken down into these categories; $310 million for the inertial upper stage development, about $1.2 billion for Vandenberg, and operations capability development at $439 million.

Sir, that completes what I have to show you. I would be glad to answer any questions on any of those points or related issues.

Senator HUDDLESTON. Has there been any consideration of the strategic capability of these systems?

Colonel FORSYTHE. We are looking at using the Shuttle in the initial years as a replacement for the expendable launch vehicles and will use the shuttle to do all the missions we do today. Could you clarify more exactly what you mean by strategic capabilities?

Senator HUDDLESTON. In the sense of a weapon or a weapon launcher.

Colonel FORSYTHE. There are currently no plans that envision that kind of application.

Senator HUDDLESTON. Is it possible that it could be?

Colonel FORSYTHE. Certainly. It has that inherent capability.

Senator HUDDLESTON. Thank you very much.

Colonel FORSYTHE. Thank you.

General GILBERT. I might add here, Mr. Chairman, the design of our facilities takes into account any additional construction required and is adaptable to modular design.

So it would only be a matter of adding another module as we increase to the full capability.

Senator HUDDLESTON. Can you indicate why each of the major projects in your request for 1980 must be funded in 1980 as opposed to 1981 or 1982?

General GILBERT. Yes, sir. As I said earlier, we have done a complete restructuring of the program, so as nearly as we can predict now, the 1980 items are required in the 1980 time frame. As an example, the utilities will, in addition to providing utilities for the facilities that will

be built, will have to provide utility service during the construction of those facilities.

For the orbiter processing facilities, without 1980 funding, we do not believe that construction and activation would allow us to meet the IOC of December 1983. The same with the solid rocket booster facility. We see it, as well as the thrust augmentation, being required in order to make the 1983 date. And of course the controlled mode at Johnson Space Center will be required even earlier than Vandenberg if we are to meet our first requirement for that in 1981. This is the absolute latest program for this requirement.

Senator HUDDLESTON. Can you provide for the record a schedule for planned construction by project and fiscal year?

General GILBERT. Yes, sir.

[The information follows:]

DOD STS FACILITIES REQUIREMENTS (DEC 83 VAFB IOC)

(The information follows:)

FY 79			TOTAL
VAFB	Launch Pad Complex	104.7	
KSC	Payload Processing Facilities	8.8	
TOTAL			113.5
FY 80			
VAFB	Orbiter Maintenance and Checkout Fac	37.7	
	Hypergol Maintenance and Checkout Fac (Control and Cell A)	5.5	
	Titan III Replacement Facility	3.2	
JSC	Mission Operations Center Mods	12.4	
VAFB	Launch Pad Thrust Augmentation	13.5	
	Utilities	6.1	
TOTAL			78.2
FY 81			
VAFB	Airfield		
	Solid Rocket Booster (SRB) Refurbishment and Subassembly		
	Transportation		
	Logistics Facility		
	Integrated Ops Support Center		
	SAMTEC HQ		
	External Tank Storage and Checkout Fac		
Pt Hue	Solid Rocket Booster (SRB) Retrieval and Disassembly Facility		
TOTAL			104.7
FY 82			
VAFB	Harbor Modification		
	Parachute Refurbishment Facility		
	Flight Crew Systems Facility		
TOTAL			14.3
FY 83			
VAFB	Safing and Deservicing Facility		
	Hypergol Maintenance and Checkout (Cell B)		
TOTAL			17.2
			327.9

UNACCOMPANIED ENLISTED HOUSING

Senator HUDDLESTON. Turning now to unaccompanied personnel housing, it appears that you have a presentation?

General GILBERT. Yes, sir. I thought what I would like to do, sir, is to tell you what we have done to formalize and consolidate this program, where we have been, where we are now and where we have to go in upgrading the existing unaccompanied enlisted personnel facilities.

You may recall, sir, that last year I said that the Air Force had all major commands do a complete survey of all of the enlisted personnel housing spaces we have on our bases, and that comes up to 88,119 spaces. And to upgrade them to the standards of today represents $741 million. To date we have had approved 11,356 spaces at $69.6 million, and the program before the committee this year will upgrade another 8,000 spaces at about $60 million. That leaves our remaining requirements as indicated in this column, sir.

That again would bring all of our spaces up to new construction standards, which we believe is absolutely essential if we are to retain airmen in the Air Force in the all-volunteer program.

Senator HUDDLESTON. What are those standards?

General GILBERT. It is a three-tier standard, sir, for E–2's through E–4's, it is 90 square feet per man with a semiprivate bath. So that is actually four men sharing a bathroom. For E–5's and E–6's it's 135 net square feet per person and a shared bath. For E–7's through E–9's, it is 270 square feet per person and a private bath.

Senator HUDDLESTON. How does this compare with the other services?

General GILBERT. It is basically the same, sir. This is DOD criteria. We are no different in that respect. We are, by permission of OSD, doing one thing different. Most of our rooms today are two-men rooms, whereas by the new construction criteria you build the same square feet per person, but for E–2's through E–4's, you would build three to a room instead of two. So we have asked OSD, and gotten permission, to build any new facilities as two men to the room as long as we can do it within the same limitations.

Senator HUDDLESTON. So if you get this program, this 1980 program completed, your requirements still will be $600 million. Is that on the basis of today's costs?

General GILBERT. We have projected that in then-year dollars as best as we can see the marketplace, sir.

Senator HUDDLESTON. $611.4 million, 68,268 units.

General GILBERT. That is spaces, sir.

Senator HUDDLESTON. Spaces?

General GILBERT. Yes, sir.

Senator HUDDLESTON. Do you expect that to remain stable?

General GILBERT. Yes, sir, I do, and I don't expect a great deal of new construction unless something dramatic should happen, because we are fairly well facilitized with unaccompanied personnel housing except in isolated locations across the country. It is now a matter of upgrading what we have.

Senator HUDDLESTON. Has the entry of females into the service impacted on this?

General GILBERT. It is nothing that we can't cope with. Many of our buildings now, as the chairman knows, have what we call gang latrines. It has given us a little challenge in rearranging the women's and men's facilities. We haven't been able to do that, not to the extent that we would like to and provide the kind of latrine facilities for either we would like to provide, but we have been able to live with it.

When we get through this program, we will have a great deal more flexibility than we have in our currently configured dorms, because with the semiprivate, baths, if it became necessary, all we would have to do is make sure that adjoining rooms were occupied by the same sex.

Senator HUDDLESTON. So existing facilities can be adapted?

General GILBERT. Yes, sir. We have done two or three different types of division of the internal configuration of the building in order to accommodate women on a temporary basis. In some cases, depending on the number of females we have assigned, we're able to give an entire floor of a three-story building to the females. In other cases, half of the floor, which means they would have one gang latrine.

So we have been able to make those kinds of trade-offs until we get through the total upgrade program.

Just as a summary now, in the 1980 program we're looking at 18 locations to include upgrading of 7,208 spaces, and we're asking for, at 3 locations, 1,287 new spaces. These are those isolated pockets that I talked about; all of these spaces will replace old wooden barracks which cannot be upgraded. That was part of our survey, too. We did not want to ask for money to modernize a building that we didn't feel would extend its life for at least 25 years, and in some cases, as an example Laughlin Air Force Base, they're just not worth upgrading, so we want to replace those with modern dorms, built to the new criteria.

These are the locations. For instance, sir, this year we will complete the phased program at Eglin. The same with Eglin 9. We will complete the requirement at Iraklion.

So we are beginning to complete bases now. This is the first year we have been able to show any total completions at all. We are beginning to close out some locations and begin at others.

Senator HUDDLESTON. You are steadily reducing your backlog on this, is that right?

General GILBERT. Yes, sir. We hope to work this over the next 5 to 6 years, depending of course on the budget levels we're able to get, and then as a consequence the amount we're able to put into this program. But this is very high on both the Secretary's and the Chief of Staff's priority lists because all our surveys tell us that they are one and two on the priority list of the bachelor personnel we have in the military. One, they want privacy and, two, this modernization program of the dormitories.

Senator HUDDLESTON. Directly related to retention?

General GILBERT. We feel that it is, sir. I couldn't quantify the extent to which it is, but it is too consistent across the Air Force in our surveys for it not to be a real morale problem of our people.

That concludes that briefing, sir. I will provide a copy of the briefing for the record.

[The information follows:]

UNACCOMPANIED ENLISTED PERSONNEL HOUSING IMPROVEMENT PROGRAM

	TOTAL REQUIREMENT	APPROVED TO DATE (FY 78 & 79)	SUBMITTED IN FY-80 MCP	REMAINING REQUIREMENT
SPACES	88,119	11,356	8,495	68,268
$ MILS	$741.1	$ 69.6	$ 60.1	$611.4

FY 1980 UNACCOMPANIED ENLISTED PERSONNEL HOUSING IMPROVEMENT PROGRAM

BASE	SCOPE (SPACES)	COST ($ MILS)
MODERNIZATION		
ALCONBURY	276	$ 0.8
AVIANO	112	0.7
CANNON	226	1.6
CASTLE	468	3.8
EGLIN	556	4.1
EGLIN #9	136	1.0
ELMENDORF	288	3.5
GRAND FORKS	576	4.9
HILL RANGE	92	0.7
HOLLOMAN	272	2.0
IRAKLION	280	1.5
K.I. SAWYER	616	5.2
LAKENHEATH	528	0.9

UNACCOMPANIED ENLISTED PERSONNEL HOUSING IMPROVEMENT PROGRAM

FY-80 MCP SUMMARY

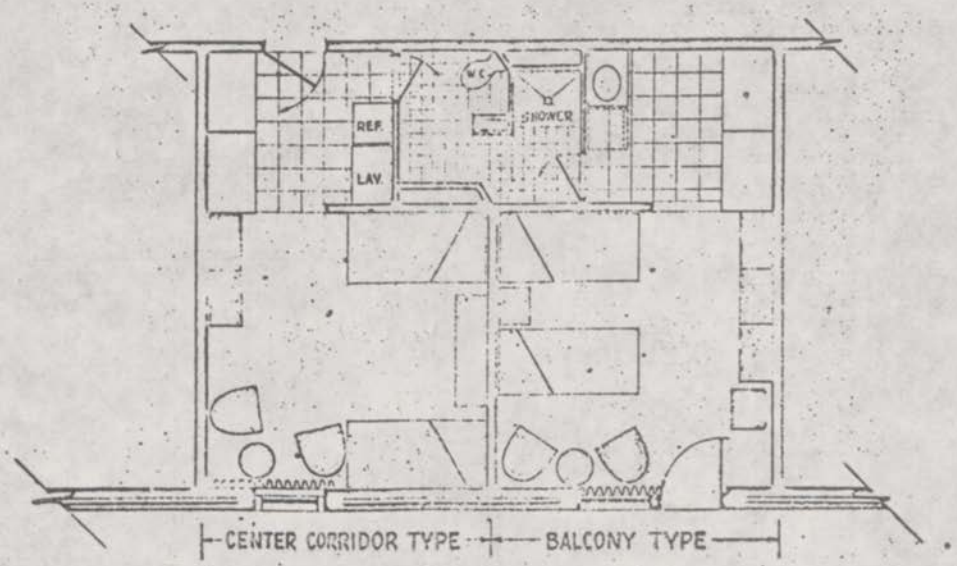
AT 18 BASES IMPROVE EXISTING 7,208 SPACES - $47.04 M

AT 3 BASES BUILD NEW ..... 1,287 SPACES - 13.10 M

TOTAL 8,495 $60.14 M

FY 1980 UNACCOMPANIED ENLISTED PERSONNEL HOUSING IMPROVEMENT PROGRAM (CONT'D)

BASE	SCOPE (SPACES)	COST ($MILS)
MODERNIZATION CONT'D		
MINOT	604	5.1
RAMSTEIN	150	0.8
TRAVIS	680	6.3
UPPER HEYFORD	1,078	1.8
WRIGHT-PATTERSON	270	2.3
SUB-TOTAL	7,208	47.0
NEW CONSTRUCTION		
FAIRFORD	375	5.5
LACKLAND	504	4.4
LAUGHLIN	408	3.2
SUB-TOTAL	1,287	13.1
TOTAL	8,495	$ 60.1



AIRMEN DORMITORY E-2 E-4

2 MN ROOMS 160 SF NET BEDROOM AREA

NEW MISSIONS

Senator HUDDLESTON. Thank you. Your statement indicates that $60.9 million of the request is associated with new missions or changes. Only a part of that is related to MX and cruise missiles. What are the other major mission changes?

General GILBERT. Mr. Chairman, although the announcement of the locations has not been made, we expect it to be made this week. $6.6 million of that is associated with some rearranging we have to do with the F–4's. New aircraft are on order, and this is to provide room on Air Force bases for the new airplanes as they come off the production lines.

The RF–4's, which are reconnaissance aircraft, are being consolidated at a single training location for $7.8 million. For the F–16, which is a new production airplane, there's about $9.7 million; the A–10, $11.7 million; the KC–135's at Fairford, which has been announced, is $7.6 million; the F–15 is $2.1 million and the E–3–A, which has been announced, is $1.1 million.

With the Chairman's concurrence, I would provide for the record the exact locations to which these new aircraft are going.

Senator HUDDLESTON. I would ask you to do that. It might be helpful if you could also provide the anticipated future costs related to these changes and new systems.

General GILBERT. Can do, sir.

[The information follows:]

NEW MISSIONS AND MISSION REALIGNMENTS

England AFB, La	A–10 replace A–7.
[Deleted]	[Deleted.]
Homestead AFB, Fla	F–15 replace F–4.
Nellis AFB, Nev	F–16 replace F–4.
Hill AFB, Utah	F–16 replace F–4.
MacDill AFB, Fla	F–16 replace F–4.
Bergstrom AFB, Tex	Increase in RF–4.
Shaw AFB, S.C	F–4 partially replace RF–4.
Moody AFB, Ga	Increase in F–4.
Bentwaters/Woodbridge, UK	A–10 beddown.
Fairford, UK	New KC–135 base.
Kadena, Japan	E–3A (AWACS) rotation.
[Deleted]	[Deleted.]

The only new weapon system in this program consists of a Various Locations project for SAC for the Air Launched Cruise Missile (ALCM) support for $14.2 million. The anticipated future costs for ALCM for fiscal year 1981 and beyond is $185.5 million.

EFFECTS OF INFLATION

Senator HUDDLESTON. During the course of another hearing last week, the Navy testified that inflation was making pretty much of a shambles of fiscal year 1979 program execution, and that the subcommittee could expect a number of reprograming requests.

Is the Air Force experiencing the same problems?

General GILBERT. Normally, by getting out on the street at this time of the year, we achieve good bid results. However, we are now

experiencing bids, as a composite of the total program, about 4 to 6 percent above what we had programed primarily due to unforeseen inflation, nevertheless, I'm still able to buy the program out.

To be very honest with you, for the total fiscal year 1979 program bid to date, I am about 5 percent below the total programed amount. In several instances, I have had to exercise some of the flexibilities as authorized by the Congress, but I have not had to reduce any of the criteria to any great extent, or certainly not any of the scope beyond that required to provide a usable facility.

So far, sir, we are able to buy the program out. I am pretty concerned, though, about coming into the summer, which is normally a high bidding time, and we may be in a little difficulty then, but right now I am not.

Senator HUDDLESTON. At this time you don't anticipate any substantial reprograming requirements?

General GILBERT. No, sir. As a matter of fact, it could go either way. I don't know. As the Chairman knows, last year the construction industry really heated up with a lot of work on the street. Maybe some of that is beginning to get finished, and as we come into the summer we will have more contractors looking for jobs. I just don't know how to predict that yet.

ENERGY CONSERVATION

Senator HUDDLESTON. Your statement refers to $23.8 million for the energy conservation investment program. How much of that sum is for energy monitoring and control systems?

General GILBERT. We have five locations that receive these systems under this program, sir, totaling $5.9 million.

Senator HUDDLESTON. Are these systems uniform or standard commercially designed?

General GILBERT. We have developed tri-service specifications that we are using to procure all of these. We worked very closely with the Navy on this, and I have high confidence in it. It looks like a very good spec, and we have some very good feedback from the industry. We're all using that same specification and buying commercially available standard hardware.

Senator HUDDLESTON. Have basewide energy studies been completed at all of the locations proposed for such a system in fiscal year 1980?

General GILBERT. Yes, sir, they have, and in addition to that, Mr. Chairman, under the Executive order on energy conservation, we are also about to complete our survey of every Air Force building over 30,000 square feet to see what we can do to make it more energy efficient. That is, an individual facility engineering survey that has been done on them, and as a consequence, we are about to enter the phase of doing the same investigation on those that are from 5,000 to 30,000 square feet.

We believe that we have a good handle on exactly what we can do within a reasonable cost to save energy in our existing facilities, and when we get through this second phase, it will be further refined.

We do have our first three systems that the Congress approved for the Air Force in operation now. They are certainly all living up to expectations, some exceeding it by a great amount. As you might recall, we were one of the early requesters of these systems, because we saw their value, beyond persuasion and publicity and local initiatives that bases might take to conserve energy, that this was the next best method of doing that. And it looks as though it is going to be a good program.

Senator HUDDLESTON. You are talking about a 12-percent goal in energy reduction by 1985. I understood the President is going for a 20-percent reduction. How did you arrive at your figure?

General GILBERT. Yes, sir, I'm talking about the 12 percent that we believe these systems will get us, and then we have another program through the use of O. & M. funds that is just fitting buildings with insulation and windows, relighting and so forth, that we think we'll get another 5 percent. And very frankly, sir, we are still encouraging commanders to come up with that other 4 percent based on the initiatives that they can still take on their bases.

Senator HUDDLESTON. So you're still actually shooting for that?

General GILBERT. Yes, sir. That is our goal. We think we will meet it, but I would be misleading the Congress if I told them that I could make that through this particular program. It is going to take a combination of the three.

FLIGHT SIMULATION FACILITIES

Senator HUDDLESTON. The fiscal year 1980 request includes almost $20 million for various flight simulator facilities. Can you provide data for the record which will identify the flight simulator for which the facility is required, where it is budgeted, and when delivery of the simulator is expected?

General GILBERT. Yes, sir. That information is available. I will be glad to supply it for the record.

[The information follows:]

FLIGHT SIMULATOR DATA

Base and delivery schedule	Number of simulators	Simulator budget year
England (A-10):		
June to October 1981	2	1979-82
Bergstrom (RF-4C):		
Move from Shaw AFB	2	Prev Purchase
Bentwaters (A-10):		
June to August 1981	2	1978-81
Davis-Monthan (A-10):		
June 1981	4	1976-81
[Deleted]:		
June 1981 to April 1982	2	1978-81
Clark (F-4G):		
Move from Eglin AFB	1	Prev Purchase
[Deleted]:		
December 1981	2	1980-81

FLIGHT SIMULATOR DATA—Continued

Base and delivery schedule	Number of simulators	Simulator budget year
Osan (F–4):		
Move from Luke AFB	1	Prev Purchase
Homestead (F–15):		
April 1981	2	1978–80
Kirtland (C–130):		
April 1981	1	1979–80
Griffiss (B–52):		
December 1981	1	1980
Lakenheath (F–111):		
November 1980	1	1977

OVERSEAS CONSTRUCTION

Senator HUDDLESTON. For overseas construction the fiscal year 1980 budget includes $5 million for various facilities at Roberts International Airport in Liberia. I was not even aware that we had an interest in that area.

What specifically are these funds for?

General GILBERT. Sir, they are primarily to provide some additional aircraft parking space at the international airport and some aircraft fuel dispensing and storage capacity, beyond which they have there now. That is the only real dependable staging area we have in the entire African continent. We have had to stage MAC aircraft through there a couple of times, and we found that one of the greatest hold-ups there was the lack of parking space and refueling capability. Right now they're so limited that in some cases we have to, especially if you are staging C–5's through there, wait for the fuel truck to run back and forth about 35 miles one way to the refinery to fill the C–5. And since it is critical to any contingency that would occur in that area, whether it be evacuation or what have you, we believe that we need to provide these minimum staging facilities for the MAC airplanes to that location.

Senator HUDDLESTON. This would include storage facilities?

General GILBERT. Yes, sir, it would, and some parking space.

JOINT SURVEILLANCE SYSTEM

Senator HUDDLESTON. I note that the fiscal year 1980 budget request of $23.3 million will complete the Joint Surveillance System, wherein many radar sites have been shut down or turned over to the FAA. This purports to save approximately 5,000 personnel spaces and $100 million in annual operating costs.

How many Air Force radar sites are involved in this transfer?

General GILBERT. Mr.Chairman, there are a total of 59 sites involved in JSS, including 14 Air Force sites being transferred to FAA. In addition, we will be able to close 28 radar stations upon implementation of JSS. The Air Force will continue to operate and maintain 8 CONUS and 13 Alaska sites under JSS.

Senator HUDDLESTON. So those are the operations that will require the Air Force costs, the ones that you maintain?

General GILBERT. Yes, sir. Plus, at some of the sites that FAA will operate, we will have five or six bluesuiters there purely and simply to operate the height-finder radars. FAA has no requirement for height-finders, so we will continue to have that part of the system. And of course in this program are the remaining ROCC's that are a part of this total system. Both the ROCC's and the radar sites contribute to the reduction in operating costs and the manpower savings.

PANAMA CANAL CONSTRUCTION

Senator HUDDLESTON. Your 1980 request contains $2.7 million for construction at Howard Air Force Base in Panama. The fiscal year 1979 supplemental also includes $3.5 million for this base.

Could you identify for the record the specific projects associated with these two sums, and provide an assessment as to the urgency of the requirements assumed in the supplemental?

General GILBERT. Yes, sir.

Senator HUDDLESTON. That would be helpful to us. I think we will have a considerable amount of discussion on those projects as they work their way through Congress.

What additional costs does the Air Force anticipate as a result of the treaty-related changes in facilities and responsibilities?

General GILBERT. With the items in the 1979 supplemental and the 1980 program, sir, we don't see any more Air Force MCP costs associated with the treaty.

Senator HUDDLESTON. $2.7 and $3.5 million?

General GILBERT. Yes, sir, plus what the Secretary of Defense authorized early on, out of his contingency funds, to build some mail facilities, because the Air Force did become the postmaster, so to speak for the Panama Canal under the treaty.

[The information follows:]

MCP PROJECTS

In the fiscal year 1980 MCP, we have two projects for $2.7 million. One project is to relocate a communications transmitter/receiver facility onto U.S. Government controlled land. The land on which the existing facility is located is to be turned over to the Government of Panama when the treaty takes effect. The other project is for recreational facilities that are necessary for increases in personnel and dependents due to various U.S. organizational moves onto Howard/Albrook and Fort Kobbe as a result of treaty agreements. These moves have generated a critical need that must be satisfied if we are to provide for the continued welfare of our people there.

In the fiscal year 1979 supplemental, we have a request to provide security facilities ($3.5M) at Howard AFB and Albrook AFS in the Canal Zone. These facilities are required to support the Air Force portion of the relocation and consolidations resulting from provisions included in the recent Panama Canal Treaty. Since the buffer zone now owned and covered by the Panama Canal Company, security will disappear when the new treaty takes effect, additional security personnel and physical security measures are required to provide standard requirements for the Howard/Albrook complex as an overseas base. Also, Howard/Albrook is a high theft area and the additional personnel along with proposed physical security measures (fence, perimeter road, tower, armory, etc.) will reduce this risk. In addition to the increased potential for theft, the

ingredients for an international incident would be increased as would the possibility of terrorists gaining access to the complex without these additional security personnel and patrols.

Senator HUDDLESTON. What is the status of the work out there?

General GILBERT. It is under construction and coming along pretty well, sir. I don't know the percent complete at the moment.

Senator HUDDLESTON. Will you meet the deadline requirements of the treaty?

General GILBERT. Yes, sir. It will. The Air Force, as you probably know, didn't have many facilities that we had to vacate and build new ones, as the Army did. As a matter of fact, the Army is moving onto Howard and Albrook, where we are remaining. Our 1979 project is primarily security-related, fencing and guard towers around Howard, which is not fenced now. It is guarded by some 270 Panamanians, which we will lose under the treaty.

We looked at either putting our own security police there or fencing the base, which is wide open. It now has local cross traffic through it. We came up with a combination which seemed to be the most cost effective. That is by way of saying that actually, if we had to provide the additional number of people that would be required to do what we think the security fencing will do, it would cost us more in the end than the fencing would.

Senator HUDDLESTON. Will your personnel requirements increase?

General GILBERT. No, sir. We certainly don't anticipate any major increases. It might be onesie's and twosie's, but nothing major. And then, of course, in the 1980 program, we have our recreation facility.

Senator HUDDLESTON. Does your mission change any down there?

General GILBERT. No, sir, not ours. It is the same mission.

Senator HUDDLESTON. The same type of activity?

General GILBERT. Yes sir. We run a training school. We have some aircraft down there.

Senator HUDDLESTON. Do foreign nationals also participate in that training school?

General GILBERT. Yes, sir. They come from all over South America for training.

Senator HUDDLESTON. You will continue to conduct that?

General GILBERT. Yes, sir. That was not impacted by the treaty.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. Gentlemen, I think that takes care of it this morning. I appreciate very much your coming.

The subcommittee will be in recess until Thursday, when we will consider the Army construction program.

[Whereupon, at 11:18 a.m., Tuesday, March 27, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1980

THURSDAY, MARCH 29, 1979

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

The subcommittee met at 2:15 p.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator Huddleston.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

CHIEF OF ENGINEERS

STATEMENT OF LT. GEN. JOHN W. MORRIS, CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

BUDGET REQUEST

Senator HUDDLESTON. The hearing will come to order. Today's session addresses the fiscal year 1980 budget request for Army military construction programs. At $722.3 million, the Army's request is the largest of the three services, which is not at all surprising considering the relative size of its physical plant. Also not surprising, given the small size of the total 1980 budget, the request is considerably below last year's level: About $107 million lower in terms of appropriation and over $160 million lower in terms of the program to be accomplished.

The principal witnesses in support of the budget request will be Brig. Gen. William E. Read, Assistant Chief of Engineers. In addition, we are also pleased to welcome Lt. Gen. J. W. Morris, Chief of the Corps of Engineers, who has offered to provide the subcommittee with an overview of past accomplishments of the military construction program and the most critical needs for the future.

Without objection, I believe that we might start with General Morris' informative presentation, after which General Read can address the specifics of the budget.

General MORRIS. Thank you, Mr. Chairman.

PREPARED STATEMENT

I have prepared a longer statement which I request be entered into the record as written.

Senator HUDDLESTON. Without objection.

[The statement follows:]

PREPARED STATEMENT OF LT. GEN. JOHN W. MORRIS, CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

Mr. Chairman and members of the Committee; I am Lieutenant General John W. Morris, Chief of Engineers, Department of the Army. This, my first opportunity to address the military construction subcommittees, is for two important reasons: The first is to review the fruits of the outstanding support of this subcommittee to the Department of the Army's annual military construction requests. The condition of our physical facilities and in turn the combat readiness of the forces have progressed greatly in recent years. The second reason for my appearance is to focus onto what lies ahead—what needs to be done to assure a quality of life for our soldiers and their families which will strengthen the Army's capability to perform its missions. In general terms then, this year's request focuses on those facilities necessary to enhance force readiness and fulfill our obligations to the individual soldier and his family.

SCOPE OF ARMY FACILITIES

The Army's facilities engineering operation is big business. Our facilities engineers maintain 174 major installations throughout the world with a work force of some 50,000 people. The Army real property facilities have an estimated value approaching $93 billion. The size of the facilities we manage can best be expressed by a few statistics. There are 993 million square feet of building space, 11 million acres of land, 2,724 miles of railroads, and other facilities and systems (water, electrical, sewer) which are unparalleled anywhere in Government or the private sector. Our annual cost for maintenance and operation is about $2 billion. When related to the overall base which the MCA appropriation supports, the relative magnitude of the annual construction requests is significantly less imposing.

OTHER CONSTRUCTION PROGRAMS

The Army Corps of Engineers also executes many other construction programs for the Department of Defense and the Nation.

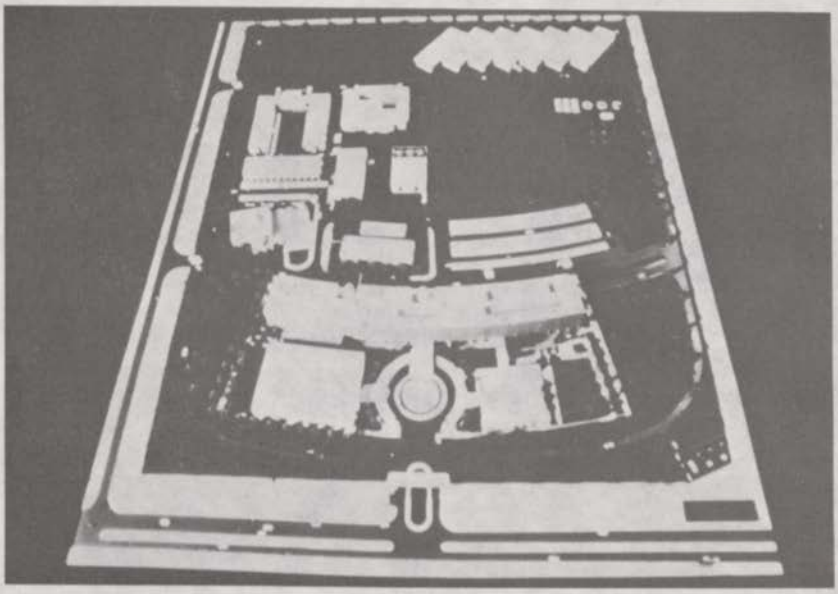
Last Year (fiscal year 1978) our military construction execution for agencies other than the Army was approximately $300 million. This included work accomplished for the Air Force, Navy, and other DOD agencies. This slide, which shows a completed enlisted dorm at Hickam Air Force Base in Hawaii, is typical of the construction we perform for other services.



SLIDE 1.—Enlisted Dorm, Hickam Air Force Base, Hawaii

In addition to this program our overseas construction for foreign governments, as approved by the Congress and Executive Branch, exceeded $630 million. The construction value of our design work for foreign governments approximated $3.3 billion. The work is paid for by the receiving nation. A great deal of this construction is taking place in Saudi Arabia. One of our larger projects in Saudi Arabia is the construction of a $214 million headquarters complex for the Saudi Arabia National Guard at Riyadh.

41-638 O - 79 - 28



SLIDE 2.—Model of Saudi Arabian National Guard Headquarters Riyadh SA—cost $214M

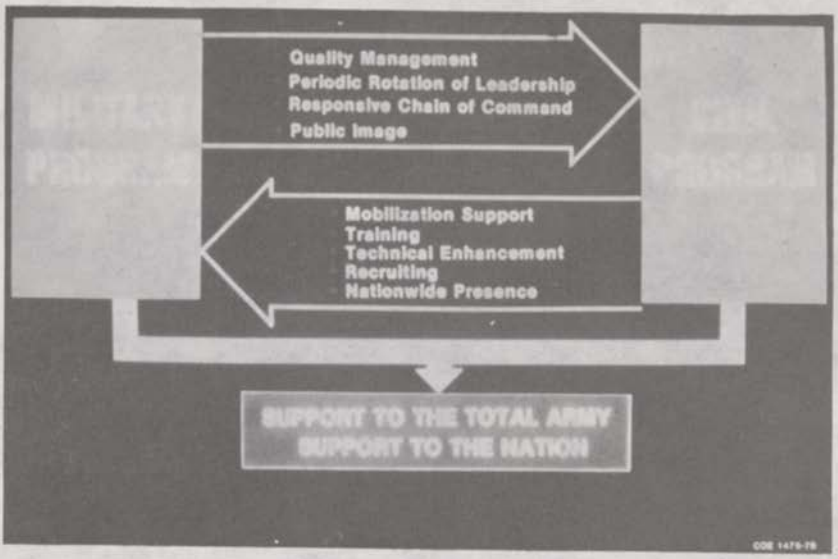
This slide, taken in March 1978, shows the main headquarters building in the early stages of construction.



SLIDE 3.—HQ Building—Saudi Arabian National Guard complex, 738 feet long—93 feet wide—5 stories

The Corps' Civil Works Program, which provides an excellent technical enhancement base for our military program as well as a mobilization reserve capability, included construction valued at $2.784 billion for the fiscal year 1978 program.

There is a strongly reinforcing relationship between our Civil Works Programs and our Military Programs, neither would work as well as it does without the other and our national preparedness for natural emergencies or war is enhanced accordingly.



SLIDE 3a

PRIOR MCA PROGRAMS

One of the primary goals facing the Army—indeed our watchword—is the requirement for readiness and the ability to make a transition to a war-fighting status. Many factors must be considered in readiness: The state of training of the individual and his unit, the state of materiel readiness, the ability of the entire force to mobilize, to deploy overseas, to be received in the theatre of operations and the sustainability of the force in combat are but a few of the requirements for readiness. Associated with each of these facets is the requirement for modern operations and training facilities, supply, maintenance and medical facilities. Without these facilities the state of readiness declines.

The Army's ability to contribute effectively to a deterrent force hinges upon another important element. Trained and dedicated soldiers supported by skilled civilians comprise the single most important element of our force. In order to maintain an effective deterrent force, they must remain convinced of popular support. They must believe that the American people recognize and support the Army's mission. They must also perceive that their contributions to the security of the United States are understood and appreciated. Providing the facilities necessary to support an adequate quality of life for the soldier and his family is one of the most tangible methods by which we can show the soldier that he has his country's support.

The Army has an inherent responsibility to ensure that its activities do not contribute to polluting the environment and to ensure that our share of the nation's fuel reserves are wisely used. To meet these responsibilities we must improve our pollution abatement systems and operate energy efficient physical facilities.

The following is but a sample of the items provided by the Congress in recent years which enabled us to meet our responsibilities.

Since fiscal year 1970, the Congress has approved a total of approximately $6.2 billion for the Army's MILCON programs. Included in this amount is some $642 million as the U.S. contribution to the NATO Infrastructure Program.

One of the important achievements this has allowed has been the construction to improve the living conditions of our enlisted personnel.

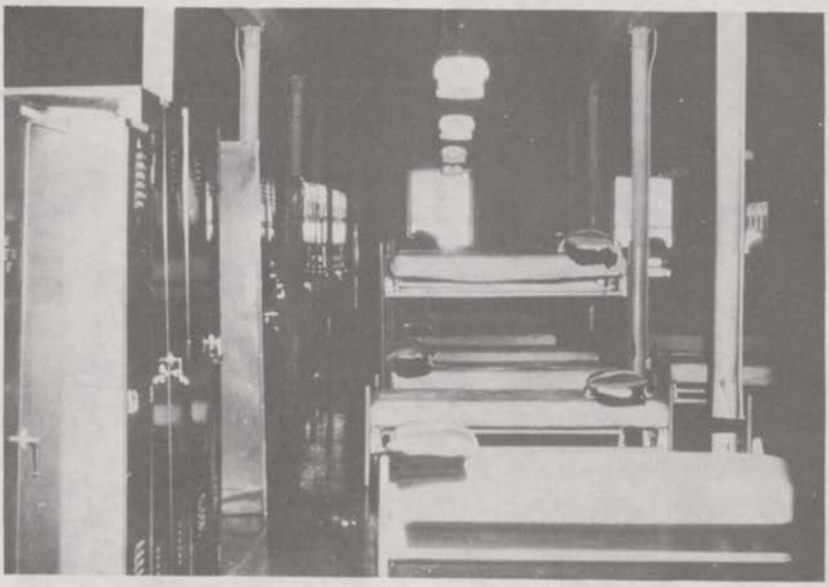
Prior to the initiation of this effort many of our barracks facilities are typified by conditions depicted in the following slides.



SLIDE 4.—World War II Barracks, Fort Jackson, S.C.



SLIDE 5.—Open Bay Barracks, Fort Bragg, N.C.

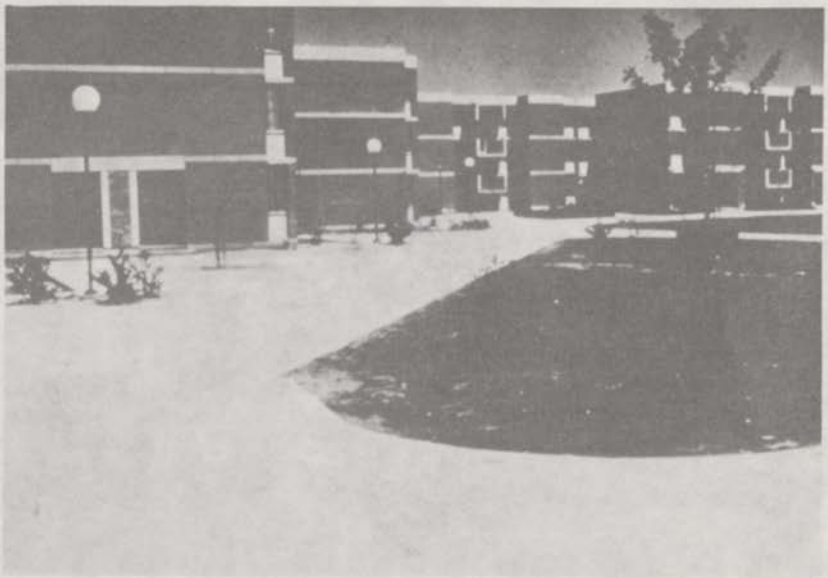


SLIDE 6.—Open Bay Barrack, Fort Sill, Okla.

Your support in this important area has resulted in approximately $1.5 billion for facilities similar to the Fort Carson and Fort Hood bachelor enlisted quarters shown on the following two slides.



SLIDE 7.—Fiscal year 1972-73 Fort Carson BEQ



SLIDE 8.—Fiscal year 1973 Fort Hood BEQ

The significant improvement in the actual living areas is evident when the living areas shown in the following slides are compared to the previously depicted open bay arrangement.



SLIDE 9.—Interior view of 3-man room



SLIDE 10.—Interior view of living room

Most assuredly we still have barracks requirements, but the bulk of this effort in the United States is behind us.

We have also received excellent Congressional support for the modernization of the Army's medical and dental facilities to standards necessary to provide adequate care for beneficiaries and to maintain a professionally competent medical force capable of responding to mobilization missions.

In the past ten MCA programs nearly $700 million has been directed toward modernizing health facilities.

Many of the health care facilities which existed prior to our efforts in the seventies were housed in temporary World War II facilities similar to that shown here, which had neither the space nor the technical capability to provide the required health care. The crowded conditions which were prevalent in many of these old substandard facilities is depicted by this slide.

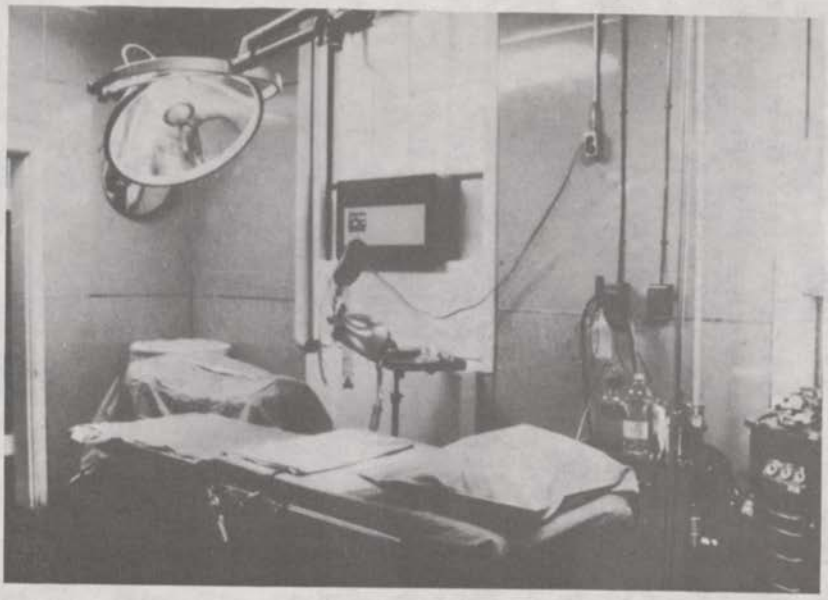


SLIDE 11.—Typical medical facility housed in World War II building



SLIDE 12.—Typical waiting room

Our physicians have had to deliver babies in facilities similar to the delivery room at Fort Lewis, Washington, depicted on this slide.



SLIDE 13.—Delivery room—Madigan Army Medical Center—Fort Lewis, Wash.

During this period five new hospitals totaling $188.8 million have been constructed. These are located at Forts Gordon and Benjamin Harrison, Walter Reed Army Medical Center, West Point and Redstone Arsenal. Three other replacement hospitals at Forts Campbell, Polk, and Stewart are under construction at a cost of $126 million. A total of 33 dental clinics estimated at $45.5 million have been funded during this period. This will result in 95 percent of the CONUS dental clinics being housed in permanent facilities.

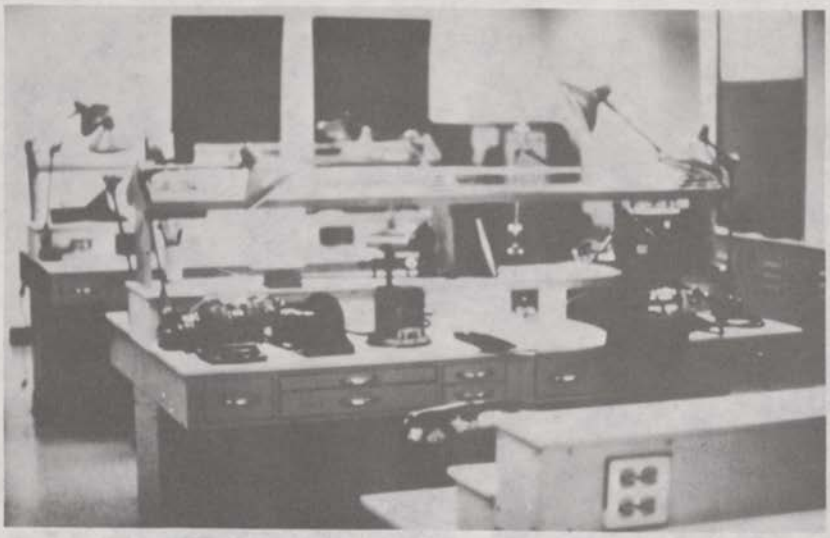
The following slides provide dramatic evidence of the improvement:



SLIDE 14.—Walter Reed Army Medical Center, Washington, D.C.



SLIDE 15.—U.S. Military Academy Hospital, West Point, N.Y.



SLIDE 16.—Dental Laboratory—Fort Richardson, Alaska

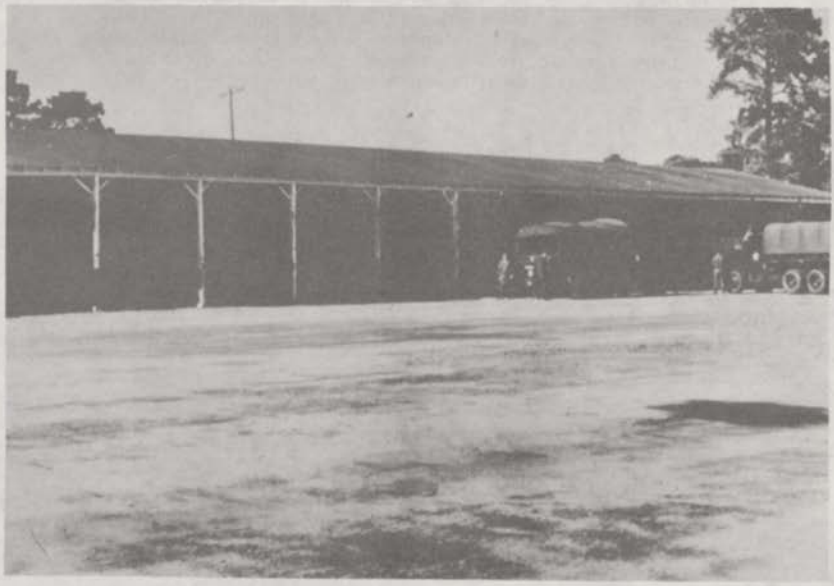
While not enjoying the same degree of visibility given medical facility construction, the upgrade of maintenance facilities throughout the Army is directed toward providing us with the facilities necessary to maintain a combat ready posture. Improvement of the conditions in which the soldier works is one of the Army's more important endeavors.

Inadequate maintenance facilities contribute to a reduced state of readiness just as surely as morale or discipline problems. In fact, the deterioration of readiness is more insidious than some of the other more noticeable problems. The best soldier hesitates to perform adequate maintenance if he has to get down on his back in the mud to check or install an item. If he doesn't hesitate the first time he will after a few dozen times with no relief in sight. He will also procrastinate if he has no heated maintenance space at his home base and is required to service his vehicle in the snow or without adequate lighting or exhaust systems. Proper leadership and motivation can reduce the problem but, in a peacetime operation which exists for years, it cannot eliminate the problem.

Our efforts have been directed toward replacing the old substandard maintenance facilities similar to those shown on the following slides:



SLIDE 17.—Old Shops at Fort Campbell, Ky.



SLIDE 18.—Old Shops at Fort Stewart, Ga.

In the past ten years we have applied approximately $350 million toward the improvement of maintenance facilities. An example of a modern maintenance complex is shown in the following slide:

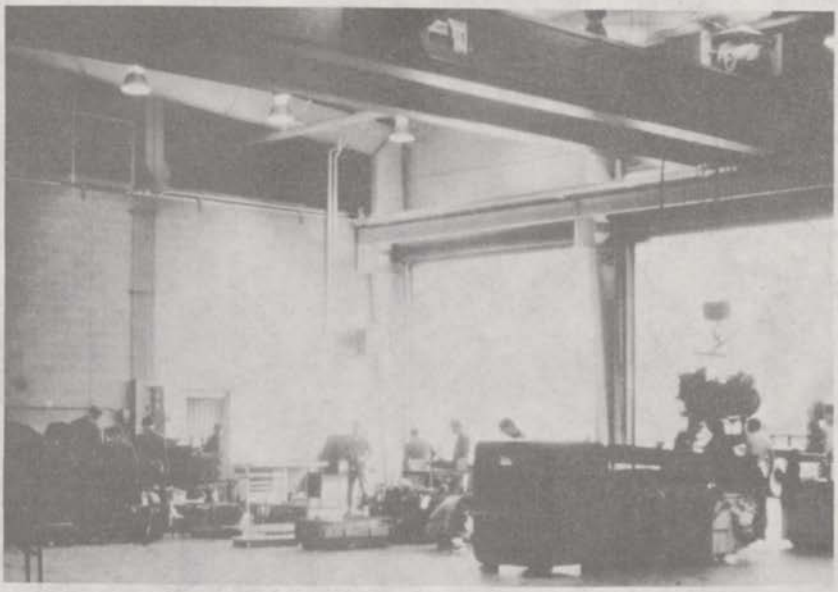


SLIDE 19.—Tactical Equipment Shop—Fort Riley, Kans.

These new facilities are well planned, have adequate hardstands and are sized to accommodate the wide variety of equipment in our combat and combat support units. The interior of a typical maintenance facility is well-lighted, adequately heated, and contains adequate vehicle exhaust systems and overhead cranes for removal of engines and other heavy components.



SLIDE 20.—Tactical Equipment Shop—Structural and concrete masonry building with hardstand area



SLIDE 21.—Interior view of pre-engineered tactical equipment shop showing overhead crane

I have received many favorable comments from commanders regarding the significant improvements we are starting to see in our maintenance facilities. I know they consider, just as I do, these facilities to be an integral part in the effort to keep our forces combat ready.

The last area I would like to discuss relates to our efforts to enhance the Energy Conservation and the Pollution Abatement Programs. While the Army has historically been concerned with the conservation of our unrenewable resources and the elimination of pollution, the past ten years has seen these endeavors becoming a significantly greater portion of our construction program.

Various funding procedures are employed for reducing energy consumption in existing facilities. Local OMA funds, minor MCA funds and regular MCA programs are being utilized. However, the major funding is being achieved through the dedicated MCA Energy Conservation Investment Program (ECIP) which you have been supporting.

In the past four years ECIP projects approximating $158 million have been MCA funded. The following slides show uninsulated flooring and uninsulated attic space.



SLIDE 22.—Uninsulated floor boards in building—Fort Jackson, S.C.



SLIDE 23.—Uninsulated attic—Fort Riley, Kans.

These conditions are exceptable only when energy is plentiful and cheap. Other initiatives in this program include weatherstripping, heating and air conditioning maintenance and control systems, solar heating, lighting system revisions and installation of heat recovery systems. While these improvements are being provided, we are taking other conservation actions which have reduced our consumption by approximately 28 percent since 1973.

The Army has accorded high priority and devoted substantial resources to solve our air and water pollution problems. We have found the problems to be enormous

41-638 O - 79 - 29

from both technical and administrative standpoints. The standards being set have often exceeded the state-of-the-art and have forced us to expand the technological capability necessary to ensure compliance. This is particularly true at our ammunition production plants. Some administrative problems have been beyond our control, for example, some regional sewage treatment systems in which we are participating are behind scheduled compliance dates or not yet under construction.

We have received $447 million in MCA for pollution abatement since fiscal year 1970. Approximately 60 percent of the approved work has been completed. Although we have made progress in abating pollution, the rate of progress is not as fast as we would like and a reintensification of the Army pollution abatement program has been necessary. Therefore, in April of last year I initiated a systematic survey of every Army installation, every Reserve center and every applicable National Guard facility in the United States.

The results were worth the effort. Over 800 potential problems were identified. Of those, 300 require some construction to achieve compliance, while another 300 have been identified for more detailed study. The fiscal year 1980 MCA Program reflects a 50 percent increase from the pre-survey program of last year as we have tried to program every recently formulated project that could be effectively obligated in this year's program.

The slides you have just seen represent the degree of contrast which is found in the facilities throughout the Army. This slide of a recently completed chapel at Fort Hunter-Liggett, Calif., typifies one of the basic goals of our construction program. From an overall standpoint modest, well-constructed facilities which are easily maintained and provide adequate living and working conditions for our personnel will in the long run enhance our force readiness.



SLIDE 24.—Chapel—Fort Hunter-Liggett, Calif.

FISCAL YEAR 1980 MCA

As you progress with your review of the fiscal year 1980 Military Construction Program, I think you will agree that it is a carefully structured program formulated to provide the facilities necessary to meet the Army's primary objective of force readiness. Brigadier General Read, the Assistant Chief of Engineers, will provide the details of this year's construction request; however, I would like to briefly compare the magnitude of this year's program versus last year's and highlight some of the important facets of the fiscal year 1980 request.

If you consider last year's approved program plus the contingency funds for Panama ($10.9 million) and the presently proposed 1979 supplemental, ($70 million), our fiscal year 1979 program amounts to approximately $835 million. The total appropriation request this year, which includes general authorization items but excludes ammunition production facilities, is $722.3 million and is approximately $113 million less than our total program from fiscal year 1979. Consequently, only the most crucial items have been retained for your consideration. Upgrade of maintenance facilities continues to be an important area of concern for which we are requesting $109 million. In an effort to provide better living and community facilities for our soldiers we are requesting $129 million for projects such as new barracks at Fort Ord and Fort Campbell. We are requesting $45 million for the energy conservation program and $151 million to comply with the statutory requirements related to pollution abatement.

Our request for Army projects in Germany is approximately $150 million which is about $110 million below that requested last year. I would like to emphasize that we have carefully reviewed our European program in accordance with last year's Congressional guidance and have eliminated those items which might be considered eligible for financing by the NATO Infrastructure Program.

While this discussion of the fiscal year 1980 MCA request is purposefully very general, I think you will agree that this budget submission is quite austere and focuses on force readiness, facilities to support the soldiers' quality of life and meeting the Army commitment with respect to energy conservation and preservation of the environment.

Future Requirements

I would truly like to say that our military construction requirements for the future will, for the most part, be accommodated after this fiscal year; however, both you and I know that will not be the case. There are still too many temporary World War II and other substandard facilities in use throughout the Army. These must be phased out and replaced with permanent facilities. Technological advances will also force us to build or modernize in order to accommodate new weapons systems. Other initiatives necessary to demonstrate our national resolve to retain an adequate defense will require facilities. We must also continue our programs for conserving energy and minimizing pollution. Technological advances in these areas will give us a capability to do a better job, but will require funds.

Our requirements are continually being screened to ensure that only the most valid projects are submitted for your approval.

Summary

In summary, you have provided the Army's military construction program with over $6 billion during the past ten years which we feel has been widely used to enhance the overall combat readiness of the Army. I assure you the leadership of the Army appreciates your support. Our future requests will include only those items which are considered essential for the well-being of the United States as a whole. Naturally, there will always be some subjective areas regarding the validity of various projects; however, I assure you it is our desire to resolve any reservation you may have regarding any aspect of our military construction program.

I earnestly solicit your continued support in providing suitable facilities necessary to enhance readiness and the living and working conditions of our soldiers as well as funds for our pollution abatement and energy conservation programs. These latter elements are vital if the Army is to remain a leader in the Nation's march toward a pollution-free environment and energy self-sufficiency.

This concludes my statement. I thank you for this opportunity to discuss the Army's Military Construction Program. General Read and I will be happy to answer your questions.

BIOGRAPHICAL SKETCH

Lt. Gen. John W. Morris, Chief of Engineers, U.S. Army

Lieutenant General John W. Morris, a native of Maryland and a 1943 graduate of the U.S. Military Academy at West Point, became the 44th Chief of Engineers of the U.S. Army Corps of Engineers in July 1976.

General Morris is the engineer advisor to the Army Chief of Staff and the engineering-construction agent for the Departments of the Army and Air Force. He is currently in charge of a major nation-building program in Saudi Arabia which is fully funded by that government.

He is also responsible for the Corps of Engineers' nationwide program for the development and management of our national water resources.

During his career which spans more than three decades he has commanded troops at every level from platoon to a separate brigade. His broad experience in water resources management dates back to 1952 when he was Deputy District Engineer in the Corps' Savannah District. Later, as District Engineer at Tulsa, Oklahoma, he completed several key elements of the McClellan-Kerr Arkansas River Navigation Project and subsequently served as the Corps' Missouri River Division Engineer.

As Director of Civil Works for three years in the early 1970's he took major initiative in support of the new emerging national priorities on environmental quality and energy.

General Morris holds a Master's Degree in civil engineering from the University of Iowa and is a registered Professional Engineer in Oklahoma.

Through General Morris, the Corps has been recognized as a national engineering asset. Engineering News-Record selected him as Construction's Man of the Year for 1977 for the Corps' work in Saudi Arabia, the American Society of Value Engineers made him Honorary Vice President for Corps leadership in Value Engineering, and the American Society of Civil Engineers presented him to Parcel-Sverdrup Civil Engineering Management Award for 1977.

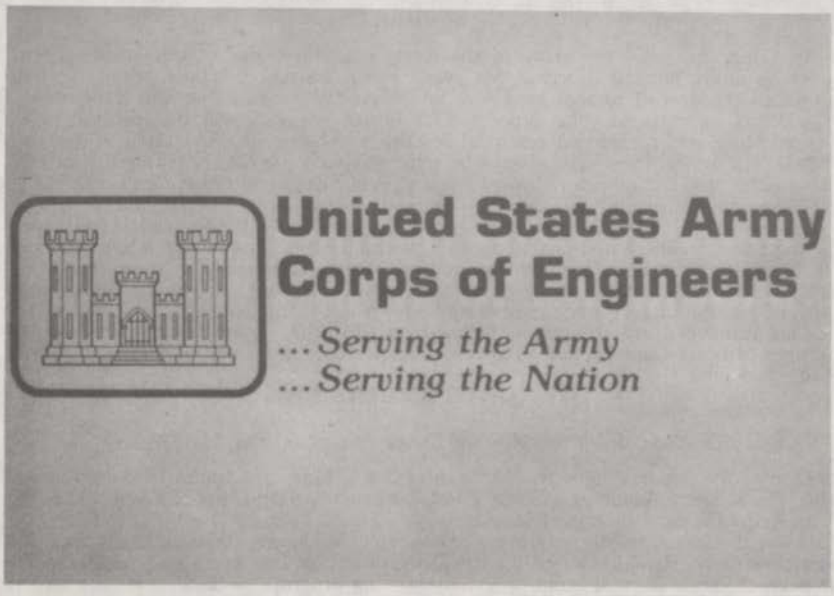
He also received in 1977 National Humanitarian Award from the National Recreation and Parks Association and the unique Distinguished Master Builder Award from the Carpenter's Company of Philadelphia, the first award in the 2½ century history of that pretigious, conservative organization.

General Morris is married to the former Geraldine King Ludwig of Wilmington, North Carolina. They have two children.

REVIEW OF FUNCTIONS OF CHIEF OF ENGINEERS

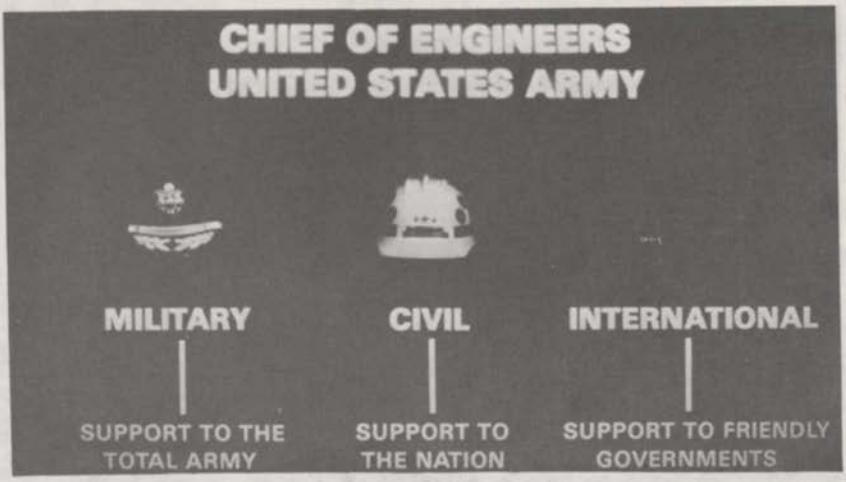
General MORRIS. With your permission, I will make a brief oral statement.

Since this is my first appearance before the Military Construction Subcommittee, I thought it might be helpful to briefly review my functions as Chief of Engineers, and in so doing to emphasize the principal importance of each of these functions to our priority responsibility of serving the Army.



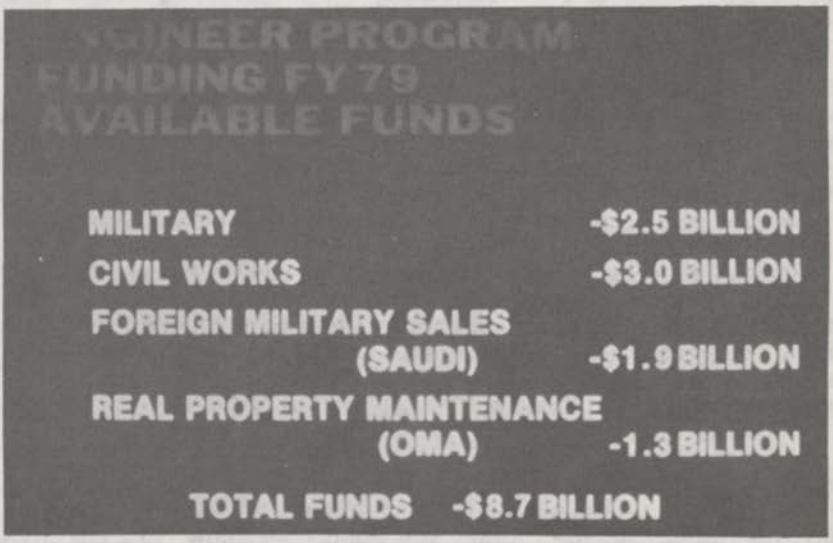
[SLIDE 1]

Simply stated, the Corps of Engineers supports three customers: the total Army, the Nation, and friendly governments.



[SLIDE 2]

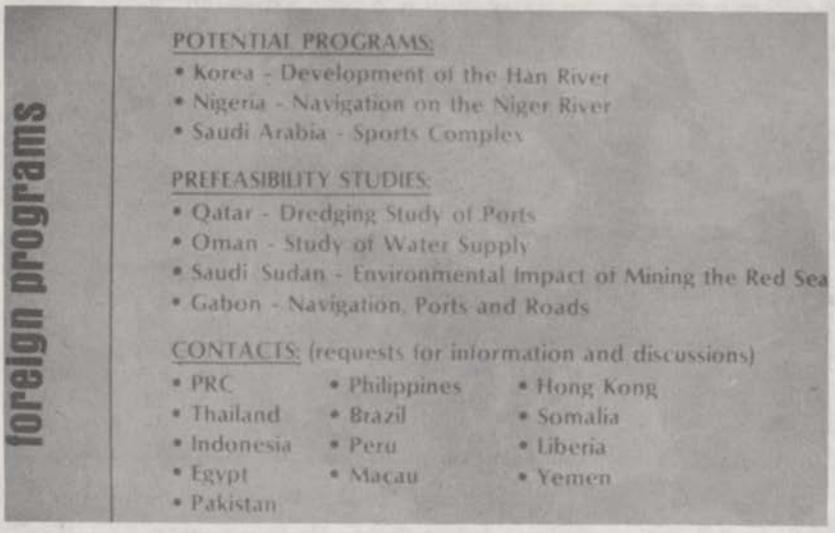
The total value of these three programs approaches $9 billion.



[SLIDE 3]

First, support to friendly governments is in effect nation-building and transferring engineering, construction and environmental knowledge and technology learned in more than 150 years of involvement in the development of the United States and over 200 years in support of the Army.

This slide gives you a brief resume of the kinds of tasks we are discussing with foreign countries in addition to the ongoing major investment program in Saudi Arabia.



[SLIDE 4]

Senator HUDDLESTON. Are these programs under construction now?

General MORRIS. No, sir. Those in the top box are firm, and the ones in the middle box are ones that could lead to work, and the lower group are what amount to little more than opening discussions with those countries. However, all those above that went through the same process.

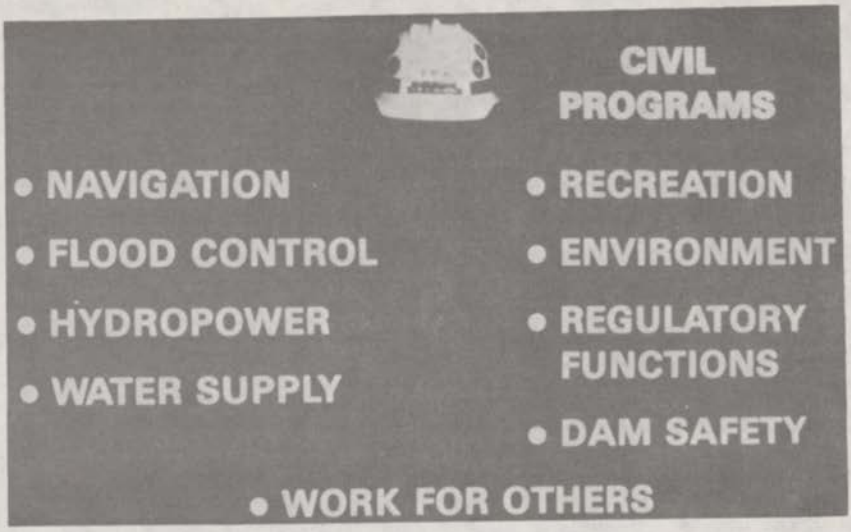
Senator HUDDLESTON. What kind of sports complex are we building in Saudi Arabia?

General MORRIS. It turns out we may not build that at the last minute. The idea was, though, that that was going to be a $300 million sports complex for all the people of Saudi Arabia. It would involve a race track, many athletic fields, and olympic-size swimming pools. The track was to be built for camels, incidentally. A great public athletic facility.

Senator HUDDLESTON. Are they shelving the project?

General MORRIS. No, sir. We would have gotten the job, as a matter of fact, except we do our work through the State Department. The State Department was not able to get the necessary documentation in time to meet the Saudis' schedule, so they have gone ahead and arranged with a Saudi Arabian architectural firm. The negotiations are still open, but frankly I think it is pretty well lost.

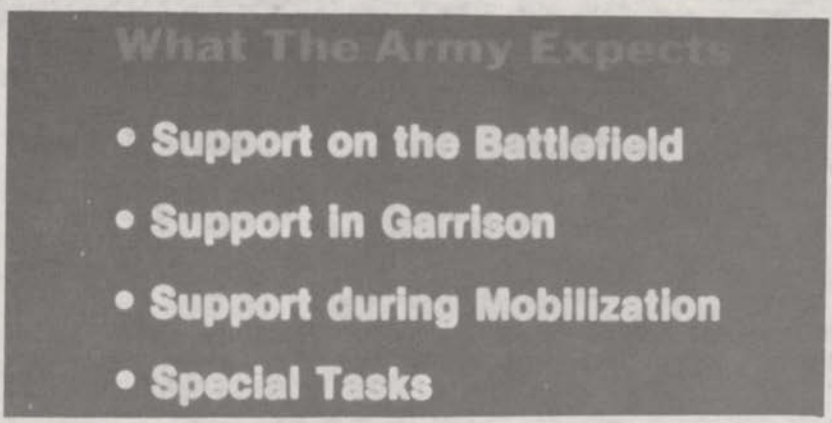
Senator HUDDLESTON. All right, sir.



[Slide 5]

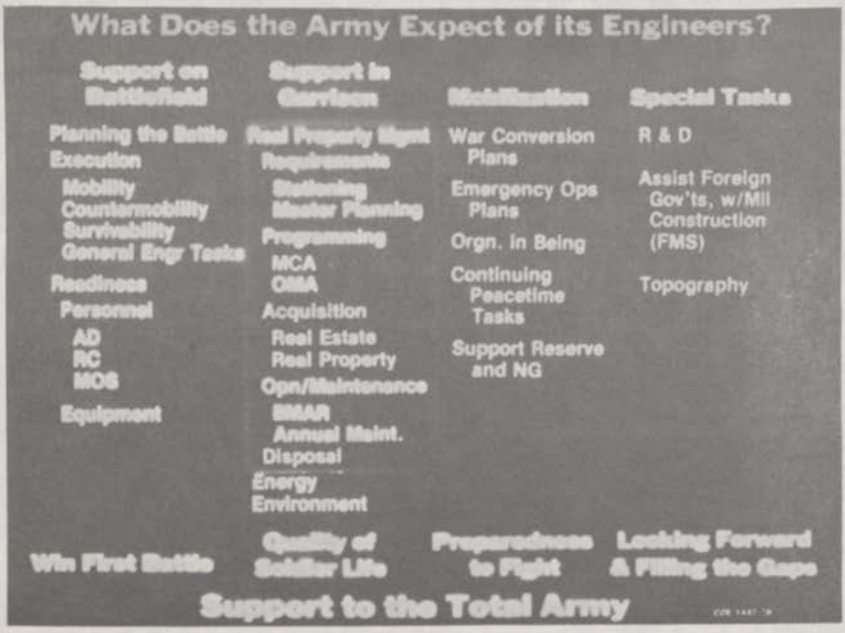
General Morris. Next, support to the Nation. The development and management of the Nation's water resources, including navigation and flood control, hydroelectric power, et cetera. In addition to the water management role, the Army Engineers serve the Nation as directed by the Congress or the President to resolve numerous national problems requiring engineering solutions. Among them have been the space and postal construction programs, ongoing national program of inspection of non-Federal dams, helping EPA with their wastewater grants program, and assisting the Department of Energy in the strategic petroleum reserve program.

The military program includes support to the total Army and investments for the Air Force and, in some areas of the world, for the Navy. Our support to the Army, however, goes beyond engineering and construction management to include staff and command responsibilities associated with support on the battlefield, support in garrisons, support during mobilization, and the execution of special tasks.



[Slide 6]

As Chief of Engineers, I have prepared an analysis of what I believe the Army expects of its engineers. This rather busy chart summarizes those expectations. I would like to draw your attention to the support in the garrison column, and particularly that under real property.

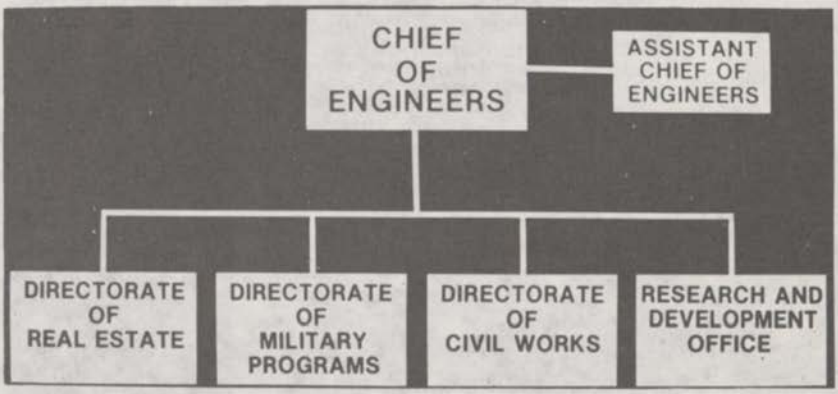


[Slide 7]

In the past 2 years we have made great progress in life cycle costing and in balancing the tradeoffs between maintenance and construction. However, much room remains to be accomplished. As the Army's real property manager I am directly responsible only for those items bracketed, but I do have staff responsibility and management interest in the rest of the items shown.

Before leaving this chart, I would like to emphasize that our ability to fulfill the Army's expectations during mobilization is directly related to the peacetime mission, and the nationwide organization afforded the Armed Forces in a civil program, which I have already mentioned.

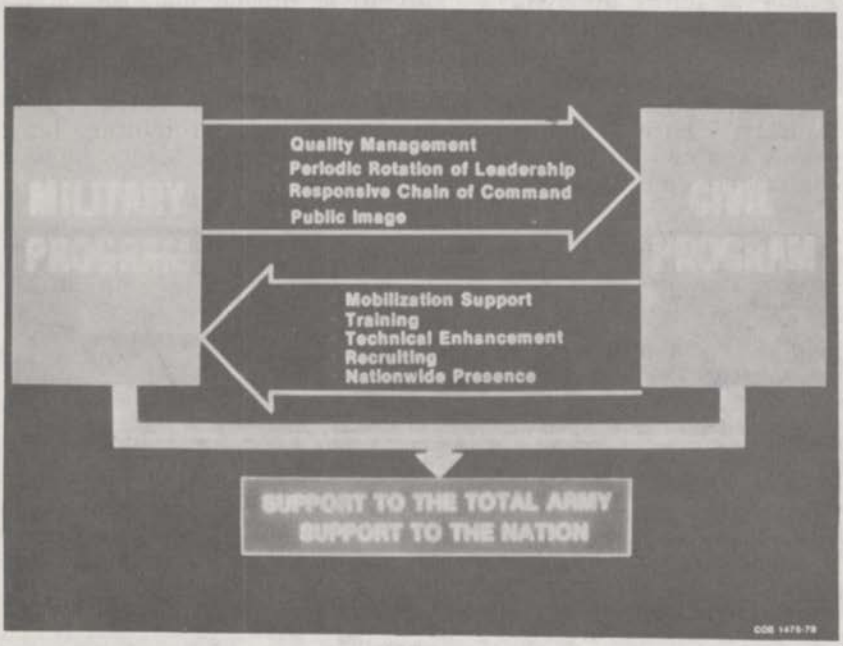
To accomplish these three programs—international, national and military, I have two principal directorates: one for military programs and one for civil works programs. These are shown in the center here on the lower line.



[Slide 8]

The foreign construction falls into whichever of these two is most appropriate to the type of work being performed.

My final point during this oral presentation is the importance of the military programs and the civil works programs to each other, and in turn, to the Nation. Fundamentally, there is a kind of unique genius in the idea of strong, competent military leadership of a superb civilian technical staff. Our military and the Nation are each better served by the interrelationship of these two.



[Slide 9]

I have provided a handout to each member about this presentation. The very last exhibit is a quote from Secretary of the Army Frank Pace in 1952, which I hope you would have time to read.

[The charts follow:]



United States Army Corps of Engineers

...Serving the Army
...Serving the Nation

CONTENTS

1. Three Hats of the Chief of Engineers
2. Staff Organization
3. Command Organization
4. Engineer Family
5. Current Budget
6. Divisions and Districts for Civil Works Activities
7. Divisions and Districts for Military Construction Activities
8. Military Construction Organization Overseas
9. What the Army Expects of Its Engineers
10. What the Nation Expects (Water Related Resources)
11. Foreign Programs
12. Interrelationships of Civil and Military Programs
13. The Importance of Civil Works for Military Engineers

CHIEF OF ENGINEERS
UNITED STATES ARMY



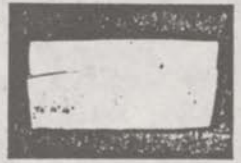
MILITARY

SUPPORT TO THE TOTAL ARMY



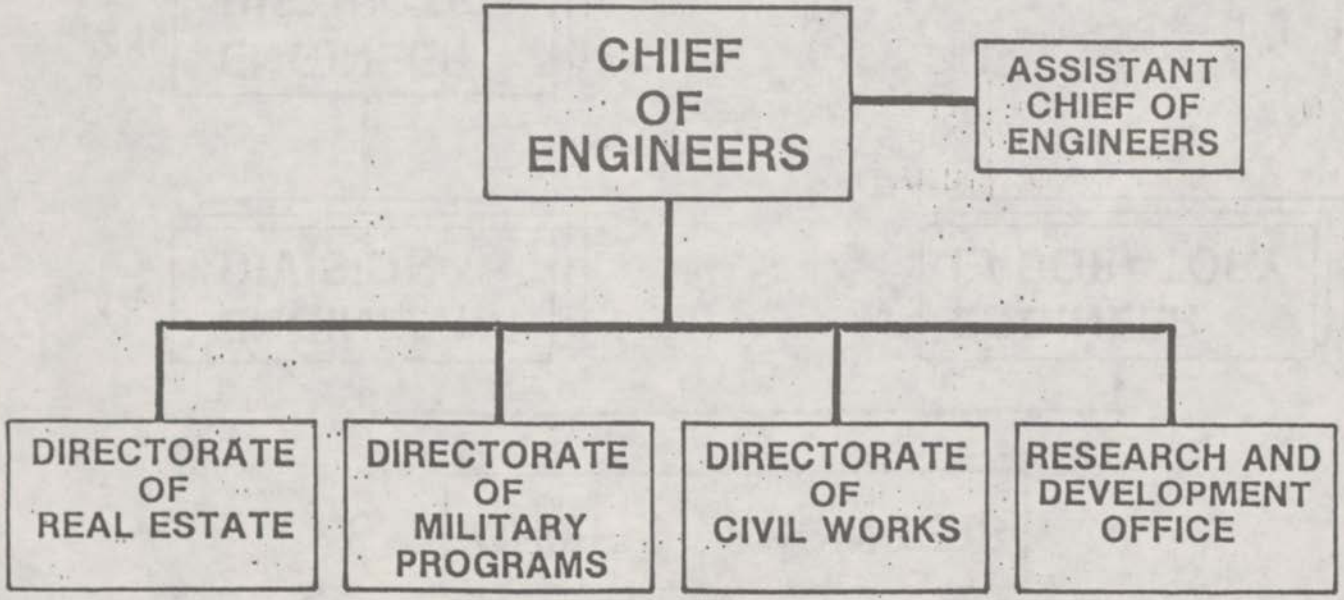
CIVIL

SUPPORT TO THE NATION

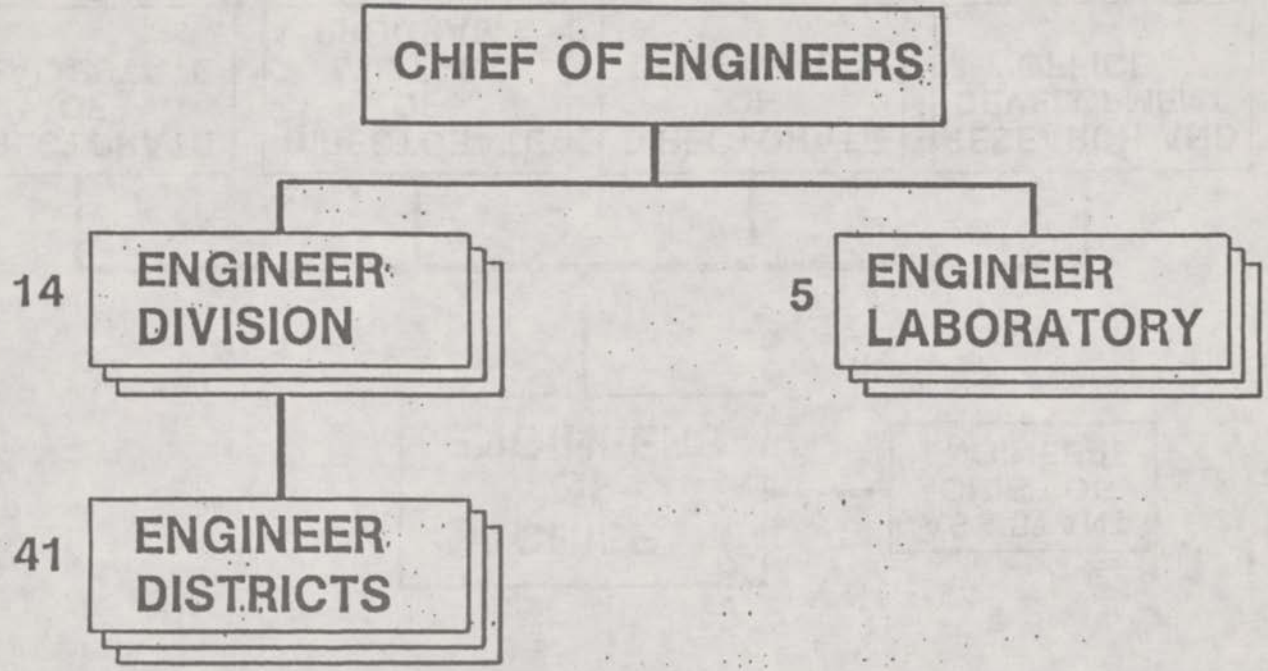


INTERNATIONAL

SUPPORT TO FRIENDLY GOVERNMENTS


CHIEF OF ENGINEERS
ASSISTANT CHIEF OF ENGINEERS
DIRECTORATE OF REAL ESTATE
DIRECTORATE OF MILITARY PROGRAMS
DIRECTORATE OF CIVIL WORKS
RESEARCH AND DEVELOPMENT OFFICE

ENGINEER COMMAND ORGANIZATION



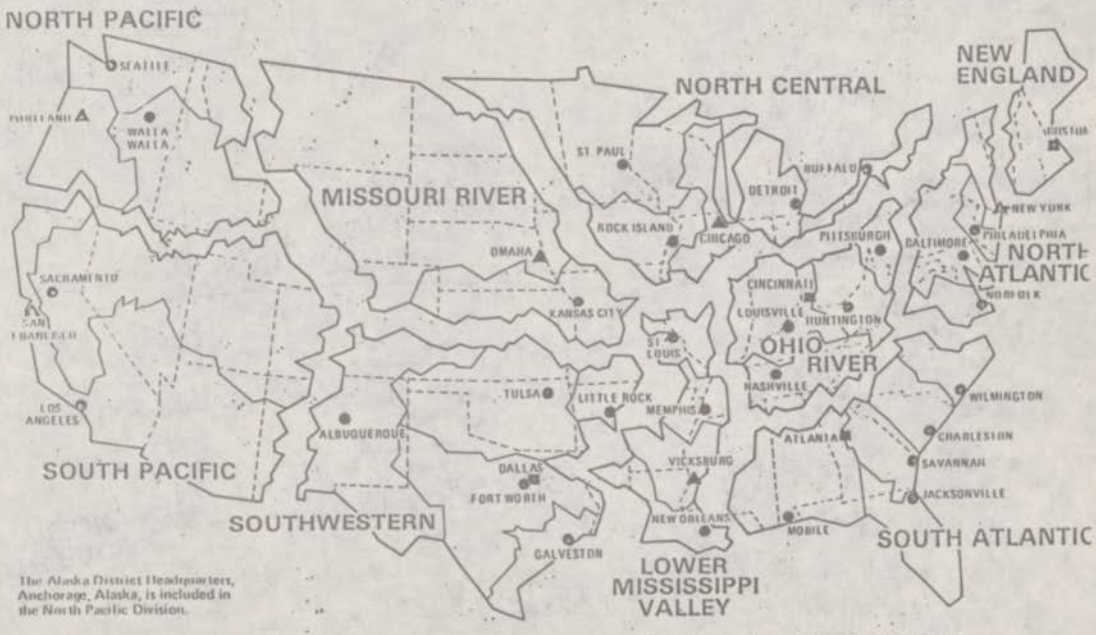
THE ENGINEER FAMILY

MILITARY ENGINEERS	
ACTIVE ARMY	43,000
RESERVE COMPONENTS	91,000
FACILITIES ENGINEERING	
MILITARY	2,400
CIVILIAN	48,600
CORPS OF ENGINEERS COMMAND	
MILITARY	800
CIVILIAN	39,500
THE ENGINEER FAMILY	225,300

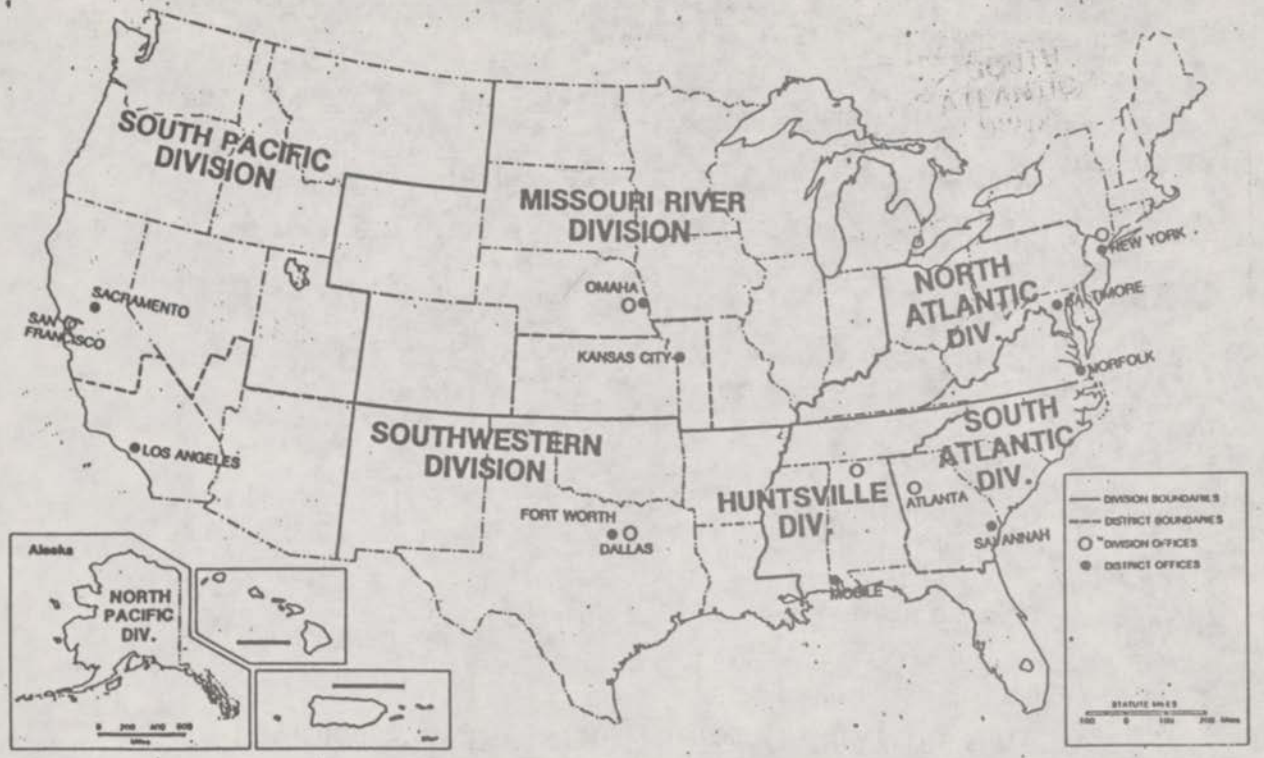
ENGINEER PROGRAM FUNDING FY79 AVAILABLE FUNDS

MILITARY	-$2.5 BILLION
CIVIL WORKS	-$3.0 BILLION
FOREIGN MILITARY SALES (SAUDI)	-$1.9 BILLION
REAL PROPERTY MAINTENANCE (OMA)	-1.3 BILLION
TOTAL FUNDS	-$8.7 BILLION

DIVISIONS AND DISTRICTS for CIVIL WORKS ACTIVITIES



MILITARY CONSTRUCTION DIVISION DISTRICT BOUNDARIES



Military Construction Organization Overseas



What Does the Army Expect of its Engineers?

Support on Battlefield	Support in Garrison	Mobilization	Special Tasks
Planning the Battle	Real Property Mgmt	War Conversion Plans	R & D
Execution	Requirements		
Mobility	Stationing	Emergency Ops Plans	Assist Foreign Gov'ts, w/Mil Construction (FMS)
Countermobility	Master Planning		
Survivability	Programming	Orgn. in Being	
General Engr Tasks	MCA		
Readiness	OMA	Continuing Peacetime Tasks	Topography
Personnel	Acquisition		
AD	Real Estate	Support Reserve and NG	
RC	Real Property		
MOS	Opn/Maintenance		
Equipment	BMAR		
	Annual Maint.		
	Disposal		
	Energy		
	Environment		

Win First Battle | Quality of Soldier Life | Preparedness to Fight | Looking Forward & Filling the Gaps

SUPPORT TOTAL ARMY

What does the Nation expect of its Army Engineers?

(Water Related Resources)

Sound Solutions	Competent Program Execution	Effective Stewardship	Special Tasks
Within Current Law & Policy	Programming	Regulate Resources	R & D
Engineeringly Feasible	Authority	Land (Wetlands)	Emer. Opns
Environmentally & Socially Acceptable	Priorities	Water Quality	Mobilization
Economically Justified	Design	Fish & Wildlife	Dam Safety
Publicly Supported	Acquisition	Waterways	Spt Fed Agencies
Public Involvement	Construction	Public Welfare	Asst Foreign Govts
	Financial Mgmt	Operate Projects	Public & Professional Awareness
	Environmental Awareness	Authorized Purposes	Employee Opportunities/ Development
	Informed Public	Intended Benefits	
		Public Access & Use	
		Public Safety	
		Maintain Project Efficiency	

Professionalism — Quality Product — Customer Satisfaction — Responsiveness

Support to the Nation

foreign programs

POTENTIAL PROGRAMS:

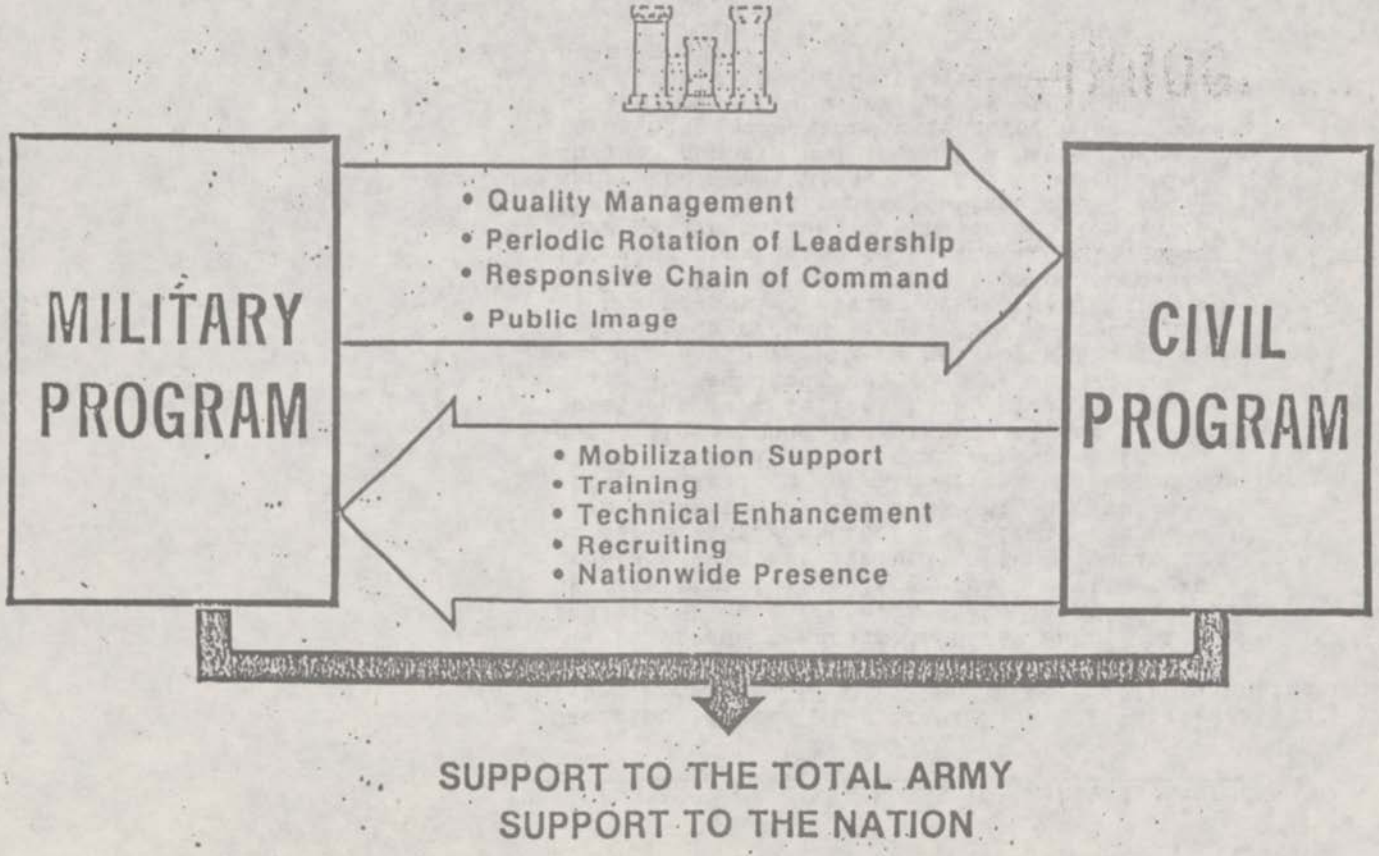
- Korea - Development of the Han River
- Nigeria - Navigation on the Niger River
- Saudi Arabia - Sports Complex

PREFEASIBILITY STUDIES:

- Qatar - Dredging Study of Ports
- Oman - Study of Water Supply
- Saudi/Sudan - Environmental Impact of Mining the Red Sea
- Gabon - Navigation, Ports and Roads

CONTACTS: (requests for information and discussions)

- PRC
- Thailand
- Indonesia
- Egypt
- Pakistan
- Philippines
- Brazil
- Peru
- Macau
- Hong Kong
- Somalia
- Liberia
- Yemen


MILITARY PROGRAM
• Quality Management
• Periodic Rotation of Leadership
• Responsive Chain of Command
• Public Image
CIVIL PROGRAM
• Mobilization Support
• Training
• Technical Enhancement
• Recruiting
• Nationwide Presence
SUPPORT TO THE TOTAL ARMY
SUPPORT TO THE NATION

THE IMPORTANCE OF CIVIL WORKS FOR MILITARY ENGINEERS

Secretary of the Army Frank Pace, Jr.'s views (1952) as to the importance of Civil Works for military engineers:

> The proved benefits in World War II of the individual engineer officer-training afforded by participation in large-scale civil works programs were not limited to the superiority of our military engineering effort but were also evidenced by the dominant part which officers trained in this system played in the almost miraculous logistic support afforded our Armies around the globe. Almost all key positions in this logistical organization -- which in magnitude has no parallel in the world's history -- were held by officers who had been developed largely by their training in the peacetime civil works organization of the Army Corps of Engineers and other positions of great responsibility to which they were called because of the capacities which their previous training in this field had generated. That they would have been able in such numbers and to such a high degree to develop such capacities through any "detail system" or through any agency other than one organic to the Corps itself is highly questionable.

Let me turn now to the fiscal year 1980 Military Construction Army Program. The primary goal of the Army is readiness. Many factors influence readiness, and important among them is the requirement for modern operations, modern training, modern supplies, maintenance and medical facilities designed to include capable pollution abatement and energy conservation systems. Without such facilities the quality of life of our soldiers and their families suffers; training and equipment availability decline; and, in turn, state of readiness is reduced.

Funds appropriated by this committee in recent years have gone far to reach the standards sought. Some before and after examples will illustrate this point. Barracks for our soldiers for some time after World War II looked like these three slides we will show you. Many of us remember those. However, at a half billion dollars and some years later, our barracks now look like this, with pleasant interiors.

The medical and dental facilities also for many years used World War II structures: crowded, understaffed and underequipped. But almost three-quarters of a billion dollars and 10 years later, we have added 8 new hospitals and 33 dental clinics to the real property inventory, and here is a sample of those at Walter Reed. This is the hospital at the Military Academy at West Point, and here is the interior of one of the laboratories. The facilities for the maintenance of military equipment traditionally and for years were open sheds. Now we have centralized maintenance which will accommodate a unit's equipment, such as this structure, with fully equipped interiors for the kind of maintenance to be done.

Besides the functional aspects of these projects, we are trying to build structures which are also esthetically acceptable. This chapel at Hunter Liggett in California recently won the National Architecture Award because of its adaptability and its usefulness.

In summary, you have provided the Army's military construction programs with over $6 billion during the past 10 years. These have been used to enhance the overall combat readiness of the Army. I would like to be able to say that our military construction requirements will be accommodated after this fiscal year, however, that will not be the case. There are still too many temporary World War II and other substandard facilities in use throughout the Army. These must be replaced and phased out.

Technological advances will also force us to build and modernize in order to accommodate new weapons systems. We must also continue our programs for conserving energy and minimizing pollution.

Of course, our requirements are continually being screened to insure that only the most valid projects are submitted for your approval. For part, I intend to execute the program in a manner which will bring the readiness of the Army and the welfare of our soldiers and families to the highest levels possible with the funds provided by the Congress.

This concludes my statement. I thank you for this opportunity to discuss the Army's military construction program. General Read and I will be happy to answer your questions later.

Now I will turn it over to General Read.

Senator HUDDLESTON. General?

41-638 O - 79 - 30

Corps of Engineers

Assistant Chief

STATEMENT OF BRIG. GEN. WILLIAM E. READ, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

ACCOMPANIED BY:

MR. ALLEN M. CARTON, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

COL. CLARENCE D. GILKEY, FACILITIES ENGINEER, U.S. MILITARY ACADEMY, WEST POINT, N.Y.

COL. NEAL H. WALLS, DIRECTOR, HEALTH FACILITIES PLANNING AGENCY, OFFICE OF THE SURGEON GENERAL, DEPARTMENT OF THE ARMY

MR. PATRICK J. SIGLEO, INSTALLATIONS PLANNING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

LT. COL. GEORGE R. IVERSON, DIRECTOR COMMUNITY SUPPORT, ADJUTANT GENERAL CENTER, DEPARTMENT OF THE ARMY

LT. COL. GERALD A. VICK, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

MAJ. KEARNEY W. CRISSMAN, RDTE PROGRAMS AND BUDGET DIVISION, OFFICE, DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT, AND ACQUISITION, DEPARTMENT OF THE ARMY

LT. COL. MARVIN R. MURRAY, OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR AUTOMATION AND COMMUNICATIONS, DEPARTMENT OF THE ARMY

PREPARED STATEMENT

General Read. Sir, I likewise have a statement that I would like to place in the record.

Senator Huddleston. Without objection, it will be placed in the record in its entirety.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. WILLIAM E. READ
ASSISTANT CHIEF OF ENGINEERS

Mr. Chairman and Members of the Committee:

I am Brigadier General William E. Read, 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.

Our request for fiscal year 1980 includes $722,300,000 in total obligational authority; all of this is new obligational authority. Our companion request for authorization totals $749,590,000 and includes $82,990,000 for Ammunition Facilities for which we are not requesting funding. The funding for Ammunition Facilities is included in the Procurement of Ammunition, Army appropriation request. Of the total request, 66.5 percent, or $480,230,000, is for construction within the United States. About 22.2 percent, or $160,370,000, is for construction outside the United States, primarily in Europe. The remaining 11.3 percent includes $81,700,000 for General Authorization, (design, exigent minor construction and access roads).

Our request for fiscal year 1980 is approximately $161 million less than the approved TOA plus the supplemental for fiscal year 1979. This represents an 18 percent decrease compared to fiscal year 1979. Additionally, this year's program contains $195,820,000 for energy conservation and pollution abatement projects, some $38,070,000 more than the FY 79 approved amount for these two areas.

Our military construction program this year emphasizes construction to improve readiness, combat capability, and improvement of facilities. Excluding General Authorization, 32 percent of our request is to improve readiness and combat capability while 24 percent is for housing, community, and medical facilities and 37 percent is for pollution abatement, energy conservation, and utilities.

Most of our overseas construction is directly related to improving our readiness and living conditions for soldiers in Europe. Of the $160,370,000 for overseas construction, $149,500,000, or 93 percent, is for construction in Europe and the remainder is for construction in Korea, Japan, Panama, and Kwajalein.

TABLE I - PROPOSED FISCAL YEAR 1980 MILITARY CONSTRUCTION, ARMY PROGRAM

Command	Cost
United States Army Forces Command	$195,680,000
United States Army Training and Doctrine Command	86,290,000
United States Development and Readiness Command	138,220,000
United States Army Military Academy	13,560,000
United States Army Communications Command	9,640,000
Military Traffic Management Command	35,400,000
United States Army Health Services Command	1,090,000
Military District of Washington	350,000
Total Inside the United States	$480,230,000
OUTSIDE THE UNITED STATES	
Eighth United States Army	4,610,000
National Missile Range, Kwajalein	2,900,000
United States Army, Europe	146,700,000
United States Army, Japan	2,700,000
United States Army Intelligence and Security Command	2,800,000
United States Army Forces Command	660,000
Total Outside the United States	$160,370,000
OTHER	
General Authorization:	
Planning	53,700,000
Minor Construction (Exigent Locations only)*	26,000,000
Access Roads	2,000,000
Total Other	$ 81,700,000
Total Obligational Authority Requested	$722,300,000
New Obligational Authority Requested	$722,300,000

*Minor construction projects at known locations (those projects costing less than $500,000) totaling $27,080,000 are included in the total. This includes $20,700,000 in the United States, $1,460,000 in Korea, $4,700,000 in Germany, and $220,000 in Italy. The total minor construction request is $26,000,000 for unforeseen construction requirements and $27,080,000 for specified locations or a minor construction total of $53,080,000.

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 1980 MILITARY CONSTRUCTION, ARMY

PROGRAM SUMMARY BY CONSTRUCTION CATEGORIES

Construction Category 1/		Excluding General Authorization	Percent of Total
Operational & Training Facilities	$ 57,829,000	9.0	8.0
Maintenance and Production Facilities	109,470,000	17.1	15.2
Research, Development and Test Facilities	20,310,000	3.2	2.8
Supply Facilites	38,920,000	6.1	5.4
Hospital and Medical Facilities	26,230,000	4.1	3.6
Administrative Facilities	710,000	0	0
Housing and Community Facilities	129,200,000	20.2	17.9
Utilities and Ground Improvements	238,061,000	37.2	33.0
Water Pollution Abatement	(116,570,000)	(18.2)	(16.2)
Air Pollution Abatement	(34,370,000)	(5.4)	(4.8)
Energy Conservation	(44,970,000)	(7.0)	(6.2)
Utilities	(42,151,000)	(6.6)	(5.8)
Real Estate	19,870,000	3.1	2.8
General Authorization	81,700,000		11.3
Total Obligational Authority	$722,300,000	100.0	100.0

1/ Minor construction projects (those projects costing less than $500,000) are included in the totals for the various construction categories. The total minor construction request is $26,000,000 for unforeseen construction requirements and $27,080,000 for specified locations minor construction, for a total of $53,080,000.

FY 80 MCA PROGRAM HIGHLIGHTS

OPERATIONAL AND TRAINING FACILITIES

Our request for $57,829,000 for operational and training facilities is required to improve readiness. We are requesting $29,439,000 (51 percent) for operational facilities and $28,390,000 (49 percent) for training facilities. The operational facilities include upgrade of airfield facilities, communication facilities and operational buildings. Training facilities include buildings requested for the introduction, transition and training for the Patriot Air Defense System, the Field Artillery TACFIRE System and the XM1 tank. Included in this category is $12,450,000, at Sunny Point, North Carolina, for facilities to provide the capability for ammunition outloading at that port. The total amount of money for the ammunition port facilities at Sunny Point, North Carolina, is $33,030,000.

MAINTENANCE FACILITIES

The facilities which will be provided by our request for $109,470,000 will directly improve our readiness posture for units in the United States and Europe. Within CONUS, the request includes $56,930,000 for five tactical equipment maintenance facilities, a nondivisional direct support maintenance facility, and a consolidated maintenance facility and $11,350,000 for aircraft maintenance facilities. The program for upgrading maintenance facilities in Germany includes four projects costing $27,300,000. Seventy-one percent of the request in this category ($77,760,000) is for facilities in the United States.

RESEARCH, DEVELOPMENT & TEST FACILITIES

The request for $20,310,000 is for thirteen projects at eight locations. The facilities support the Army's continuing effort to develop, test and field modern weapon systems to meet future needs.

SUPPLY AND STORAGE

Included in the request of $38,920,000 for twenty-two projects in this area are five projects for $16,460,000 at Sunny Point, North Carolina. These five projects are part of the overall request of $33,030,000 for facilities required for ammunition shipping from that port facility. The project for $5,100,000 for ammunition upload in Europe is to provide facilities to improve the capability to locate the required ammunition with the tactical units. This is required to improve the ability of the units to react according to operational requirements.

HOSPITAL AND MEDICAL FACILITIES

The request for twelve projects, costing $26,230,000, includes funds for dental clinics, health clinics, renovation of a medical warehouse and a hospital annex at William Beaumont Army Medical Center at Fort Bliss, Texas. This annex is required to provide the necessary outpatient services at that hospital. Certain outpatient services are currently located in multiple aged facilities and result in inefficient use of the medical personnel and equipment.

ADMINISTRATIVE FACILITIES

This category includes two projects for a toal of $710,000. The project for modification of administrative facilities at Fort Leavenworth is required to obtain increased efficiency in operations.

HOUSING AND COMMUNITY FACILITIES

The twenty-eight projects, costing $129,200,000, to provide housing and community facilities, includes $108,770,000 for troop housing and support facilities and $20,430,000 for community facilities. Sixteen projects, costing $81,480,000, are located in the United States; eleven, costing $47,450,000, are in Germany, and one for $270,000, is in Korea. The $7,100,000 included for Korea

Realignment Activity is to provide facilities for Units at locations in the United States when final stationing plans are approved. Although this item is carried in the housing and community facilities category, it may be required for projects in the most critical categories. Six of the barracks projects in Germany are to provide necessary living space for enlisted personnel to support the increased artillery program for Germany.

ENERGY CONSERVATION PROGRAM

The $44,970,000 requested for the energy conservation investment program is for thirty-nine projects with $30,010,000 investment in the United States and $14,960,000 in Germany. The projects in the United States include improvements in insulation, heating systems, energy control and monitoring systems, and increased efficiency in providing hot water. In Germany, the projects are primarily related to the automation of heating systems to obtain greater efficiency in the use of fuels and to reduce personnel costs.

WATER POLLUTION ABATEMENT

The $116,570,000 for water pollution abatement includes fifty projects in the United States and Germany. The largest number of projects, forty-four, costing $109,500,000, is to correct pollution problems at ammunition plants, depots, and military posts throughout the United States. Six projects for $7,070,000 are to correct water pollution problems in Germany.

AIR POLLUTION

The fourteen air pollution projects, costing $34,370,000, are primarily located at ammunition plants and depots. All of the projects are located in the United States.

UTILITIES

The request for $42,151,000 for utilities projects covers the entire spectrum of utility projects, including electrical power, replacement of heating system components, road projects, and fire safety and alarm systems. The largest project is the replacement of deteriorated boilers at Red River Ammunition Depot, at a cost of $8,600,000, which will also provide the capability to use wood as a fuel. Of the thirty-three projects, twenty-two projects, costing $28,190,000, are in the United States, nine projects, at a cost of $10,861,000, are in Europe, and the remaining two are located in Korea for $200,000 and the National Missile Range at Kwajalein for $2,900,000.

REAL ESTATE

The $19,870,000 requested for real estate purchases is at five locations. The purchase of land for $2,800,000 at Blossom Point is required, since the land cannot be returned to its original state without a more expensive operation to clear it of dud rounds and sensitive explosives. The purchases at White Sands Missile Range, Fort Polk, and Fort Bliss are for sections of land which have been leased for many years and are required to continue required training operations.

SUMMARY

In summary, our fiscal year 1980 Military Construction Army program is molded to improve readiness, to provide adequate living conditions for our soldiers, and to comply with pollution abatement requirements. This request contains the highest priority items to improve readiness and improve facilities for our soldiers and their families.

We have made a sincere effort to ensure that the projects requested in this program are responsive to the needs of the Army and are facilities which will provide service over the long term.

This concludes my presentation of the Army's fiscal year 1980 Military Construction Appropriations request. As in previous years, the detailed project

justification supporting our request is contained in the material 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

BRIGADIER GENERAL WILLIAM E. READ

Brigadier General William E. Read was born on 17 May 1927 in Charlotte, North Carolina. He was commissioned in the Army Corps of Engineers following graduation from the U.S. Military Academy in 1950.

He holds a master's degree in civil engineering from the University of Illinois and one in business administration from Webster College, St. Louis, Missouri. He is a graduate of the US Army Command and General Staff College and the Army War College and has attended the Advanced Management Program at Harvard University.

General Read's service with engineer troop units has included tours in Vietnam as commander of the 15th Engineer Battalion, 9th Infantry Division and with engineer units in Europe. During his second assignment in Vietnam during 1970 and 1971, he commanded the 4th Infantry Division Support Command and Task Force Ivy.

His assignments have included tours at the United States Military Academy, as an assistant Army Attache in Israel, with the Army Staff and Joint Staff, as the District Engineer at Tulsa, Oklahoma, with the U.S. Army Aviation Systems Command as the Deputy Commander, and as the Division Engineer of the Missouri River Division.

On 15 September 1978, General Read was assigned to the Office of the Chief of Engineers with duty as the Assistant Chief of Engineers.

BUDGET REQUEST

General READ. I am pleased to appear before the committee to present the Department of the Army's portion of the annual construction appropriation request. Our request for fiscal year 1980 includes, as you indicated, $722,300,000 in total obligational authority. All of this is new obligational authority.

Our companion request for authorization totals $749,590,000 and includes $82,990,000 for ammunition facilities for which we are not requesting funding. The funding for ammunition facilities is included in the procurement of ammunition Army appropriation request.

Of the total request, 66.5 percent or $480,230,000 is for construction within the United States. About 22.2 percent, or $160,370,000 is for construction outside the United States, primarily in Europe. The remaining 11.3 percent includes $81,700,000 for General Authorization, design, exigent minor construction and access roads.

Our request for fiscal year 1980 is approximately $161 million less than the approved TOA plus the supplemental for fiscal year 1979. This represents an 18 percent decrease compared to fiscal year 1979. Additionally, this year's program contains $195,820,000 for energy conservation and pollution abatement projects, some $38,070,000 more than the fiscal year 1979 approved amount for these two areas.

Our military construction program this year emphasizes construction to improve readiness, combat capability, and improvement of facilities. Excluding General Authorization, 32 percent of our request is to improve readiness and combat capability while 24 percent is for housing, community, and medical facilities and 37 percent is for pollution abatement, energy conservation, and utilities.

Most of our overseas construction is directly related to improving our readiness and living conditions for soldiers in Europe. Of the $160,370,000 for overseas construction, $149,500,000, or 93 percent, is for construction in Europe and the remainder is for construction in Korea, Japan, Panama, and Kwajalein.

In summary, our fiscal year 1980 military construction Army program is molded to improve readiness, to provide adequate living conditions for our soldiers, and to comply with pollution abatement requirements. This request contains the highest priority items to improve readiness and improve facilities for our soldiers and their families.

We have made a sincere effort to insure that the projects requested in this program are responsive to the needs of the Army and are facilities which will provide service over the long term.

This concludes my presentation of the Army's fiscal year 1980 military construction appropriations request. As in previous years, the detailed project justification supporting our request is contained in the material 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.

GENERAL BUDGET ADEQUACY

Senator HUDDLESTON. Thank you, General. In hearings on the Navy and the Air Force budgets we have heard that inflationary pressures have severely impacted on the 1979 program, and reprograming is to be expected. What is the situation with the Army?

General MORRIS. Sir, I believe from a programmatic standpoint our situation is similar to the Navy's and the Air Force's.

Senator HUDDLESTON. What is the extent of the problem if dollar devaluation is excluded?

General MORRIS. Based on current estimates, we anticipate a funding short fall of approximately 7 percent on the fiscal year 1979 MCA program of about $5 million at the end of the year.

Senator HUDDLESTON. Do you anticipate major reprograming in the future?

MAGNITUDE OF REPROGRAMING

General MORRIS. Yes, sir. I think we have got our programing in fairly good shape, but I must say, I expect we will have reprograming.

Senator HUDDLESTON. Do you have any idea of the magnitude?

General MORRIS. I can tell you more of the conditions that would generate them than I can of the magnitude.

Do you have anything to add on the amounts?

General READ. No, sir. I think it is a little early for us to give a full amount. We would be glad to project one for the record, if you would like.

Senator HUDDLESTON. I think that would be helpful.

General READ. All right, sir.

[The information follows:]

FISCAL YEAR 1979 MCA PROGRAMING MAGNITUDE

As it relates to specific reprograming requirements for the Army's fiscal year 1979 military construction program, we are not sufficiently far enough into the execution of this program to project the exact number of projects or the associated dollar amounts that will be affected. There are three extremely important factors or conditions that can be described which will, almost unequivocally, force us to undertake significant reprograming actions. These conditions relate to the increased inflationary pressures being experienced in the fiscal year 1979 program cost estimates, the adverse effects of the foreign currency fluctuations on the Army construction program in Europe, and the significant new obligational authority reductions imposed by the Congress in the fiscal year 1978 and 1979 programs.

Our experience to date indicates that the cost estimates on the fiscal year 1979 program are exceeding our programed amounts by approximately seven percent. This is above the normal inflation rates which were included for the projects as they were being prepared for submission to Congress in the fall of 1977. Should this experience continue, the program will be impacted on the order of $45 million.

Another factor which will force us to undertake reprograming actions is the detrimental impact resulting from adverse foreign currency fluctuations. The approved fiscal year 1979 program for Germany approximates $199 million and was budgeted at a rate of 2.24 German Marks per Dollar. Although we are hoping for some relief through the fiscal year 1979 Supplemental, passage of this request is uncertain. If the currency devaluation item within the supplemental is not passed and the German Mark/Dollar exchange rate remains at approximately 1.85, the shortfall will be on the order of $42 million.

The last factor which will force the Army to reprogram in order to execute the fiscal year 1979 program is the obligational authority reductions imposed on the Army in fiscal years 1978 and 1979. The Army's obligational authority was reduced in fiscal year 1978 by $86 million. This reduction was precipitated by the congressional desire to offset prior year and anticipated future savings. In addition, the

fiscal year 1979 obligational authority was reduced $22.473 million to accommodate potential savings. The anticipated savings have not materialized.

These three factors are the most significant elements which will force reprograming to take place prior to the completion of the fiscal year 1979 Military Construction, Army program. Not only will these factors contribute to reprograming actions, they may contribute to cancellation of a significant portion of the fiscal year 1979 Military Construction, Army program.

IMPACT ON FISCAL YEAR 1980 BUDGET

Senator HUDDLESTON. If the present rate of inflation and dollar devaluation continue, what will be the impact on the fiscal year 1980 budget? Aren't you assuming only a 6-percent inflation rate?

General MORRIS. The inflation rates are the same ones provided the Office of Management and Budget. I think they used 6½ percent. No, it is 7, and 6½ next year.

General READ. Yes, sir. We had 7.8 percent for 1979 and 7 percent for 1980, and 6½ percent for 1981 when we prepared our budget this year. If we assume a couple of percent higher inflation rate than what's been used in the budget guidance, it would impact our fiscal year 1980 program, by about $30 million.

I think the other potential problem for the fiscal year 1980 MCA program is the budget guidance, which included the use of 2.09 Deutsch Marks to the dollar. If we continue with the current exchange, which is 1.85, then this shortfall on our roughly $150 million program in Europe could be about 11 percent or about $15 to $20 with an average of $16 million.

ENERGY CONSERVATION

Senator HUDDLESTON. I hope you are not too overly optimistic with your figures.

You are requesting almost $45 million for energy conservation projects next year. How much of this request is associated with energy monitoring and control systems?

General MORRIS. It is about $7.4 million, sir.

Senator HUDDLESTON. Have base-wide energy consumption studies been completed at those locations planned for energy monitoring and control systems?

General MORRIS. Not all, sir. Many of them have ongoing studies. We have gotten enough information to include the data at hand.

Senator HUDDLESTON. Are these control systems of a standard design?

General MORRIS. The criteria are standard. The design varies somewhat based on the hardware that is available. We have had several conferences to establish the base data desired, and how it would be compiled. The difference has to be, as I say, in the hardware.

General READ. I think another consideration, of course, is every installation is going to be unique unto itself; although the standard criteria is going to have to be blended to the individual base needs.

Senator HUDDLESTON. Who supplies the systems once you determine the criteria?

General READ. We get them by contract. We have architect/engineers design them. We provide the criteria.

Senator HUDDLESTON. What is the average amortization period for all of your energy conservation projects?

General MORRIS. Four and a half years, I believe.

General READ. That is right, 4.6 years. This is for the 1980 program.

POLLUTION ABATEMENT

Senator HUDDLESTON. I am always struck by the amount each of the services spend on pollution abatement. You are requesting over $150 million. How much has been appropriated to date for air and water pollution abatement, and what is the outlook for the foreseeable future?

General MORRIS. Sir, to date we have had about $476 million appropriated, of which $110 million is for air and about $366 million for water. I would like to elaborate a little bit on what that figure means. We call it air and water pollution abatement, but some of it is just a fundamentally good water system, too.

But on the other hand, there is throughout the Army, particularly in our industrial plants, a rather serious problem. As you mentioned, we have $150 million for fiscal year 1980, and we project an equal amount for the 4 following years, of about $600 million additional.

Senator HUDDLESTON. Do you think that would do it if they don't change the standards?

General MORRIS. No, sir. I just think that will get us pretty close to it. On the other hand, if we don't get it done by then, we are going to be in trouble because the law says we have to be ready.

Senator HUDDLESTON. Are you in violation now at any of your bases?

General MORRIS. Several States have given us notices.

Senator HUDDLESTON. You have been cited?

General MORRIS. Yes, sir. We know, for example, from a survey which we have conducted, that, in July we will be in violation of the allowed period at a relatively large number of our installations. 15 of them are fairly serious, because being industrial plants, the violation could require us to stop production. It could mean shutting down the plant in order to be incompliance with the law. The rest of the installations have problems, but they are functional things that could be closed without stopping base operations. We are not in too good a shape.

The only thing I can say with some encouragement is I think we know exactly what our problem is, because we did some good work in the last year. We know how to go about solving that.

TROOP HOUSING

Senator HUDDLESTON. You are requesting $109 million for troop housing and support facilities. Is this primarily upgrading existing facilities to current standards? How much is for new facilities?

General READ. Sir, the amount we are asking is predominantly for construction of new facilities. Only 2 of the 16 barracks projects involve upgrading of existing ones.

Senator HUDDLESTON. Is this because you have so many old buildings that you just can't rehabilitate some of them?

41-638 O - 79 - 31

General READ. No, sir. I think it is a combination of factors. In this particular year, one of the drivers in European construction is the introduction of some new personnel to augment our artillery forces. This requires some new construction.

Some of the others, though, are to replace some of the World War II facilities at some of our major installations with more modern facilities.

Senator HUDDLESTON. To what standards are the barracks being constructed, and how does this differ from the other services?

General READ. The standards we design to are those that are spelled out by the Department of Defenses. All the services adhere to the same standards. Of course, we will have variations in design, but it is the same square footage.

Senator HUDDLESTON. You may have more people in one room, although each one is assigned the same amount of space?

General READ. Actually, DOD criteria gives us a certain number of square feet that controls the space.

We build, of course, to the space authorized. When we man the facilities, if we have all lower graders, then they would fill up the total number of spaces. But if we had some of our more senior enlisted personnel there, then instead of having, say, three to a room, it would be two to a room. In some cases, the very senior noncommissioned officers that are not married, would have an individual room.

General MORRIS. Our barracks have 270 square feet in a room. So if you put three privates in there with 90 square feet apiece, that is right. If you put two non-coms in, they get 135, or one senior non-com, he gets the whole thing for 270.

I think the difference with the Air Force is they just put two in every room.

Senator HUDDLESTON. How many troop spaces will the fiscal year 1980 request accommodate?

General READ. It is 6,700, sir. This is at the 90 square feet.

Senator HUDDLESTON. And you have an estimate of the remaining deficit that you are working on?

General READ. Sir, we have had reports from our commands of roughly 25,000 spaces in CONUS. We have validated 5,000 of these through surveys and on-site visits.

Our command in Europe has identified a deficit of about 25,000 also. That does not include the new initiatives. In Korea we have a deficiency of 18,000 spaces for units currently in Korea. These figures have not been validated by surveys at this time. Of course, prior to the inclusion of a project in the program, we make the requisite surveys to insure that they are proper.

SUNNY POINT, N.C.

Senator HUDDLESTON. Now, another point. The fiscal year 1980 budget includes $33 million for various ammunition port facilities at the Sunny Point Military Ocean Terminal in North Carolina. I assume these projects are all interrelated. What specifically is the program at Sunny Point designed to do?

General READ. Sir, there is a need to outload both great bulk and containerized cargos simultaneously there. Presently the terminal

can actually outload either the containers or break-bulk. The DOD goal is to be able to outload 1,000 containers per day on the east coast. The present capability is 500 containers per day.

Additionally, the increased capability is necessary to meet the surge ammunition outloading requirements which have been identified in our Joint Chiefs of Staff approved strategic mobility requirements program for 1983.

Senator HUDDLESTON. Are these projects related entirely to wartime requirements?

General READ. I think I will ask, if I may, Colonel Lanham, who is from our transportation organization, to address that.

Colonel LANHAM. Mr. Chairman, these requirements are primarily related to wartime and are designed to handle the project total ammunition requirement for all services within the first 180 days of a NATO war. During this period, the east coast ammunition ports must be capable of outloading approximately 32,000 tons per day. Sunny Point will be required to handle 20,000 tons of this total. All of the facilities will be used during peacetime; as you can imagine, not to the extent they would be in wartime.

We have a current problem, in that the container restuffing operation is done in a rather primitive facility and is currently done under waiver from DODs explosive safety standards. Of the projects here before you, one of the projects would correct this deficiency.

Further, Sunny Point is the primary peacetime outloading port for most of the ammunition to support our deployed forces, and is used for the shipments in support of foreign military sales and the buildup of prepositioned stocks.

Senator HUDDLESTON. So they will be extensively used in peacetime, although not to the full capacity?

Colonel LANHAM. Not to the full capacity, sir.

Senator HUDDLESTON. Hopefully we won't have to use them at their full capacity.

Colonel LANHAM. Yes, sir.

Senator HUDDLESTON. Do these several projects comprise a package, or can they be recommended separately?

Colonel LANHAM. Sir, the several projects do make up a package. They cannot be partially reduced without affecting or constraining the throughput capability of the terminal. Each one of them is linear in nature, interdependent, and a member of one of the four subsystems that comprise what we term a vessel support system. That is, all the facilities needed by the port to load one vessel. These subsystems are cargo inprocessing, in transit holding, cargo outloading and empty vehicle clearance.

The capability of each vessel support system is limited by the most restrictive of these subsystems. They are more critical for the ammunition ports than they are for those handling general cargo, because of the explosive safety requirements.

We have carefully analyzed each of the subsystems and developed projects to overcome the deficiencies that we found in our analysis. Collectively the projects are what is needed to realize the full potential of existing facilities and meet our outloading requirements.

Senator HUDDLESTON. Will the $33 million request complete the job?

Colonel LANHAM. Sir, it will complete the basic program. There will be other projects. We have submitted a project to the Army for 1981. But this will complete our basic outload requirement program.

General READ. I think that is the key, sir. This will complete that part of the program, which is designed to bring the part up to the capability that we are seeking. The others that would be in the out years are minor in nature, administrative buildings and things of that nature.

OVERSEAS PROGRAMS

Senator HUDDLESTON. Since NATO support and Far East programs have already been subjects of separate hearings, we won't go into those further today. There remains, however, a fairly significant program of $146 million planned for Germany. With a few exceptions such as $5.1 million for ammunition upload facilities, almost all of this request seems associated with national requirements, or the basic needs of military facilities regardless of their location. Is this impression accurate? Are any other projects NATO-related?

General READ. Yes, sir. In a sense all of the projects we have are NATO related. The reason we are there is to fulfill our commitment to NATO. We have a number of projects that are not eligible for NATO funding, or those that might not make good economic sense for the United States to ask NATO to fund. It wouldn't be in our best interests.

Now, the first category might be the barracks which are not authorized for NATO funding. I would like to comment on the ammo upload that you identified. That is an uploading to increase our operational readiness. It really is the relocation of the basic load which is not authorized for NATO funding. It also falls in the category that our study showed it would not be in our best interests to fund this infrastructure. We would end up paying more out than we would by doing it nationally.

Senator HUDDLESTON. I see. Now, on the barracks, you mentioned most of these would be new construction. This is due to changes in personnel levels?

General READ. Yes, sir. Our artillery augmentation program has been the real driver there.

Senator HUDDLESTON. Is part of it for upgrading some of the older quarters?

General READ. Yes, sir, some of it is, but the preponderance is new.

Senator HUDDLESTON. What is the size of the increased personnel that you expect?

General MORRIS. We will have to provide that, sir.

General READ. It is about 4,300 more spaces.

Senator HUDDLESTON. If the troop level should become stable at the new level, how much more would be required to house unaccompanied personnel in adequate barracks?

General READ. As I indicated earlier, the reports that we have are that we have about 25,000 to house adequately. We estimate that would cost about $120 million.

Senator HUDDLESTON. The 25,000 in Europe?

General READ. Yes, sir.

HOHENFELS CONSTRUCTION

Senator HUDDLESTON. I know that one project identified a "simulated city." What is that, Hohenfels?

General READ. Yes sir, Hohenfels.

Senator HUDDLESTON. Would you elaborate on that $3.1 million project?

General READ. The basic construction we have here is for a facility that is about three blocks wide, and six blocks deep. It will be of concrete and masonry construction, and will resemble a typical portion of a German city. The facility will be kept in a usable state by using what we term safe ammunition, firing munitions that wouldn't destroy it, and by using explosive devices rather than full-scale explosions. We anticipate it being of very substantial quality. The streets within it will be paved so that we will be able to move our tanks, APC's, and other equipment through them.

It will have sewers and tunnel construction so that small teams of soldiers could move through those the same as they would in a town proper. What this really does is give us the capability to have our soldiers train for combat operations in cities. Because of the large built up areas in Europe, we feel that is extremely critical for us.

Senator HUDDLESTON. That might be the biggest simulator we have got on board by now.

General READ. Sir, I am anxious to go through that one, when it gets finished.

POWERPLANT CONVERSION

Senator HUDDLESTON. I also note a half dozen projects or so dealing with some form of upgrade of coal plants. Does this involve conversion from some other energy source?

General MORRIS. It is mostly conversion from oil to coal.

Senator HUDDLESTON. Is that in Germany, too?

General MORRIS. Yes.

General READ. We have an awful lot of old boilers over there and this program is really important. We need to continually look at those things and upgrade them. There are tremendous economies associated with some of these by virtue of the fact that we have a number of them that must be individually serviced. We are going to be able to, at Augsberg for example, consolidate 30 coal and nine oil fired burners into two coal fired burners. That is very helpful to us.

Senator HUDDLESTON. Is coal readily available?

General READ. We get a lot of it from the United States.

Senator HUDDLESTON. We ship a lot of it over there from Kentucky, hopefully.

General MORRIS. A lot of it from Pennsylvania, too.

HARDSTAND PAVING

Senator HUDDLESTON. From the number of projects indicating either hardstand or paving, it would seem that we might be able to entirely cover Bavaria with about 4 inches of concrete. What is the reason for all of this?

General MORRIS. One of the real shortcomings in Europe is the condition of the hardstand areas, the maintenance areas particularly, for the care, maintenance and storage of our equipment. I know on my last visit over there that a major shortfall in the troop units at this point in time is the hardstand. That is what it is all about.

Senator HUDDLESTON. Trying to get out of the mud?

General MORRIS. Yes, sir. It is almost impossible to maintain equipment in the mud, and even if you do, you don't do a very good job because of that.

COMMUNICATIONS FACILITIES

Senator HUDDLESTON. Now, there are several projects associated with communications or satellite communications. What are the major communications shortfalls in the theater and how do these projects address them?

General MORRIS. One big problem over there is the antiquated telephone system which has been there since World War II. I suppose from the standpoint of efficiency, there are not too many things that aggravate persons any more than the telephone system, and there are others which could be improved by using the defense satellite communications system.

Senator HUDDLESTON. Is that what you are developing now?

General READ. We have four construction projects in this year's program that will support these efforts. Three of them are oriented toward the defense satellite system and one of them is an upgrade of a telephone activity.

Senator HUDDLESTON. To what extent do you use the telephone system of the country involved? To what extent do you have your own?

General READ. We principally tie in.

General MORRIS. Just based on my observations—maybe someone here can help us on that.

Colonel MURRAY. Yes, sir. I can answer that. We utilize our own base communications systems, however, we utilize the Deutsch Bundespost circuitry between Kasernes to get to the outside commercial world.

Senator HUDDLESTON. But you build and maintain your own on our bases?

Colonel MURRAY. Yes.

Senator HUDDLESTON. You don't do that in this country, do you?

Colonel MURRAY. Yes, sir; we do.

Senator HUDDLESTON. They just interconnect with the private systems.

KOREA REALINEMENT ACTIVITY

Now, in Korea your budget request contained $7.1 million for provisions of facilities for forces relocated from Korea. How many personnel have returned to the United States thus far?

General MORRIS. In the last calendar year it was about 3,500, 3,436 to be exact.

Senator HUDDLESTON. What is the current schedule for future returns?

General MORRIS. This year we are scheduled to bring out an additional 2,564 people.

Senator HUDDLESTON. What are we going to do with the $7.1 million?

General MORRIS. Well, sir, that is money to get started in a hurry when somebody decides where these troops are going. We know it is going to take several years to do the construction needed to support the troops that will be coming from Korea. There is a buildup time required to accommodate those soldiers; most of that $7.1 million would be to take care of the beddown, just the initial cost of getting them home at such time as they come out.

Senator HUDDLESTON. You still don't know where that is going to be?

General MORRIS. No, I don't.

Senator HUDDLESTON. They haven't told me. [Laughter.]

General READ. Sir, they haven't told any of us.

Senator HUDDLESTON. So that is just money to have available to prepare whatever facilities may be necessary?

General MORRIS. Yes. For the initial contingent.

Senator HUDDLESTON. But you don't at this point know specifically what that is going to be?

General MORRIS. We are planning on this number.

General READ. The key is, of course, it would have to be tailored to the locations. There are a lot of things I think we could get started on very quickly, upgrading utilities——

Senator HUDDLESTON. Opening barracks and additional mess facilities or what?

General READ. We are very sensitive to the fact that we want to be able to utilize the money properly in the fiscal year. That would be influenced by the design time for the various types of activities.

Senator HUDDLESTON. Have you been given any indication when this decision is going to be made, where the Second Division is going to be stationed?

General MORRIS. Sir, I honestly am not aware of any date by which we would know that. We do feel, though, that the commitment to withdraw the troops was made earlier, so we anticipate this 2,500.

Senator HUDDLESTON. You are pretty sure about that amount?

General MORRIS. Well, as things stand now, that is the number we are working with.

Senator HUDDLESTON. So it would be correct to assume that the $7.1 million would be applied to whatever base happens to be designated for the new home of the Second Division?

General MORRIS. There are other troops involved also. Certainly that would be the bulk of it, but there are other units in Korea which will be coming out.

CHILD CARE CENTERS

Senator HUDDLESTON. On another matter, the fiscal year 1980 budget contains $3.2 million for child care centers at Fort Bragg and Fort Hood. This small amount could be the leading edge of a potentially significant program. I want to identify the issue to insure informed debate. I am sure there will be no difficulty in appreciating the need for child care centers. The number of women in our military, and the economy which often requires both parents to work, make the necessity for child day care a fact of life.

The Air Force, I know, has had a very active program in recent years to provide such facilities. The issue is that to date Congress has not been asked to provide appropriated resources for this purpose. It, like other revenue-generating functions, has been a nonappropriated fund activity.

In today's fiscal climate where the military is resisting efforts by some to reduce its support for so-called fringe benefits, you are asking Congress to provide possibly several hundred million dollars for a new benefit.

It may very well be that this support is entirely proper and that it will be authorized and appropriated. I think that such a decision should be explicit, however, based upon full knowledge of what we are getting into, and to that end, I have a series of questions which should clarify the record.

General READ. Sir, if I may, I would like to introduce Major General Pennington, who is our Adjutant General.

Senator HUDDLESTON. Fine. All right, General, how many day care centers does the Army now run, and how are they supported?

General PENNINGTON. Sir, we have 224 general support services. This is day care dropin and preschool, operating on 145 of our installations. They are funded primarily by user fees. In other words, you pay them so much an hour, so much a week for the child to stay there. That goes to hire the attendants and hire the people to run the child care centers.

Senator HUDDLESTON. Are these distributed generally throughout your entire base structure?

General PENNINGTON. Primarily so. More so in the remote installations and overseas. In an urban area say like Fort Myer, you might be able to use an offbase facility, but in a place like Fort Hood and Fort Bragg, of course you know you only have a small town nearby, and they don't have the facilities.

Senator HUDDLESTON. What is the basic problem with these existing centers right now?

General PENNINGTON. I think you saw the old barracks buildings of World War II. That is what we are in now. In other words, General Morris hasn't thrown us out and torn down the building. We have taken the old barracks.

Senator HUDDLESTON. You get what is left?

General PENNINGTON. Yes, we get what is left, and we move in there. The problem is they don't meet any kinds of safety stand-

ards. HEW, of course, and the States have safety standards that say you have to be able to evacuate the building in a certain period of time, and of course, most of these buildings could go up in flames in 3 or 4 minutes, especially dangerous if you have the children upstairs. I have tramped around through the Army looking at these.

Many of them are in very bad shape, because if we had a major fire, we would have a major disaster. It is to replace that kind of building or to renovate. In a few instances where we have been able to get a permanent type building, we plan to renovate it, to separate the rooms and make it available for the children.

Senator HUDDLESTON. Based on the size of your current program, what is the estimated total cost of replacing these centers with adequate facilities?

General PENNINGTON. We have about 105 facilities that we estimate we would have to have a major renovation or construction on over a 10-year period. Then we have about 25 that we think require minor things that we can fix with OMA funds. It would take on the order of $90 million over a 10-year period. That is what we have programed as an initial staff estimate.

Senator HUDDLESTON. The Air Force apparently has made great strides in this area entirely from nonappropriated funds. Why can't the Army do the same?

General PENNINGTON. There are several reasons for that. No. 1, you know the Air Force did not have as many large bases as we had prior to World War II. As they built their bases after the war, they built mostly permanent type buildings, and many of those did include child care centers, or they took a permanent building and renovated it or changed it. So that is one factor.

The other factor is the Air Force has had a little different priority from what we have had. For instance, they built most of their clubs, their NCO, officers clubs, and enlisted men's clubs from appropriated funds. On the other hand, we built them from nonappropriated funds. We assumed that most of our clubs can raise fees and charges and can sell food and beverages and pay their way. We have pretty much done that. The Air Force has built most of their clubs with appropriated funds. We have gone the other way. It is just a matter of priority, really.

The other thing is we are different from the Air Force. We have a tremendous number of enlisted men and enlisted women E–4's and below, some 400,000, and 54 percent of junior America are married. In the Volunteer Army, we have had to accept people with dependents who under the old draft you wouldn't have drafted. We have ended up with these people in the military, the wife having to work; both of them having to work to make a living. They are leaving these children somewhere, and in many cases they are hiring some NCO's wife to take 15 to 20 of them in the home. We have real problems with HEW and the State on those.

Senator HUDDLESTON. Assuming that Congress agrees that these centers are an appropriated responsiblity, is it logical to assume that the Air Force and Navy would also seek funding?

General PENNINGTON. I hate to talk for them. On the other hand, I just looked through some of the DOD information regarding that. For the reasons I indicated before, they are in pretty good shape.

For instance, in condition one and two, as they call it, they have 98 of these in condition one; 16 in condition two, and they only have about 38 facilities that they are contemplating replacing. In other words, they don't have the magnitude of the Army problem and they have different policies. They don't have anything like the problem we have.

Senator HUDDLESTON. I think you make a pretty good case for the fact that you are different in your requirement and the ability, too, to finance it. Of course, the economic and social pressures which prompt the need for child care are not uniquely a function of military life. And it could be argued that the single parents or working parents knew what they were getting into when they joined up.

Do you feel like there is some sort of moral responsibility to provide this care at Government expense?

General PENNINGTON. I do, sir. We have enlisted them to meet our requirements. Many of them didn't know when they got in that it was going to cost them as much as it does in Germany or in places like Fort Hood. For instance I was just out at Fort Stewart the other day, and by and large the E-4's that are married are living in trailers that are being rented to them, furnished for $200 a month, just side by side. You get in a helicopter and for miles and miles that is what you see. I don't think they expected to move to Fort Stewart, Ga., outside of Hinesville, and pay $200 a month for a rented trailer. They just didn't plan ahead.

On the other hand, we had to have the manpower, so we have got them.

Now, the question is, the wife has to go to work. What are we going to do with those children? I do think we have a moral responsibility to help them in that regard. Now, they should cover the cost of the attendance, the cost of the operation.

Senator HUDDLESTON. Does that cover all of the operating costs?

General PENNINGTON. In the large ones we have one child care coordinator, we have one appropriated fund GS civilian who is an expert in how you handle children, safety, and that sort of thing. And they hire all those part-time people, usually, again, wives and whatnot, and a lot of volunteers. They make a maximum use of volunteers.

Senator HUDDLESTON. You supply the buildings and utilities?

Major General PENNINGTON. That is right, sir.

Our problem is we don't have the facilities, and we cannot charge enough in order to build the facilities. That is the problem that we have. Outside the gate on the average it is $1.50 an hour for a child. Well, E-4's and below can't pay that, and we are charging on the order of 50 or 60 cents an hour, $30 a week. That is still pretty stiff.

Senator HUDDLESTON. Do you believe that this is a factor in your retention rate?

General PENNINGTON. Sir, I believe so, with these soldiers we found that if the wife is satisfied, if you can make it, in other words, they can pay the bills and have some sort of quality of life, we have found that that is the soldier who will re-enlist, and save us literally millions in training costs. If the wife is involved in the whole quality of life program, and we have done all sorts of surveys

and spent a lot of time out there talking to them—if the wife will agree to stay, the soldier will stay. If she is unhappy in a trailer at Fort Stewart, there is no way.

So I think it is a critical factor in our view.

Senator HUDDLESTON. Plus better morale, I take it.

General PENNINGTON. That is it, sir. Often in the Army in the past we have talked in terms of when equipment is ready, you know, 100-percent, equipment is in top shape, and the soldier is ready, we have 100 percent strength and let's go. But if that soldier, if his wife is out in some trailer, has no way to get milk for the baby, no way to get to the hospital and that sort of thing, not enough money to meet the grocery bill, we don't have a ready soldier. We don't have a guy who can train. He is not mentally ready, so he doesn't take good advantage of the training.

We found that is a very critical factor, so General Rogers has said quality of life is near-term readiness, because it means that soldier knows somebody is going to take care of his family. He is ready to go.

General MORRIS. General Pennington is the expert on this, sir. I really don't recall him saying that there are a lot of soldiers who are single parents. It is just a matter of good business to make him a productive soldier by letting him, if he has children, and many of them do, have a place for his child.

Senator HUDDLESTON. I don't think there is any question you can make a case for it. I guess it comes down to the question of priorities and whether or not we are launching into a new area of appropriations that probably will continue to grow to satisfy requirements. It makes sense to me. I am a great believer in improving the life of the serviceman.

General READ. I was going to observe that one of the key aspects of it is the lack of options we have got today to capitalize the amount we are talking about from any other source.

General PENNINGTON. I think in the whole society the wife is beginning to work. In the Army basically it is just a necessity.

General MORRIS. I think if you do some kind of benefit-cost analysis you could prove this is one of the best investments we could make as far as benefits to the Army are concerned.

Senator HUDDLESTON. Thank you very much. I think that will help us as the subcommittee continues its work.

I wanted to get some information on record on behalf of my colleague, Senator Inouye, who is not here, about Tripler.

General READ. Yes, sir.

TRIPLER ARMY MEDICAL CENTER, HONOLULU

Senator HUDDLESTON. The subcommittee is aware that substantial modification and renovation are required at the Tripler Army Medical Center in Honolulu. I believe that the Army had begun programing for this effort in fiscal year 1980, but the project was deleted during the budget process.

As I say, the Senator from Hawaii would be wanting us to clarify that status. Is Tripler the only major Federal facility in Hawaii serving veterans, public health and other functions in addition to active military?

General MORRIS. That is correct.

Senator HUDDLESTON. Also the only major teaching hospital?

General READ. Yes, sir, that is correct.

General MORRIS. The only Federal one.

Senator HUDDLESTON. What are the basic shortcomings and problems with the hospital?

General READ. I might call on Colonel Walls from the Medical Corps. He can address those.

Colonel WALLS. I am Colonel Walls from the Surgeon General's Office. Basically our problem at Tripler has to do with the lack of adequate space. It is functionally obsolete due to its age and configuration. It does not meet full JCH Joint Commission on Accreditation of Hospital Standards, or life safety codes. Basically it requires a complete electrical and mechanical overhaul—such things as proper access in corridors and smoke barrier doors.

Senator HUDDLESTON. If it is in danger of losing its accreditation with these difficulties, how are you going to continue to operate it?

Colonel WALLS. Sir, since the Tripler project was deferred from the 1980 program, we have developed an urgent minor project which will cost about $294,000 to take care of six very important critical deficiencies that will permit continued accreditation.

Senator HUDDLESTON. What had been your construction program that had been approved?

Colonel WALLS. In the 1980 program it would have been $74 million.

Senator HUDDLESTON. Would that have brought it up to pretty good standards, or would that just begin?

Colonel WALLS. Sir, that was the first package that was developed for $74 million.

General READ. I think, that it is proper to address this. This project would have taken care of the most important first items. When you are going to do this kind of effort, you just can't do all of it at once anyway. So it seemed to be far more sensible to look at that which was the most pressing and put it together in the first phase, because we couldn't move on otherwise.

One thing we were very conscious of, though, is to make certain that what we were looking at would be a total project just in and of itself.

Senator HUDDLESTON. Now, you think these six most urgent items would alleviate the danger of losing accreditation?

Colonel WALLS. Yes, sir, I think they definitely would insure the retention of accreditation, if we put the $74 million construction package through.

Senator HUDDLESTON. Is there any effective alternative in the long run from the major construction project?

Colonel WALLS. No, sir.

General MORRIS. Sir, I would have to say from my viewpoint there is not. I have been there; I have looked at the facility. It has all the ingredients of a great hospital, but there is not much in between.

Senator HUDDLESTON. Since there are no projects for 1980, what is the outlook? Are you going to try in 1981?

General MORRIS. Yes, sir.

General READ. It will be looked at in 1981, yes, sir.

General MORRIS. It will be in the list of projects to be reviewed.

Senator HUDDLESTON. What is your experience with medical personnel there? Is there a doctor shortage?

Colonel WALLS. Tripler has a very attractive program for retention and recruitment of physicians, specifically for our teaching program. They sign up specifically to go to that location.

Senator HUDDLESTON. I felt sure you would say that. [Laughter.]]

How are you going to get them back to Fort Knox after they have seen Hawaii?

General MORRIS. Kentucky has its advantages.

Colonel WALLS. They will also incur an obligation to the Army for their training. When they enter into the teaching program, they have a payback period to the Government.

Senator HUDDLESTON. Where is that? Wherever you put them or wherever they want to go?

Colonel WALLS. Wherever the Surgeon General needs them the most.

Senator HUDDLESTON. This is off the subject, but maybe you can tell me what is your situation right now with doctors. Has it improved any over the last year?

Colonel WALLS. I think they have made a very intensive effort to recruit and retain physicians. They made a real strong effort to recruit civilian physicians.

Senator HUDDLESTON. But is it alleviating the problem?

Colonel WALLS. Somewhat, sir. I don't have that figure available, and would like to provide that information for the record. We can give you that for the record, sir.

[The information follows:]

DOCTOR SHORTAGE

Overall physician end strength has increased from 4,140 in fiscal year 1978 to a projected 4,173 by the end of fiscal year 1979 and 4,349 by the end of fiscal year 1980. However, the Army is still experiencing serious shortfalls in certain critical specialities. For example, in radiology we have authorized 210 spaces, yet have only 64 in uniform—a shortage of 146; in orthopedics, 274 spaces are authorized, yet we have only 108 in uniform—a shortage of 166.

Senator HUDDLESTON. I know it is a major problem. We have some legislation over here kicking around to try to do something about it.

Thank you very much, Colonel.

FORT CAMPBELL

Well, since all my colleagues left it to me today, I will get parochial with you a little bit. You have a request of $17.2 million at Fort Campbell in fiscal year 1980 for five projects, I believe. Can you indicate the mission which these projects will support?

General READ. Yes, sir. The first item is a flight simulator building. Of course, we have the CH-47's down at Fort Campbell: This will give us the capability of being able to train a lot of the pilots in the simulator without having to incur the same amount of hours in actual flying time. The savings is not only in dollars, but also in fuel, and it actually increases our safety.

The second item is a barracks with administrative and supply facilities. This $12.8 million project will give us a barracks for 835 enlisted men at Campbell.

Senator HUDDLESTON. That is 835 spaces?

General READ. Yes.

Senator HUDDLESTON. Are those new or renovated?

General READ. Those are new, sir. Actually this project is the finish of a project that was begun in 1974. But because of the funding situation we had on that, we were not able to totally complete it. This would finish that project.

Senator HUDDLESTON. I want to commend you on your quarters and barracks projects down there. You have done a tremendous job in improving them. I guess percentagewise that base is probably about as well off as anywhere in the country from the standpoint of facilities improvements.

General READ. Yes, sir, and the base has been a little bit unique in the sense that we have gone above the normal 9 percent programing limitation because of the need to house the soldiers.

The third project is for miscellaneous water pollution control. Here is a case where we have a number of items. We are going to recover water from the treatment plant wastes. We are going to filter the backwash out. We are going to have to connect the boiler blowdowns and the swimming pools which otherwise are pollutant sources for us.

We also have some oil and water separators that are required at four vehicle racks, two vehicle maintenance areas and two service stations. We have a fire training burn basin and a POL separator to dispose of contaminated fuels. We have some work on repairing a JP-4 and aircraft fuel line area.

All of those are sources of pollution that we have to eliminate in line with the earlier comments that we have made, sir.

Senator HUDDLESTON. A chilled water storage, supplying ice water to the troops? [Laughter.]

General READ. That is a coolant for the air conditioner. This is a project that will provide for the installation of a 25,000-gallon insulated chilled water storage tank at the post central energy plant. It gives the capability for package heating and cooling units. In the administrative offices of eight of the permanent buildings, there is an extended period of time when only a few offices within each building are occupied and require comfort control. The last project will provide a 7,500-kilovoltampere addition to a substation. It is tied in with the flight simulator building. We made this project separate from that building, though, because we could anticipate the need for the substation to better support the whole post, so we split it out from being a part of the simulator building.

Senator HUDDLESTON. Do you anticipate any change in Fort Campbell mission or personnel strength?

General READ. There is no indication of that, sir.

NONBUDGETED PROJECTS

Senator HUDDLESTON. Did you request any projects at Fort Campbell which were not included in the budget?

General READ. Sir, I can't remember any, but I will be happy to provide that for the record for you.

[The information follows:]

PROGRAMED PROJECTS

The following projects were programed for Fort Campbell, Kentucky in the Army submission of the military construction program in October 1978. The projects listed include those deferred from the Army Minimum, Base, and Enhanced levels of the budget. The costs are current cost estimates and not necessarily costs which were submitted in October 1978.

Description:	*Current cost*
Unaccompanied officer building modernization	$1,853,000
Woodlawn vehicle bridge	1,106,000
Company administration and supply building	2,792,000
Ceiling and wall insulation project	507,000

FORT CAMPBELL CONSTRUCTION

Senator HUDDLESTON. All right. Well, looking ahead then to fiscal year 1981, what construction do you expect at Fort Campbell in the next fiscal year?

General READ. Well, sir, what we have right now that we are looking at is modernization of one of the BOQ's, the Woodlawn Bridge, company administration and supply buildings and arms rooms. There are some energy type projects for insulating some hot water lines at the hospital, some storm window work that we could do down there, an energy monitoring and control system and then some ceiling and wall insulation. As you are aware, those are ones that we are looking at now. They will go through the review process within the system.

Senator HUDDLESTON. How is the new hospital coming along?

General MORRIS. It is coming along fine, sir. I haven't been to see it lately, but on my last visit, it looked like it was in good shape. I think we have a good structure there.

Senator HUDDLESTON. Do you have a completion date on that?

General MORRIS. I will have to get the exact date.

[The information follows:]

FORT CAMPBELL HOSPITAL

The completion date for the Fort Campbell hospital is March 15, 1981.

FORT KNOX

Senator HUDDLESTON. At Fort Knox you requested $10 million in fiscal year 1980. If we could take a look at those projects.

General READ. All right, sir. The first one is an armored crew training facility. This particular facility is needed because we have increased the number of people down there in our training, and we are crowded. We have also got some more sophisticated equipment that we need to put in, and we need the new facilitiy to be able to accommodate that. I think that is a very worthwhile project.

The next item is to insulate some temporary buildings. We have 269 temporary World War II mobilization type buildings there which are not scheduled for demolition during the project amortization period. You will get the full use of those. We want to put

insulation in the attics, the walls, and the floors, and some of the open crawl spaces.

We anticipate that we will be able to get an annual saving of $117,000 and amortize them in 10.7 years. The MBTU energy savings per $1,000 cost ratio is 48. That is a significant figure to us, because we measure these things not only in dollars to amortize themselves over the life of the project; but they also have to jump over a fence in terms of the energy savings that they will provide.

The project for a heat recovery incinerator, is to provide two solid waste controlled air incinerators, each with 20-ton per day capacity, to burn approximately 660 tons per month of post refuse. We think this is really fine. We have a couple of similar projects in this year's program, one at Knox and one at Fort Leonard Wood. This gives us the opportunity of using the refuse that we do generate on our bases.

Senator HUDDLESTON. Do you use it at full capacity, or is it combined with nearby communities? They are also trying to get rid of their garbage.

General READ. I would presume, sir, that the enterprising facilities engineers that we have in the field will be working with that project very closely, because if they can see savings they will certainly be doing that to help their position.

We also have a miscellaneous water pollution abatement project at Knox of $4.55 million. This includes a new storm sewer and storm drainage interceptor ditch, which will reduce the inflow of storm water into the sanitary sewerage. Also included are the disconnection of the building foundation drains from the sanitary sewers, some corrective measures for liquid waste discharges such as POL and shop floor drains and motor part discharges, the upgrading of a sanitary sewerage laboratory and water pollution control at an existing asphalt plant and rock crusher.

Senator HUDDLESTON. Do you anticipate any change in the mission or personnel strength at Fort Knox?

General READ. The indication is an increase at Fort Knox in the training load and other personnel.

Senator HUDDLESTON. That will result from the proposed base realignments?

General READ. Yes, sir. I guess the key one would be one in which the preferred alternative would cause an increase at Fort Knox.

Senator HUDDLESTON. I see. You have my support on that. [Laughter.]

It depends on what happens at Fort Dix. I don't know whether I can handle Bill Bradley or not. He is a big fellow. [General laughter.]

Did you request any projects at Fort Knox that were not included in the budget?

General READ. Yes, sir. There was a tank training range project that did not get in this year's program. I recall it was about $10 million, but I would like to check that number for the record.

[The information follows:]

TANK TRAINING FACILITY

One project, a tank training facility, was deferred from the projects which were programed for Fort Knox, Kentucky in the Army military construction program. The estimated cost of this project was $9,318,000.

TANK RANGES

Senator HUDDLESTON. What kind of facility was that?

Mr. CARTON. It was a continuation of a program that began with the 1979 program, sir. There was a project in the 1979 program of about $4 million to begin the rebuilding of the tank ranges.

Senator HUDDLESTON. Is that related to the XM-1?

Mr. CARTON. Not necessarily to the XM-1 itself, but it was a rebuilding of the tank ranges at Fort Knox. The entire program would run about $14 million, I believe the first $4 million was just starting work that it would be phased over several years.

Senator HUDDLESTON. Beyond that, do you have any other anticipated projects at Fort Knox?

General READ. Yes, sir. We have the tank training facility we indicate, and then one for the XM-1 tank construction, a facility for that. That is an outyear project.

BUDGETING FOR BASE REALINEMENTS

Senator HUDDLESTON. You are announcing that base realinement proposal today. Was this proposal considered in developing the fiscal year 1980 budget?

General READ. No, sir.

Senator HUDDLESTON. So are there any requests in the 1980 budget which would be revised as a result of that?

General READ. Sir, I do not know of any.

Senator HUDDLESTON. What is the next step in the realinement process?

General READ. I think each one of the indicated items sort of stands alone, and is an individual decision. Then as it comes up for decision——

Senator HUDDLESTON. Listening to the gnashing of teeth and the moaning will be the next step, I take it.

LEXINGTON BLUE GRASS ARMY DEPOT

Another area in which we have a particular interest is the depot storage situation, particularly at the Lexington Blue Grass Army Depot. The recent Army report, the depot storage modernization master plan, shows that most Army depots were at full storage capacity and some of them actually over their manageable limits. The recommendation was that $96.5 million of central distribution center at Red River, an Army depot, be built. I don't think you have any money in the 1980 budget for that purpose.

The Lexington depot is being operated at about 59 percent capacity. A letter from the Army received by my office last Friday cited constrained budget as part of the reason for the Blue Grass Army Depot's downgrading. So I have several questions, and I don't know whether you are in a position to answer them today or not. Perhaps you can get an answer for the record.

41-638 O - 79 - 32

One is: Why, if the budget is tight, the Army let the Blue Grass Depot stand virtually idle while letting valuable equipment sit on the outside at some other depots, and while at other facilities, New Cumberland and Sharp, they operate above their manageable capacity while the Lexington Blue Grass is almost half vacant?

I guess more to the point: How can you say you need to spend over $96 million in upcoming years, taxpayers' money, to build a new facility at Red River when the Lexington Depot—already under Red River control—is partially vacant? Why can't we transfer some of the storage down to Lexington and cut down on the waste and the outside expense, instead of giving this space away to the Reserve, which has been suggested, and then asking Congress for $96 million for another project?

General READ. Sir, as you indicated at the outset, we do not have that money in this year's program. I am not that familiar with the study that you have referred to. But if I may, I would like to answer those for the record.

Senator HUDDLESTON. I wish you would. I have not found anybody over there who has read it yet. There is no in-house study.

[The information follows:]

DISTRIBUTION AND STORAGE CONCEPT

Beginning in 1974, the Army realigned its distribution and storage concept. Three depots were established as area oriented distribution depots so as to maximize materiel readiness and minimize costs in the distribution of secondary items. End items are assigned for storage consistent with maintenance capabilities. It was recognized that underutilized storage space would exist as a result of this alignment in certain geographic areas. While recognizing that the occupancy is high at New Cumberland Army Depot and Sharpe Army Depot, it is within manageable means and does afford economic advantages. With respect to outside storage of equipment, the overall readiness and economic considerations favor storage at a location with the appropriate maintenance capability.

A new Central Distribution Center for Red River, an Area Oriented Depot (AOD), is being considered as a method of improving efficiency at that depot; but such a project has not been incorporated into the Military Construction Program. This facility would consolidate, into one complex, supply operations which are now performed in several buildings.

Transfer of materiel to Lexington for storage would negate economies achieved by the AOD alignment begun in 1974. The proposal to divert space at Lexington-Blue Grass for reserve component use is currently under review at the U.S. Army Depot System Command. If that command recommends approval, the proposal would be reviewed by Headquarters, U.S. Army Materiel Development & Readiness Command, and by Headquarters, Department of the Army, prior to any approval. If required for depot mobilization, any space diverted to reserve components could be made available in a short time.

ORGANIZATION STUDIES

General READ. I guess one of the things that I might indicate is in our organization, as in any large organization, we have a continuing effort by the people in the field activities to see how they can do their job better and seek economies. So they do a certain amount of studies. Not all of them ever find their way to the Army staff.

Senator HUDDLESTON. Well, I think we are seeing a situation where Sacramento and other Army depots which handle electronic maintenance—the capability that is at Lexington—show substantial growth, going beyond their best capability, but Lexington Blue Grass is being cut back—two-thirds of its work force has been cut

already. Good buildings are standing virtually vacant. You have materials stored outside in some places.

This ought to be reviewed to see whether or not we can save money and become more efficient by utilizing those facilities. I wish you would give that some attention, if you will.

General READ. Yes, sir. We will.

SUBMITTED QUESTIONS

General MORRIS. We certainly will, sir, particularly if it gets into the budget process. We will be glad to provide an answer to your questions.

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

QUESTIONS SUBMITTED BY SENATOR HUDDLESTON

Question. I notice that you have included a project for a new indoor athletic facility at West Point which includes provisions for basketball and hockey. I also understand that the Military Academy charges admission to these intercollegiate sports competitions. Why is the Army seeking appropriated funds for the construction of this facility?

Answer. The income derived from ticket sales (primarily football) supports all thirty-one of the men's and women's inter-collegiate athletic teams at West Point. The revenue generated has been adequate to meet operating requirements in the past, but because of the rising costs in goods and services, the ability to meet these requirements is becoming increasingly marginal. Although football revenues were used in the past to finance construction of athletic facilities (e.g., West Point Golf Course), at this time funds to meet such capital expenditures for athletic facilities cannot be generated.

Question. How do other major public colleges and universities fund for major capital improvements to their athletic facilities?

Answer. A random survey of seventeen colleges and universities with major intercollegiate athletic programs which have added new athletic facilities in recent years revealed several sources of funding for such projects. Within this sample, a combination of state funds, federal funds, or bond issues were used for capital improvement. Examples of these methods of funding include the construction of a convention hall for $30 million by the University of Texas which was university funded, the construction of a football stadium for $13 million at the University of Kentucky by State backed bonds, the construction of a sports complex at Louisville, Kentucky, where the major user is the University of Louisville, for $40 million which was built by the City of Louisville with municipal bonds, and the construction of a recreation center at the State University of New York, Cortland, for $9.8 million which was State funded. There are many additional examples where State funds, or bonds by the State, or municipalities have provided athletic facilities for colleges and universities. Military Construction funding is the only similar means available to the United States Military Academy to provide required athletic facilities.

Question. What requests for land acquisition are contained in this fiscal year 1980 military construction request and what are the cost estimates based on?

Answer. The fiscal year 1980 military construction request contains five land acquisition projects located at Fort Polk, Louisiana, White Sands Missile Range, New Mexico, Fort Chaffee, Arkansas, Fort Bliss, Texas, and at Blossom Point, Harry Diamond Laboratory, Maryland. The cost estimates for Fort Polk and White Sands Missile Range are based on updated staff appraisals accomplished in October 1978, which are in agreement with the requested amounts. An in-house Corps of Engineers gross appraisal dated January 1979 places the value of the land at Fort Bliss at $18.5 million to include contingencies. The project was submitted at the end of December 1978 for $14.0 million. Based on the January 1979 appraisal, all of the 60,160 acres could not be purchased for the requested amount. The request for the land at Blossom Point, Harry Diamond Laboratory is based on an option to purchase the land concluded by the Justice Department during a lease condemnation action in fiscal year 1978. The option was for a three-year period so the amount requested will be adequate if the requested amount is approved in the fiscal year

1980 program. The last project at Fort Chaffee is no longer required. The land was acquired in fee by the United States of America on an action in the Court of Claims and the owner compensated.

CONCLUSION OF HEARINGS

Senator HUDDLESTON. Thank you very much. I believe that completes our questions. I appreciate again you gentlemen coming over. Other members may have questions to submit to you.

Thank you.

[Whereupon, at 3:35 p.m., Thursday, March 29, the hearings were concluded and the subcommittee was recessed, to reconvene at the call of the Chair.]

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

Page

Barringer, Philip E., Director, Foreign Military Rights Affairs, Office of the Assistant Secretary of Defense for International Security Affairs 135, 141
Beauregard, Henry G., attorney, Holly Corp.:
Letter from 60
Prepared statement 60
Blanchard, Gen. Bernard W., Chief of Staff, USA, letter from 213
Brewer, Col. John F., Jr., USA, Staff Director, Installations and Services, Defense Logistics Agency 136, 142

Carter, Rear Adm. P. F., Jr., USN, Deputy Director, Strategy Plans and Policy Division, Office of Deputy Chief of Naval Operations for Plans, Policy and Operations 136, 141
Biographical sketch 170
Prepared statement 161
Carton, Allen M., Programing Division, Office of the Assistant Chief of Engineers, Department of the Army 471
Cheatham, Brig. Gen. E. C., USMC, Director, Facilities and Services Division, Office of the Deputy Chief for Installations and Logistics 136, 141, 343
Biographical sketch 365
Prepared statement 362
Chewning, Rear Adm. R. W., Director, Politico Military Policy Division, Office of Deputy Chief of Staff, Logistics and Engineering 89
Biographical sketch 96
Prepared statement 90
Conaway, Brig. Gen. John B., Deputy Director, Air National Guard 199
Biographical sketch 205
Prepared statement 200
Crissman, Maj. Kearney W., R.D.T.E. Programs and budget Division, Office of Deputy Chief of Staff for Research, Development, and Acquisition, Department of the Army 471

Delaney, William F., Chief, Logistics Division, Department of Defense Dependents Schools 136, 142
Dufour, Glenn, Jr., district superintendent, John Swett Unified School District 64

Faith, Maj. Gen. John C., Director, Operations and Readiness Directorate, Deputy Chief of Staff for Operations and Plans 79
Faust, Lt. Col. William, USAF, Directorate of Programs 136, 142
Force structure briefing 180
Fliakas, Perry, Deputy Assistant Secretary, Installations and Housing, Office of Assistant Secretary of Defense, Manpower Reserve Affairs and Logistics 1, 71, 135, 141
Prepared statement 3
Forsythe, Lt. Col. Conrad O., Directorate of Space Systems and Command, Control and Communications 399

Page

Gilbert, Maj. Gen. William D., USAF, Director of Engineering and Services, Office of Deputy Chief of Staff, Logistics and Engineering 103, 136, 142, 399
Gilkey, Col. Clarence D., Facilities Engineer, U.S. Military Academy, West Point, N.Y 471
Greenlief, Maj. Gen. Francis S., executive vice president, National Guard Association of the United States 235
Prepared statement 236
Groves, Lt. Gen. Richard H., Deputy Advisor to Secretary of Defense on NATO Affairs 71, 107

Hall, Rear Adm. D. P., Project Manager, Trident System Project Office 283
Hatch, Col. Strategic Forces Directorate, U.S. Air Force 314
Hinz, Col. Richard H., Directorate of Engineering and Services, U.S. Air Force 311, 314
Huddleston, Hon. Walter D., U.S. Senator from Kentucky, prepared statement 71

Iselin, Rear Adm. D. G., CEC, USN, Commander, Naval Facilities Engineering Command 283, 343
Biographical sketch 358
Prepared statements 300, 346
Iverson, Lt. Col. George R., Director, Community Support, Adjutant General Center, Department of the Army 471

Jackley, Col. Lawrence W., USA, Special Assistant, Panama Canal Treaty Affairs 1
Jamison, Robert E., Directorate of Budget 399

Kamm, Rear Adm. Thomas A., Deputy Director, Naval Reserve 217
Prepared statement 218

Laxalt, Hon. Paul, U.S. Senator from Nevada, prepared statement 72
Liebner, Maj. Department of the Air Force 103
Loveland, T. J., Director, Infrastructure and Logistics Division, U.S. Mission to NATO 107
Prepared statement 108
Lyon, Maj. Gen. William, Chief, Air Force Reserve, prepared statement 222

McAdoo, Brig. Gen. James E., Air Force Reserve 221
MacDougall, Alan M., senior intelligence research specialist 135, 141
Marshall, Mortimer M., Jr., Director, Construction Standards and Design 1
Mohr, Maj. Gen. Henry, Chief, Army Reserve 209
Prepared statement 209
Morris, Lt. Gen. John W., Chief of Engineers, Department of the Army 427
Prepared statement 428
Murphy, T. James, senior intelligence research specialist 135, 141
Murray, Lt. Col. Marvin R., Office of the Assistant Chief of Staff for Automation and Communications, Department of the Army 471

Pinckney, Brig. Gen. T. C., USAF, Director, East Asia and Pacific Region, Office of the Assistant Secretary of Defense for International Security Affairs 135, 141

Read, Brig. Gen. William E., USA, Assistant Chief of Engineers 135, 141, 471
Prepared statement 138
Renick, Brig. Gen. Roderick D., USA, Deputy Director, Operations and Readiness Directorate, Deputy Chief of Staff for Operations and Plans 135, 141
Prepared briefing 151
Roberts, Maj. Gen. J. Milnor, executive director, Reserve Officers Association of the United States 246
Prepared statement 247
Rollence, John F., Acting Director, Facilities Programing 1
Rogner, E. A., Director, Installations Management and Planning 1

Page

Sigleo, Patrick J., Installations Planning Division, Office of the Assistant Chief of Engineers, Department of the Army 471
Sylva, Capt. John P., CEC, USN, Acting Director, Construction Operations and Facilities Management 1

Tripp, Maj. Gen. Darryl E., USAF, Deputy Director of Plans, Office of the Deputy Chief of Staff for Operations, Plans and Readiness 136, 142
Trosch, Dennis H., Assistant General Counsel (Logistics) 1

Unzelman, Capt. Louis R., Directorate of Engineering and Services 399

Vick, Lt. Col. Gerald A., Programing Division, Office of the Assistant Chief of Engineers, Department of the Army 471

Wallace, Maj. Gen. Carl D., president, Adjutants General Association of the United States 252
Biographical sketch 255
Prepared statement 253
Walls, Col. Neal H., Director, Health Facilities Planning Agency, Office of the Surgeon General, Department of the Army 471
Weber, Maj. Gen. Lavern E., Chief, National Guard Bureau 19
Biographical sketch 196
Prepared statement 195
Weise, Brig. Gen. William, USMC, Director of Operations for Plans and Policies, Headquarters, U.S. Marine Corps 136, 142
Biographical sketch 178
Prepared statement 172
Wheeler, Cmdr. D. E., CEC, USN, Assistant Director, Program Operations, Economic Adjustment, Office of Assistant Secretary of Defense 283

Zobel, Rear Adm. W. M., USN, Vice Commander, Naval Facilities Engineering Command 136, 141

SUBJECT INDEX

MILITARY CONSTRUCTION OVERVIEW

Page

Base realinements 43, 54
Budget request 37
Construction, backlog of 44
Construction execution 39
Defense agencies 44
Energy conservation 40, 56
Family housing 42
Guard and Reserve program 54
Homeowners assistance program 43
Huddleston, Hon. Walter D., U.S. Senator from Kentucky, opening remarks of 1
Inflation 38, 47
NATO infrastructure 42, 48
Outer Continental Shelf oil and gas lease sales 43
Panama Treaty-related construction 42, 49
Planning and design 58
Pollution abatement 40, 55
Solar energy 57
Zero base budget 46

NATO AND NATO SUPPORT

Allied nations prefinancing 127
Balance of service, military construction and infrastructure funded program 73
Construction backlog 121
Construction categories, Allied concurrence on 122
Department of the Air Force 103
- Force structure changes 103
- Introduction of aircraft 103
- New systems and related construction requirements 105
- Southern Region force 105

Department of the Army 79
- Command roles in peacetime and wartime 81
- European mission of the U.S. Army 82
- Forward deployed forces 85
- Location of USAREUR units 86
- Major combat forces 84
- NATO commands 80
- Organization of the U.S. Army Europe (USAREUR) 83
- USAREUR weapons systems 87

Department of the Navy 89
- Iceland 99
- Marine Corps 98
- Mediterranean area 99
- Naval posture in the European area 98
- Navy Basing in European Theater 89
- Navy contribution to European defense 97

	Page
Department of the Navy—Continued	
Navy participation in NATO infrastructure	100
U.S. interest	97
Effects of appropriation change	120
Effect of score increase and dollar devaluation	123
Fiscal year 1980 European military construction program	76
Fiscal year 1980 infrastructure request, determination of	118
Fiscal year 1979 appropriation and fiscal year 1980 target request	72
Fiscal year 1979 supplemental for NATO	131
Infrastructure:	
Allied commitment to	121
Backlog	123
Procedures	128
Slice XXXI	75
Long-range infrastructure program	128
Long-term construction program	122
Long-term defense program	121
Military construction needs in Europe	72
NATO:	
Funding process	106
Fiscal year 1980 program that supports request	120
Long-term defense program (LTDP)	75
Slice group	119
Offset program	124
Oil supplies	131
Prefinancing of NATO projects	129
POMCUS	123
Renegotiation of percentage	118
3-Percent increase in defense spending	121
United States:	
Mission to NATO	107
Prefinanced project	125
Role in NATO alliance	74
Special program	
Unilateral funding	130

DEFENSE POSTURE IN THE PACIFIC AND RELATED CONSTRUCTION REQUIREMENTS

Briefing by Brig. Gen. Roderick D. Renick	151
Defense posture in Pacific area	136
DoD dependents in Korea	140
Government of Japan cost-sharing program	183
Korea and Japan	188
Mission forces and the base structure	188, 190
North Korea reassessment	191
Pacific Air Forces briefing—Lt. Col. William Faust	180
Petroleum storage facility, Wake Island	191
Phasing of withdrawal	190
Questions submitted by Senator Huddleston	188
Range of Soviet Backfire bomber	144
Status of forces in Korea	190

NATIONAL GUARD AND RESERVE FORCES

Adequacy of the budget	274
Additional requirements	276
Budget priorities	271
Budget request	193
Committee concerns	259
Concluding remarks	233
Effects of construction on personal levels	260
Fiscal constraints	265

	Page
Kentucky programs	263
Mission changes	273
Mission of Army Reserve	210
National Guard contributions in peacetime	265
Naval Air Station, Memphis, Tenn	267
Priority for early deploying units	265
Tennessee projects	270

STRATEGIC SYSTEMS

Air Force strategic programs	311
Air-launched cruise missile (ALCM)	311, 335, 340
Air mobile basing mode	337
Community impact at Kings Bay	309
Executive session	313
GLCM	335
Kings Bay:	
Community impact at	309
Program review	307
Submarine support facility at	309
M–X:	
And SALT	341
Deployment	336
ICBM basing	340
Overview briefing on program	314
Program	312, 314, 323
SALT implications	338
Soviet threat	316
TRIDENT:	
Alternatives	308
Community impact assistance	310
East coast basing of	308
Military construction	284
Program schedule	307
Supplemental information	284
United States:	
Efforts	322
Policy	320

NAVY MILITARY CONSTRUCTION PROGRAM

Alaskan intertie	369
Availability of skilled personnel	392
Competition with private industry	392
Construction market conditions	343
Effects of inflation	366
Energy conservation	368
Levels of ship maintenance	372
Living facilities	366
Major changes in the fleet	372
Marine Corps program	395
Mayport-Sima	374
Naval station, Keflavik—Geothermal heating	370
Naval Air Station, Lemoore	393
New ships	372
Occupational safety and health program	345
Orote ammunition wharf, Guam	394
Other programs	345
Pearl Harbor-Sima	373
Progressive overhaul	373
Pollution abatement	367
Return of fleet to Long Beach	393

	Page
Ship maintenance program	374
Shore intermediate maintenance activities	371
TRIDENT:	
And POSEIDON programs	395
Basing in the Atlantic	397
Determination in basing	396
Submarines	396

AIR FORCE MILITARY CONSTRUCTION PROGRAM

Air field construction	405
Budget request	399
Design status of 1980 projects	403
DoD STS development and acquisition:	
Funding	412
Responsibilities	410
Effects of inflation	420
Energy conservation	421
Energy conservation and pollution abatement	401
Engine problems	404
Facility energy program	401
Flight simulator facilities	400, 422
Johnson Space Center	405
Joint surveillance system	423
Major shuttle milestone schedules	411
New missions	420
Overseas construction	423
Panama Canal construction	424
Personnel housing charts	417
Space transportation system	400, 402, 406
Thrust augmentation	403
Unaccompanied enlisted housing	415

ARMY MILITARY CONSTRUCTION PROGRAM

Budget request	427, 478
Budgeting for base realinements	497
Child care centers	488
Communications facilities	486
Distribution and storage concept	498
Doctor shortage	493
Energy conservation	480
Fort Campbell	493
Construction	495
Hospital	495
Fort Knox	495
General budget adequacy	479
Hardstand paving	486
Honenfels construction	485
Impact of fiscal year 1980 budget	480
Korea realinement activity	487
Lexington Blue Grass Army Depot	497
Magnitude of reprograming	479
Nonbudgeted projects	494
Organization studies	498
Overseas programs	484
Pollution abatement	481
Powerplant conversion	485
Questions submitted by Senator Huddleston	499
Review of functions of Chief of Engineers	448

	Page
Sunny Point, N.C	482
Rank ranges	497
Tank training facility	497
Tripler Army Medical Center, Honolulu	491
Troop housing	481

○